Orbit Group

Annual Report & Financial Statements 2021-22

orbit building communities

For the year ended 31 March 2022

Overview of the Group

Orbit

We lead in building thriving communities. Over 100,000 people live in Orbit homes and our aim is to ensure the homes we provide and the places we create are good quality, affordable and safe. We play an active part in the neighbourhoods where we work, supporting local economies and social activity within communities.

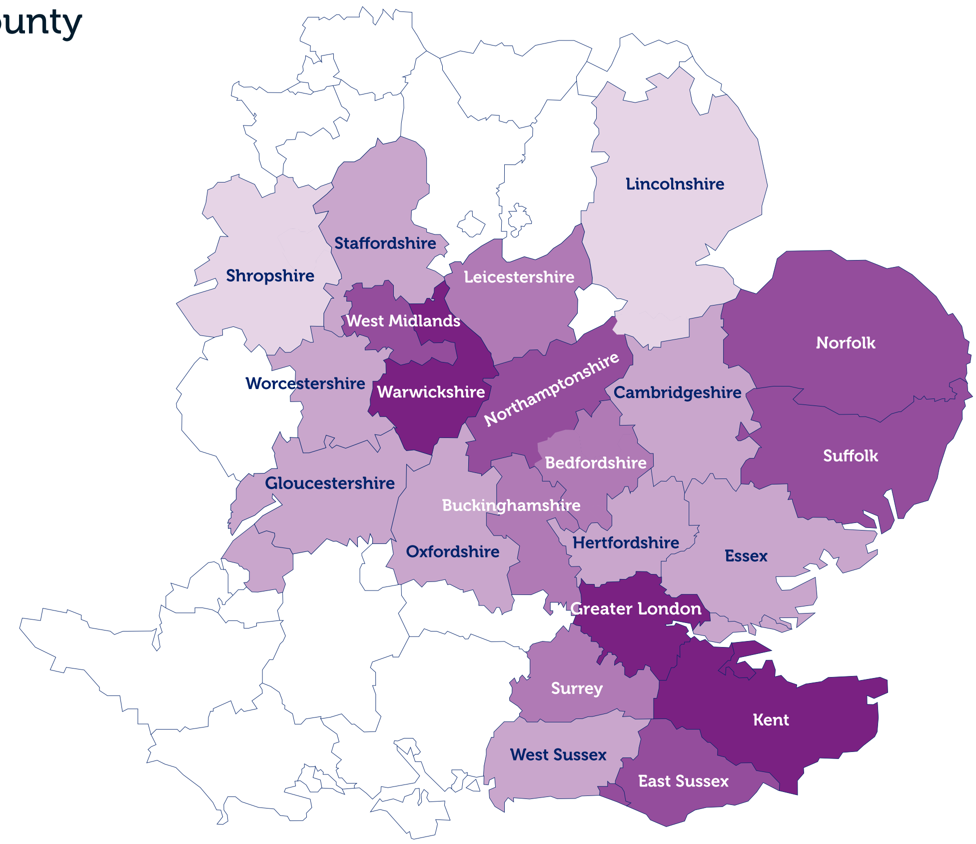
We are one of the UK's foremost housing groups:

- Managing a growing portfolio of over 46,500 affordable and social rent homes
- Building 6,500 new homes by 2025 and one of the UK's largest developers of affordable housing
- Supporting over 100,000 customers in differing stages of life, from those seeking their first home to customers looking for enhanced supported living
- Delivering good quality, affordable and safe homes and services primarily across the Midlands, the East, London and the South East of the UK
- Investing back into our communities through our Profit for Purpose ethos and £multi-million community investment programme
- Strong with robust financial strategy

Orbit Properties by County

Number of Properties

- 1 - 49
- 50 - 499
- 500 - 1999
- 2000 - 4999
- > = 5000



Contents

Navigation controls

Use the document controls located throughout the content to help you navigate through this report.

Back/forward one page

Go to contents

Video content

Website links

STRATEGIC
BOARD
FINANCIALS

Go to main report sections

Group Chair's Statement

Orbit enters the coming years with a clear sense of purpose – to build and manage good quality, affordable and safe housing to help create diverse and dynamic communities. This overarching mission defines the scale and scope of all of our activities. Delivering the core tenets of our strategy – serving our customers well, maintaining and expanding the supply of affordable homes, reinvesting our profits into these communities and creating the best possible environment for our people to work and develop their careers – will enable us to continue and expand Orbit's position as a leader in the sector.

The need for what we do is more acute than ever. Our customers face rampant inflation, changing Government rules on assistance, the lingering after-effects from the COVID crisis and housing costs which continue to spiral upwards. The social housing sector needs strong leadership as well, with much-needed requirements for better fire safety in the wake of the Grenfell tragedy, funding for a lower-carbon future, rising inflation in the costs of materials and scarce availability of skilled workers to build quality new homes. Added to which, all this is within the context of increased pressure on sources of funding, with rising interest rates for debt markets and squeezed central government finances from the COVID situation.

The work Orbit does is vital, and the success seen cannot be achieved without the hard work of our people, engagement with our customers, strong leadership from the executive team and the clarity of vision from our corporate strategy, Orbit 2025.

Since its launch I have seen great progress in all areas. Orbit has set a new bar for the sector in terms of the quality of design and specification of its new homes, ensuring they are amongst the safest on the market. Significant headway has been made towards reducing Orbit's carbon footprint and the transition to net zero carbon. Orbit continues to lead the sector in Health and Safety excellence, and through efficient processes and strong management, we deliver value for money for the communities that we serve.

Most importantly for me, however, is that Orbit is driven to ensure our customers' voices are heard. Our customers help Orbit to focus its investment and shape its services and support, and their involvement and support is fundamental. This passion for the customer unites all at Orbit and, through our initial discussions, it can also be clearly found within the dedicated, high-quality people within Swan Housing Association.

Whilst writing this, we are yet to determine a definitive future for our two organisations, but I know that - whatever the future holds - the customer will be at the centre of what comes next. I feel hugely fortunate to be able to work closely with Mark Hoyland to continue Orbit's work and to help shape our future as we continue to build diverse, mixed communities with affordable housing at the core.

David Weaver
Group Chair

Continuing our mission of building affordable, quality housing and reinvesting in our communities

Chief Executive's Report

In what has been an extraordinary year for us all, I am immensely proud of the results we have achieved.

The last twelve months have continued to be unprecedented. The effects of the pandemic, the outbreak of war in Ukraine, rising inflation and high cost of living increases are being felt across the sector and the wider economy, with the implications affecting communities throughout the UK. However, despite these exceptional challenges, we have delivered a very strong performance and made positive progress in all areas of our corporate strategy, Orbit 2025.

Our results

We have achieved a strong set of financial results despite the geopolitical and macroeconomic headwinds.

Group turnover of £374 million has been achieved against a budget of £361 million, an increase of £19 million on the prior year (2021: £355 million). Group operating profit is up by £19 million at £131 million for the year including fixed asset sales (2021: £112 million), and we have maintained a consistent operating margin excluding fixed asset sales of 25.2% in line with budget (2021: 25.4%). Reported (net) profits are also up £19 million year-on-year with Orbit delivering £81 million (2021: £62 million), against a budget of £69 million.

Whilst our team deliver great work in supporting our customers to access the benefits that they are entitled to, we have also continued to focus on direct debits. Our new approach to income management has resulted in arrears being reduced to the lowest level we've seen for eight years.

Our property teams have seen a consistent level of new home reservations across all regions and the Housing Market has continued to perform well. However, build programmes have been partially impacted by the pandemic and materials and labour shortages. As a result, we are slightly down on of our build forecast, delivering 1,013 versus 1,141 new homes in the past year.

With the strong housing market, we have seen price growth in our house sales. This has helped offset materials and labour cost increases, and we have a strong forward sales pipeline for 2022/23. We also saw margin benefits through increased profits on shared ownership units and as a result of careful management of sales and marketing costs. Furthermore, our Densification Strategy - which aims to optimise our property portfolio in key geographical areas through property asset swaps and transactions - has generated a profit of £21.5 million against a budget expectation of £16.5 million.

With revenue reserves increased to £826 million (2021: £740 million) and our continued Strategic Partnerships with Homes England - which will see us deliver over 4,200 homes under this partnership - we remain financially well-placed with a strong financial liquidity position. We also continue to perform well against our financial plan with all risk factors being managed below the Board-approved levels, and remain in a robust position to deliver our Orbit 2025 strategy, supporting our vision to lead in building thriving communities.

Supporting our Customers

The last year has been increasingly challenging for our customers and we are seeing greater demand for our Better Days programme and Tenancy Sustainment team. In response to the energy crisis, our teams acted quickly to provide customers with support and guidance, signposting them to external grants, discount schemes and advice. We also directly provided 672 customers with Winter fuel help, clothing, heaters, curtains, food and energy vouchers, and a further 482 customers with emergency food parcels.

Unfortunately, we expect this pressure on households to only increase as inflation continues to rise and we see the impact of further predicted energy price rises this autumn. To address this, we have launched our new Thriving Communities strategy, which sees increased investment and focus to support our customers and communities, and you can read more about this later in this report.

We continue to work with our customers and to deliver against our Customer Promise whilst also ensuring we continue to fulfill the aims and objectives of the Social Housing White Paper. This has seen us further improve the accessibility and useability of our digital channels, and launch our award-winning self-serve portal, MyAccount, which enables customers to manage their tenancies online. Since its launch, we have seen the number of active users more than treble and we are proud that it has been recognised, winning the 2022 Best Customer Impact Category in the National Housing Maintenance Forum Awards.

We have also continued to work with our engaged customer group to review and improve our services. As a result, we have co-created and launched a new complaints system with customers, hosted our first Scrutiny Hackathon, and launched our LGBTQ+ customer panel to work with us on our Equality, Diversity and Inclusion agenda. We are very grateful for our customers' generosity in giving us their time and support, and their collaboration is vital to our success.

Supporting our People

Of course, it is not just our customers who have continued to struggle with the pandemic and economic headwinds this year, but our colleagues too. We continue to be committed to supporting our people with their health and wellbeing as we return to a new normal of agile working, and to support them financially.

To help colleagues with the increased cost of living we took the decision via the annual pay review to inflate the percentage increase by over 6% for those in the lower salary bands. This means that 57% of our colleagues received a higher increase. It also means that, whilst we continue to be a voluntary Real Living Wage employer, in many cases we are now paying above this level, which is a great step forward and very much supports our people-focused ethos.

We also continue our commitment to learning and development and to producing a new generation of leaders for the sector. Our Graduate and Apprenticeship programmes go from strength-to-strength, and I am particularly proud that we saw a member of our first cohort of graduates appointed as Head of Service this year. This is a great testament to our culture and talent approach, and we are taking this further with a new Leadership programme, which will be launched imminently.

Support for Ukraine

This year has also seen the outbreak of war in the Ukraine, which has resulted in millions of people in urgent need of a temporary home and a welcoming society.

We are playing our part, working with central government and local authorities to offer a minimum of 26 void homes to potential refugees. Subject to certain criteria, we have also agreed that our customers can house refugees in their homes under the Government's programme and we have extended our Better Days programme to support anyone living in our homes.

Finally, we have put in place a package of support for any of our colleagues who are directly affected, or who want to house refugees. Hopefully, together, we can make a difference to as many families as possible.

Looking ahead

Whilst the challenging environment remains, we are confident in our resilience and strength as a business.

We continue to deliver our corporate strategy, Orbit 2025, and are exploring partnerships and growth opportunities. As part of this, we have a Grouping Agreement with Swan Housing Association, with the proposed aim of Swan joining the Orbit Group as a subsidiary and discussions are progressing positively. We believe Swan to be a complementary fit for Orbit geographically and, should the grouping go ahead, this would create a combined housing portfolio of nearly 60,000 homes and over 125,000 customers across the UK.

We believe this increased scale will enable us to unlock greater potential and deliver increased value for money for a larger customer base. It will allow us to use our strength in operations and governance to support the management of Swan's housing and development functions, and maximise our combined build programme to provide more affordable housing across our core geographies of the Midlands, the East, London and the South East of the UK. If agreed, it is expected that the transaction will be completed late 2022.

Throughout this, we maintain a robust focus on our strategic programmes and priorities. The year ahead will see us increase our investment in our customers and communities, delivering nearly 1,300 new homes and increased social value in the areas in which we work. We will invest £107 million in our property portfolio and over £8 million in our decarbonisation programmes, as we continue our commitment to delivering good quality, safe and affordable homes.

We will maintain our strong focus on safety and standards, and our commitment to the environment, which has already seen us reduce our carbon footprint by over 33% since our 2019 baseline. We will continue to put our customers at the heart of everything we do, increasing engagement with them and our partners to improve our services and communities.

Finally, our continued investment in technology will see us maximise efficiencies. Our People agenda will support green skills and developing the leaders of tomorrow, ensuring we retain and attract the best talent and cultivate the experience required to the meet the challenges ahead.

Mark Hoyland
Group Chief Executive

Key Highlights

£131.4 million
operating
surplus

4.3 out of 5
customer
satisfaction rating

1,013
new homes
delivered

£10.4 million
community
investment

BS9997
fire safety
accreditation

82.2%
EPC Band C
or above

£81.5 million
investment in
existing homes

Merit
British Safety Council
International Safety
Awards 2022

ROSPA
Highly
Commended

TPAS
Outstanding Tenant
Engagement Award
(Over 10,000 homes)

£8.6 million
social impact

6.9%
reduction in
carbon footprint
(33% since
baseline in
2018/19)

Five-Year Summary of Financial Highlights

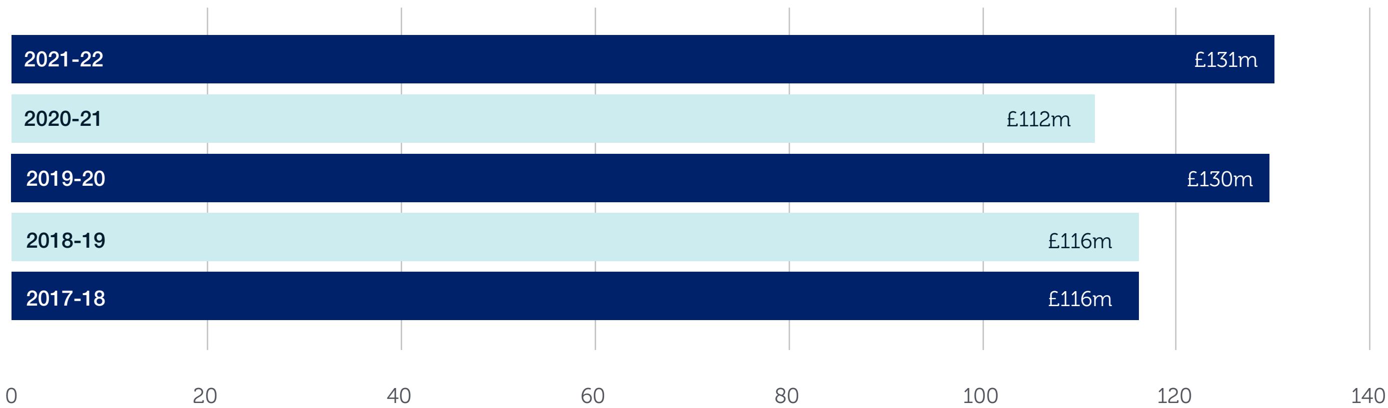
Statement of comprehensive income	2021-22 £m	2020-21 £m	2019-20 £m	2018-19 £m	2017-18 £m
Turnover	374	355	323	316	357
Operating costs and cost of sale	(280)	(265)	(232)	(230)	(266)
Surplus on sale of housing	37	22	45	30	25
Pension exit costs	-	-	(6)	-	-
Operating surplus	**131**	**112**	**130**	**116**	**116**
Operating margin %	**35.1%**	**31.6%**	**40.0%**	**36.8%**	**32.5%**

Statement of financial position	2021-22	2020-21	2019-20	2018-19	2017-18
Fixed assets	2,931	2,788	2,688	2,524	2,394
Creditors due after >1 year	2,344	2,453	2,280	2,175	1,957
Revenue reserves	826	740	689	601	573

Key indicators	2021-22	2020-21	2019-20	2018-19	2017-18
Properties	46,529	45,702	44,753	43,470	42,417
New homes built	1,013	848	1,520	1,266	2,030
Debt per unit (£k)	43.3	45.8	39.7	38.9	33.5
Months cash/secured loans available*	36	36	36	36	36
Interest cover	2.15	2.11	2.38	2.39	3.09

*at least 36 months cash/secured loans available

Operating surplus (£m)



The results for the year have been at budgeted levels, we have grown our operating margin to 35.1% (2021: 31.6%) due to the surplus on sale of housing realised this year and remained compliant with all our risk metrics.

Operating surplus was £19 million higher than last year at £131 million. Property sales remained buoyant at 348 shared ownership sales and 264 market sale properties which generated turnover of £128 million and profits of £18 million.

We continued our ongoing commitment to provide affordable social housing to meet housing need with the completion of 792 new rented and shared ownership properties.

We increased our financial strength with reported profits of £79 million for the year and at year-end our revenue reserves were £826 million. We continued our investment in our properties with tangible fixed assets rising by £143 million to £2,931 million.

Turnover

Turnover at £374 million increased year-on-year by £19 million. Included within this total, rent rose by £7 million to £200 million due to new properties into management and the impact of the annual rent increase.

Analysis of Turnover

	2022 £m	2022 %	2021 £m	2021 %
Social Housing Lettings	236	63	229	65
Market Sale	87	23	79	22
Shared Ownership Sales	41	11	39	11
Non-Social and Other	10	3	8	2
Total	**374**	**100**	**355**	**100**

Our construction division has faced an unprecedented year. Demand for market sale and shared ownership properties has been high, with the challenge being to complete the properties given increasing supply chain issues. Our shared ownership and market sale properties benefitted from the very buoyant market. The profits that we realise from the sale of properties is reinvested into our core business.

Analysis of Operating Profit

	2022 £m	2022 %	2021 £m	2021 %
Social Housing lettings	87	66	86	77
Sale of Housing	37	28	22	20
Market Sale	12	9	11	9
Shared Ownership	6	5	5	4
Other	(11)	(8)	(12)	(10)
Total	**131**	**100**	**112**	**100**

The easing of the pandemic enabled us to continue maintaining our properties to a high standard and we undertook significant levels of investment to ensure our properties remain fit for purpose. Maintenance expenditure including day-to-day revenue repairs, cyclical decorations, compliance and capital maintenance increased, as planned, year-on-year by £15 million to £90 million (2021: £75 million). There was increased demand for responsive repairs, whilst spend increased on improving the quality of void properties before relet. Furthermore, our expenditure on compliance-based activities increased as keeping our customers safe remained a priority. Of this maintenance spend, £42 million was capital (2021: £27 million).

Surplus on sale of housing properties was £37 million (2021: £22 million). Of this £22 million (2021: £8 million) represented the profits on disposal of properties outside our core operating areas in line with our property densification strategy. As part of this strategy, we continued to refine our property portfolio with a stock swap of 1,100 properties with Midlands Heart, optimising portfolio density and coverage. In addition, we transferred 180 homes in Elmbridge local authority to PA Housing, generating income of £22.7 million to be reinvested in the delivery of more affordable new homes in our core geographical areas.

Included also within the sale of housing properties are the disposal of uneconomic properties via our void disposal programme giving rise to £5 million profit (2021 £7 million), and completed shared ownership staircasing sales generating profit of £7 million (2021: £5 million).

Simplification of our hedge portfolio and low interest rates during the period resulted in decreased interest charges across our debt and derivative portfolio of £49 million (2021: £52 million) and in a weighted average cost of capital of 3.71%.

The net movement of actuarial gains on pensions of £16 million to a gain of £5 million from a loss of £11 million in 2021 reflects the combined impact of increasing inflation and increasing discount rates on our net deficit compared to last year's estimates.

Independent Auditors	Registered office
KPMG LLP	Orbit Group
One Snowhill	Garden Court
Snow Hill Queensway	Binley Business Park
Birmingham	Harry Weston Road
B4 6GH	Binley
	Coventry
	CV3 2SU

Co-operative and Community Benefit Society Number 28503R
Regulator of Social Housing Number L4123

The movement in the value of hedged financial instruments recognises the movement in the market value of the financial instruments over the financial year.

Investment in our property portfolio led to an increase in fixed assets of £148 million to £3,005 million. This balance includes tangible fixed assets of £2,931 million and investment properties of £43 million; Fordham House in Stratford-upon-Avon and St Anne's Quarter in Norwich.

Net current assets reduced by £161 million to £136 million representing the investment in fixed assets during the year of the cash raised in the prior year's bond issue and repayment of loans.

In 2022, we continued to strengthen our funding position and monitor our key treasury risks. We refinanced £100 million of debt facilities during the period and the total committed facilities were £2,022 million, slightly lower than at the end of the previous year (£2,055 million). The Group's liquidity position remains strong at £510 million. At the same time, notional drawn debt decreased by £131 million over the period to £1,582 million.

Creditors reduced by £109 million due to the reduction in loans, reduction in derivatives of £28 million (driven by market valuations) and deferred capital grants of £22 million predominantly due to transfers to other social housing providers as part of the property densification programme disposals.

Pensions net deficit balance reduced significantly from £22 million in 2021 to £6 million in 2022 due to the movements in inflation and discount rates assumptions this year end, a one-off payment and the ongoing deficit contribution payments made in accordance with the deficit recovery plan.

Total reserves rose by over £100 million to £793 million providing us with a strong base for future growth.

Therapy dogs visiting our Independent Living customers at Tithe Lodge

Orbit Group Board

David Weaver

Chair, Orbit Group Board
Chair, Orbit Treasury Ltd Board
Chair, Orbit Capital plc Board
Development Committee

Helen Gillett

Orbit Housing Association Board
Governance and Remuneration Committee

Massy Larizadeh

Orbit Treasury Board
Orbit Capital plc Board

Stephen Smith

Chair, Audit and Risk Assurance Committee

Click here for more detailed information about each Orbit Group Board member

Stephen Howlett CBE, DL

Chair, Orbit Housing Association Board
Chair, Governance and Remuneration Committee

Mark Hoyland

Group Chief Executive

Stephen Stone

Chair, Development Committee
Governance and Remuneration Committee

Orbit Executive Team

Mark Hoyland

Group Chief Executive

Jonathan Wallbank

Group Finance Director

Helen Moore

Group Director Orbit Homes

John Wrighthouse

Group People Director

Click here for more detailed information about each Orbit Executive Team member

Afzal Ismail

Group Director Corporate Services

Paul Richards

Group Director Customer and Communities

Delivering our Strategy – Orbit 2025

In January 2021, we launched our new corporate strategy, Orbit 2025, which sets out what we want to achieve to realise our vision over the next five years.

Created in collaboration with colleagues and customers, our corporate strategy clearly outlines our plans to increase our investment in the communities where we work, the homes that we build and manage, the services we offer and the careers of our people. All of which will be delivered in full recognition of the changing legislative landscape, whilst ensuring we reduce our impact on the environment and continue our focus on safety and quality standards.

Within our strategy we have set out to:

- Deliver our best customer experience
- Provide significant investment into our homes and communities
- Maintain our position as a leading UK developer of affordable homes
- Respond to the needs of a diverse and changing population
- Attract, retain and develop the very best people
- Reduce our impact on the environment

An Orbit colleague interacting with one of our Independent Living scheme customers at Tithe Lodge

Click here to view our full Orbit 2025 strategy document

Strategy framework at a glance:

Customer Experience	Quality Affordable Homes	Profit for a Purpose	Great Place to Work
• Informed and engaged residents • Easy to contact across all channels • Responding to a changing society • Affordability through reshaping our stock portfolio	• 6,500 new homes by 2025 • Land led development • Investment in our homes and estates • Embracing modern methods of construction techniques	• Invest more in homes, services and communities • Financial resilience • Profitable, sustainable growth • Capitalise on investment in IT infrastructure	• Leading employment experience • Personal growth, development and well being • Inclusive and multigenerational employer • Social and environmental responsibility

Compliance, Risk and the Environment

Quality & Safety	Risk	Environmental
• High standards	• Robust governance framework	• Carbon reduction

15 months since the launch of our new corporate strategy and we have seen excellent progress across all areas of the framework by working with our colleagues and customers. Within our strategy, our integrated approach has so far delivered:

Customer Experience

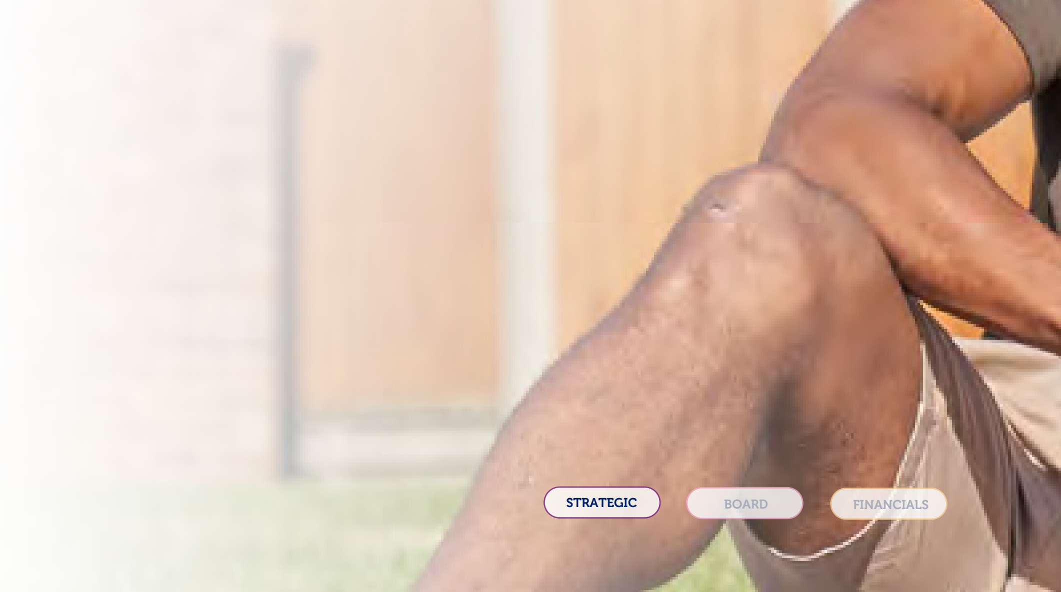
- **New Customer Promise**, which sets out what customers should expect from us
- **Award-winning digital Customer Engagement platform** – Your Voice
- **Improved digital accessibility** with new customer website and myAccount online platform
- New customer complaints process completed with customers
- **Winner of TPAS Outstanding Tenant Engagement Award** (Over 10,000 homes)
- New **Customer Handbook**
- **1,400** customers with **improved mental wellbeing**
- Increased household income of **£1.2 million**
- Social Impact from our Better Days Programme of **£8.6 million**
- **559 grant applications** received throughout 21/22, **95% of which were approved**
- Participation on ServeCheck

Quality, Affordable Homes

- Construction of **1,861 new homes**
- A land pipeline of over **4,000 homes**
- Second Homes England Strategic Partnership **£104 million**
- **£2.85 million Social Housing Decarbonisation** Pilot and Wave 1 Funding
- **82.2%** of homes at **EPC band C** or above
- **99.9%** homes meeting **Decent Homes Standards**
- **28.5%** of new homes built using **modern methods of construction**
- **Sector-leading design specification** and new house designs
- Launched RoSPA approved **Safer by Design framework**

Profit for a Purpose

- **£100.5 million** invested in our **existing homes**
- Repairs Lean Review pilot
- **Improved void management process** to ensure a quick turnaround of properties
- **Over £14 million** invested in **our communities**
- **Proposed merger with Swan** will bring further economies of scale and growth opportunities
- **Densification strategy** delivering **£29.9 million** for further investment
- **Digital investment of £3.6 million** delivering operational efficiencies
- Launch of our first **Environmental Social Governance (ESG) report**
- Commitment to the HouseProud Pledge, Business in the Community, and the Armed Forces Covenant
- Supporting the Government's **'Homes for Ukraine' scheme**



Family enjoying the green space at one of our developments

Great Place to Work

- **Glassdoor rating 4.3 out of 5**
- **Award-winning health and wellbeing programme** - #ThisIsMe
- Retention of our **Disability Confident Committed status** provided by the Department for Work and Pensions
- **Coventry City of Culture** partnership
- Voluntary **Living Wage employer**
- Became a member of the **Employers Domestic Abuse Covenant**
- Broadening advertising of roles across the Career Transition Partnership, Forces Families Jobs, Employers Domestic Abuse Covenant, disabilityjob.co.uk, lgbtjobs.co.uk and bmejobs.co.uk

Compliance and Risk

- **Orbit Health and Safety Awards**
- **British Safety Council International Safety Awards 2022: Merit**
- **RoSPA Highly Commended**
- **Sector-leading fire safety app**
- New **Building Safety Strategy**
- **Leaders in Safeguarding** and accreditation from Domestic Abuse Housing Alliance
- Orbit's Head of Health, Safety & Insurance, Jayne Lombardi, received the **Women of the Year Award at the Safety & Health Excellence Awards 2022**

Environment

- Launch of our **Net Zero Carbon strategy** and roadmap
- Customer research on **understanding Net Zero Carbon**
- **Biodiversity pilot** and partnership with the Wildlife Trust
- Benchmarked well on environmental sustainability in the BITC tracker
- Launch of internationally-recognised **Environmental Sustainability Skills** for Managers in-house training
- Creation of **Waste Action Group**
- **33% reduction on carbon footprint** since 2018/19 baseline

Delivering a Great Customer Experience

Our customers are at the heart of all we do

At the end of the last financial year, we launched our new Customer Promise setting out what our customers should expect from us as their landlord. It puts customers at the heart of everything we do and communicates a clear set of commitments to which customers can hold us accountable.

Click here to view our customer website

Click here view our Customer Promise video

Since launch, we have implemented several projects to raise awareness of our Customer Promise and to embed it within the Orbit culture. These include the creation of a dedicated customer communications team, implementation of a tone of voice standard - including working with our contractors to ensure the guidance is universally implemented - and collaboration with our engaged customer group so we can build more meaningful connections with our residents.

We have also launched a new handbook, which clearly sets out the services we provide to help our customers successfully manage their tenancy and make their house a home. As well as information to help those settling into their home, the handbook includes sections on safety, maintenance, repairs and home improvements and being a part of a thriving community. There is also information on our Better Days and Tenancy Sustainment offers to ensure customers are aware that we are here for them if they need our help and support.

We are pleased and fortunate to have a number of customers who engage with us regularly to help improve our services. Our engaged customers get involved in everything from in-depth reviews of service models to feeding back on the tone and information we put in our letters and influencing the shape of future Orbit policies and strategies. They also represent Orbit externally and in the past 12 months have met with government officials from the Department of Levelling up, Housing and Communities, and the Housing Ombudsman. We are extremely grateful for the voluntary time they commit to helping Orbit ensure our services are genuinely customer-led.

Scott Belton, an Orbit resident at his home at our Gateway development

Widening access to our services through digital platforms

Our Customer Promise includes a commitment to being 'easy to deal with'. Whilst our Customer Hub continues to be the first port of call for many, those who wish to contact us and access key information and services away from the telephone now have a choice of digital platforms. These options are of particular benefit for those who find person-to-person communication difficult.

Following our new website, which was launched at the end of the last financial year, we have continued to improve our digital offer with the creation of a new self-serve portal, MyAccount. Winner of the Best Customer Impact Category in the National Housing Maintenance Forum Awards 2022, myAccount allows customers to self-manage their tenancies and transact conveniently and quickly online 24/7. Since its launch, we have seen a 40% increase in active users.

Other improvements include the use of sector leading accessibility tool, Browesaloud, which offers tools such as text read aloud and enlargement, bilingual translations, picture dictionary and a simplify page tool. We are members of the Plain English Campaign and undergoing accreditation for the Crystal Mark Standard for use of simple language and accessibility on our customer website. We've undertaken improvements to our live chat facility and launched Celeste, an online virtual assistant, meaning we are able to offer a range of online communications channels for use anywhere, anytime and on any device. This has boosted the ease and speed at which customers can interact with us and self-manage many elements of their tenancy

We have partnered with the Barclays Digital Wings learning platform to create Orbit's new Digital Learning pathway. The aim is to provide customers with knowledge that will help future proof them for the digital world of tomorrow.

Click here to view our myDigital page on the customer website for more information

myDigital

Engaging with customers

The importance of customer engagement is well-established within Orbit, which is why we were one of the earliest adopters of the Together with Tenants programme. We are proud that our offer has now led us to win the Outstanding Tenant Engagement category (over 10,000 homes) at the TPAS Awards 2021.

As a result of the pandemic, we saw a shift from face-to-face contact to more digital engagement with the launch of our Your Voice engagement platform.

Your Voice enables customers to digitally engage and provide feedback, helping to shape Orbit and our services. Through this platform we conduct quarterly performance webinars, sharing our performance and complaints data, and engaging customers in debate around our services. These forums ensure full transparency and result in valuable feedback which helps us identify improvements and areas for focus.

Whilst we continue to maximise our digital engagement platform, with pandemic restrictions lifting we have seen a return to more face-to-face engagement and the creation of a more integrated approach.

This has seen us launch our Your Voice Festival, a 12 day roadshow across our communities. Aiming to increase awareness of our engagement activities and encourage participation from underrepresented customer groups, our teams undertook activities with customers from all tenures and covered topics ranging from building safety and the Social Housing White Paper, to net zero carbon and the opportunity to help us prioritise our UKCSI actions. As a result of these sessions, we identified 16 different service improvements, recruited new customers to engage with us in our strategic activities, and gained valuable insight on which of our business change activities will have the largest impact on our communities.

36% increase in the number of customers we engage with

125 customer engagement activities

Average Net Promotor score of **57** (up 4 from last year)

78 service improvements identified

Highly Commended for Best Online Service in the Housing Digital Innovation awards

Your Voice

Scrutiny Hackathons

Our Your Voice quarterly performance webinars allow customers to identify a problem statement that they would like to address through our Scrutiny Hackathons.

Our Scrutiny Hackathons are virtual workshops which bring together customers, colleagues from across Orbit, contractors and representatives from other housing associations to explore the issue and identify improvements.

Our first Scrutiny Hackathon looked at improvements to the annual gas servicing process. As a result of the session, 49 individual improvements were identified. We are working with our customers, heating and electrical and communications teams to progress these and report back with full transparency through real-time data.

Creating inclusive communities

Equality, Diversity and Inclusion (EDI) is a major priority within Orbit and intrinsically linked to our mission to lead in building thriving communities. For us, communities cannot thrive unless they are fair and equal to all, irrespective of age, gender, disability, race, caring responsibilities, religion/belief or sexual orientation.

We aim to deliver accessible services and equitable outcomes for all our communities, and we want to ensure more customers are able and want to engage with us, and a diverse range of voices are heard.

To encourage wider engagement with our teams and services, we have introduced evening and weekend activities and created training to support customers with the skills, confidence and knowledge they need to engage with us. We have produced a range of communications and films to advertise our customer engagement offer and explain how customers can get involved.

We have also completed equality assessments against all our policies to ensure our services are inclusive, and launched our first LGBTQ+ focus group, providing a safe space for customers to engage with us and other LGBTQ+ customers in their communities.

Customer service

Our collaborative approach has been used to shape our new customer complaints handling procedures and in the completion of our Housing Ombudsman Self-Assessment Form, ensuring it reflects the views of our customers and that they, in turn, support the actions proposed.

As a result of this work, we have implemented a number of improvements to our complaints handling process including a new reporting system which allows greater visibility across all areas of the business, creation of a new Quality Assurance framework, separation of Stage One and Stage Two complaints to allow an independent review of Stage Two complaints, and a complaints leaflet has been produced to ensure our customers understand what will happen and when throughout the complaints process.

Other key projects include the completion of a review of our refund process, resulting in a leaner and more user friendly process which will be rolled out in the new financial year, and work with our Local Authority partners to update our data sharing agreements so that we can support our more vulnerable customers in partnership with the Homelessness Prevention Teams.

Independent Living scheme customers at Tithe Lodge enjoying the communal gardens

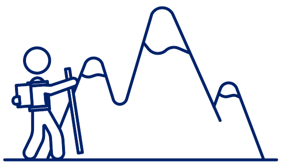
Supporting our customers and their tenancies

Our Better Days programme continues to provide support to those experiencing issues with mental health, finances, food, clothing, and fuel costs to help them make positive steps in their lives.

Underpinning our Customer Promise, our Better Days programme has been developed and commissioned by behavioural insight and marketing specialists, our customers and employees to create a customer-centred, comprehensive offer, managing varied and complex issues. The premise is to ensure that we understand the day-to-day lives of our customers, including their needs, barriers to engagement and how to overcome these, and offer services that are available to every customer and designed to support financial inclusion, mental wellbeing, employment and skills and digital support.

This year a total of 5,574 Orbit customers, alongside a cohort of non-Orbit customers living in and around our communities, were supported to have a 'Better Day', with 97% of users expressing satisfaction with the services Better Days provided.

This year we:



Delivered **£10.4 million** investment into our work with customers and communities

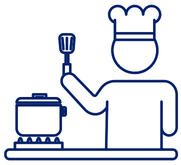
Realised **£8.6 million** of social value on Thriving Communities projects and programmes

Secured **£495,000** of additional income

Helped **1,400** customers improve their mental wellbeing

Supported **239** customers into volunteering

Improved the IT skills of **219** customers through digital support



Held **11** Better Days events across three regions

Provided independent debt advice to **1,043** Orbit customers to manage debt totalling **£760,000**

The right support at the right time

With millions of low-income families in the UK dealing with the burden of escalating personal debts and the future of local, face-to-face debt advice services uncertain, it has become more important than ever to understand the challenges that our customers face and provide the right support at the right time.

Our partnership with PayPlan is helping us to do just that by gathering clear data on our customers and their challenges, enabling us to provide independent debt management support to help them gain the skills and confidence to manage their finances.

Through the partnership, £2.1m of customers' debt is now being managed in an affordable way, giving households the space to regain control of their often-changing circumstances.

- 93% of customers who accessed the service said they felt more reassured and calmer about their financial situation
- 79% felt more confident about managing their money.

With our support, customers gain skills such as financial numeracy, confidence with money and a sense of control over short and long-term money management, empowering them to be resilient to both expected and unexpected life events and changes in circumstances.

> "[If I hadn't spoken to PayPlan] I would have fallen more and more into debt and my mental health would have been very poor. I would have struggled to know where to get help from and how I would be able to get out of the situation."
>
> Customer feedback on PayPlan

> "You supported me through some difficult times and through moving to new accommodation. My mental health feels more stable now and I am feeling more positive."
>
> Breathing Space service user

Supporting mental health

The COVID-19 pandemic has had a profound impact on mental health. Many have been affected, and demand for mental health support has soared.

Our Breathing Space service - part of the Better Days programme - is delivered by mental health charity, MIND, and supports customers in a range of ways to help them manage their mental wellbeing.

During the pandemic restrictions, we saw a 42% increase in referrals to Breathing Space. However, 87% of customers who used the service saw an improvement in their mental wellbeing and 72% experienced a reduction in social isolation.

A Randomised Control Trial (RCT) with 853 customers, all of whom had had safeguarding cases opened, showed that customers who engaged in Breathing Space not only had significantly fewer safeguarding cases opened on their behalf but also had decreasing levels of debt.

Offering this type of support is not only the right thing to do for our customers but has real business benefits too, reducing future safeguarding cases and helping prevent larger issues, enabling us to focus on more complex cases. And, by demonstrating improvements to customer debt levels, it has shown that it can have a positive impact on areas such as rent arrears and tenancy sustainment too.

Click here to view our BetterDays page on the customer website for more information

BETTERDAYS®
have a good day, **every day**

A joint approach to Tenancy Sustainment in Stratford-upon-Avon

We're working in partnership with Stratford District Council who fund a local Tenancy Intervention Officer to visit customers in their homes, taking the time to understand their personal circumstances and supporting them to tackle the issues that have led to them being in arrears.

In the last 12 months, we supported 206 customers and prevented 100% of evictions. This approach has not only reduced and cleared rent arrears of over £208,000, but has given us the opportunity to work face-to-face with customers to build sustainable solutions that will allow them to maintain their tenancies in the future.

Tenancy sustainment

The support we provide to customers through Better Days is an integral part of our Tenancy Sustainment strategy, which focuses on two key aims: creating sustainable communities and empowering customers to fulfil their potential.

Customers who need more intensive support are referred to our Tenancy Sustainment team, who assess each individual's situation and work with them for three to six months. The team can support residents with grants and benefits, provide coaching on topics such as the rights and responsibilities of tenancy contracts, managing the unexpected, tackling isolation for those who have relocated to a new area, and encouraging those who aren't in employment to realise the benefits having a job can bring.

This year:

- **6,737 customers were referred into Tenancy Sustainment of which 80% engaged with our service.**
- **28% of engaged customers were referred to a Tenancy Sustainment Job Coach, where 490 have been supported into employment, employment-related training or volunteering.**
- **Our coaches delivered 2,647 coaching sessions.**
- **100% of customers working with our coaches sustained their tenancies for 12 months. Of the other, 72% were supported by our Triage Team with 20% taking advantage of our Better Days offers, 25% being referred to specialist external support services and the remaining 27% able to self-manage following phone support.**
- **We improved our referral process to ensure that all customers needing debt advice and other support could be referred in one contact rather than waiting for a callback.**
- **We reported the lowest arrears for 8 years.**

Focus on energy affordability

As the global economy restarted after the pandemic, limited stocks of natural gas and supply constraints saw energy prices being driven higher and higher as demand outstripped supply.

We knew from our research that customers were already struggling with their heating and energy bills, with 25% of customers having gone without heating in the past 12 months to save money and 60% saying they are already paying more than 10% of take home pay on energy costs.

That's why, through our Better Days programme, we responded quickly to the crisis, ensuring that customers had the support and guidance that they needed. We signposted them to external grants, discount schemes and advice, but also directly provided 672 customers with Winter fuel help, clothing, heaters, curtains, food and energy vouchers, and a further 482 customers with emergency food parcels.

With concerns that the Ukraine crisis could cause further price increases from October and the energy price cap being raised to 54% from 1 April 2022, supporting customers to manage the cost of their rising energy bills will remain a key focus for the coming year.

And whilst we are resolutely behind our commitment to reach net zero carbon within our housing stock by 2050, we are as equally committed to ensuring that the solutions to achieving this remain affordable for our customers.

Working with local school children to create a pocket park on the Tanyard farm estate

Supporting our communities to thrive

Our placemaking approach

Fundamental to our aim of creating places to thrive is ensuring that our communities have the right mix of homes, places and infrastructure to support environmental, economic and social wellbeing.

Our Thriving Communities team, as part of the Better Days programme, work with regional and local level partners, including Local Enterprise Partnerships, Public Health and Local Authorities, to help tackle localised social issues and reduce any disparity in equality in our more disadvantaged communities.

Working across all of our geography we have targeted local activity in six defined placemaking areas (Stratford-upon-Avon, Bexley, Hastings, Newmarket, Thanet and Coventry) to improve their social, environmental and economic prospects. In 2021/22, we secured over £2.7m of inward investment and achieved £8.6m social value gain through community projects, which improved local spaces and services.

In the coming year our placemaking activity will be led by customers utilising our newly developed Place Assessment Tool, which asks customers to rate how they feel about where they live. This tool will be used to engage customers in their local area, and to prioritise and co-design local investment plans and impact.

Engaging customers locally

As COVID-19 restrictions eased, we recognised that customers wanted more face-to-face contact in their communities. We responded by running 11 Better Days engagement events across our geography in early 2022.

Nearly 250 customers attended these engagement events and were able to find out more about our Better Days offers as well as inform us of the priorities for their neighbourhood and community. Our key stakeholders also attended events including local voluntary sector organisations, the police, mental health providers and money advice and support charities. Other Orbit teams also attended to pick up customers queries about Orbit services.

As well as raising awareness of all the Better Days offers, customers were able to take up these services straight away through referrals, including to Orbit's health and wellbeing, digital skills, money advice and support programmes, and to external support providers such as Citizens Advice.

In 2022/23, we will increase our local engagement to ensure we reach more customers and provide the support they are currently not accessing.

Happy, Healthy Starts

Following our Happy, Healthy Starts campaign run in conjunction with Child Poverty Action Group (CPAG), we have been working in partnership with a number of specialist providers including Corby Sports Dimension (CSD) and Rugby Borough Council's On Track team to deliver programmes to support young people across the Midlands and provide them with opportunities to thrive.

Over 950 young people have been supported through a wide range of activities including summer activity camps, youth club sessions, one-to-one mentoring and access to three free meals a day when attending the activity camps.

A key focus is to enable young people to reach their potential and flourish. For example, one participant who attended camp through Orbit funding became a young leader at the project and is now being paid as a CSD employee to support the next wave of young people attending camp.

> “My child is able to stay occupied, resulting in her not facing emotions of distress, boredom and intense mood swings.”

> “Camp is extremely helpful as I am a single mum and don't have anyone to look after my child.”

> “My child has severe disabilities therefore I appreciate highly the opportunity to send my other children to camp so that they have a well-deserved break and can socialise with other children.”

Feedback from parents has demonstrated the real difference the projects are making to the whole family.

We have also supported the Child Poverty Action Group on the 'Cost of the School Day' project to research and work with schools, parents and pupils in Coventry to reduce child poverty and open opportunities for young people that were previously inaccessible because of financial barriers. Successes include awareness raising and increased take up to ensure that families in need were not missing out on free school meals, which are worth around £450 per year per child to a family.

Community Hubs

As life returns to normal after the pandemic, Community Hubs have an important role in facilitating the recovery of our communities and extending the reach of the local support available to residents.

That's why we're working with partner organisations and our suppliers (delivering social value) to transform under-utilised buildings into Better Days Community Hubs.

Our Community Hub in Bexley has already been refurbished and is now a thriving community service offering a purpose-built day-care centre run by an Orbit customer. Transformation of the community hubs in Newmarket and Great Yarmouth will take place throughout 2022, and we have partnered with Spring Housing in Stratford-upon-Avon to provide a new Community Hub for Orbit customers at their new centre in the middle of the town.

Where possible, we will use external funding, contractor social value and employee volunteering time to support the delivery of the Hubs, and even offer training for our customers to do the refurbishment work themselves as part of our local training offer.

Not only will the new hubs provide a local base for our Better Days services and touchdown office spaces for our colleagues but, by leasing the remaining space to the voluntary and community sector, we can create a valuable holistic offer that meets local needs.

Top Up

The Top Up project helps older adults living in Thanet by empowering them to access the benefits they are entitled to and connecting them with existing community services to improve wellbeing.

The project was developed in light of the research showing that older adults are missing out on benefits, thus keeping them in poverty.

Orbit has provided funding for the last four years, enabling the project to make a positive impact on the lives of hundreds of our customers.

The Top Up project has enabled residents to access over £1.2m of unclaimed benefits, directly supporting over 400 Orbit customers in Thanet and increasing their income by an average of £54 per week. This has made a huge difference to people who are struggling to make ends meet.

The unclaimed benefits accessed were mainly made up from:

- Pension Credit
- Attendance Allowance
- Personal Independence Payment
- Housing Benefit

The customers have used their increase in income and improved wellbeing to lift themselves out of poverty, pay off rental debts and maintain their home. Many now regularly attend groups and have accessed other community support services.

One of our Better Days team members helping to support with environmental, economic and social wellbeing

Thriving Communities Awards

Our Thriving Communities Awards celebrate customers and partners who go the extra mile to make a positive contribution to their local area, or who have overcome barriers to transform their lives.

Brian Griffiths Award

Named in honour of our former Orbit Board member and Chartered Institute of Housing President who dedicated his life to helping others, the Brian Griffiths Award is presented to a customer who has overcome significant social barriers. This award was given to Dawn, a Stratford-upon-Avon mother who turned her life around following bereavement.

Orbit Earth Award

New for 2021 to recognise customers, contractors or employees who have had a positive impact on the environment, this award was presented to Paint360, a social enterprise based in Halesowen.

Paint360 recycles waste paint back into brand-new paint by collecting surpluses from waste management companies, councils, and contractors. Each litre of paint contains a minimum 65% recycled content and is designed to compete on quality and price with premium brands, delivering environmental impact through social enterprise. Around one litre of repurposed paint saves enough embedded carbon to drive a transit van five miles – carbon free.

Better Days Award

In recognition of her positive contribution to her community, this award was won by Sarah, who founded Serving our Superheroes (SOS) in Hillingdon at the start of the pandemic.

SOS support frontline care workers by providing them with laundry bags to dispose of their uniforms safely. As the project evolved, SOS began working with domestic violence charities, helping the homeless and supporting parents who were struggling financially by providing baby items and school uniforms. In total, SOS has donated over 47,000 items, worth over £600,000.

Stronger Together Award

Recognising our supply chain partners who have made a positive contribution to the community, this award was won by MIND, the mental health charity who has partnered with us to deliver our Breathing Space programme.

Providing free confidential mental health support and guidance to our customers and communities during the pandemic, the partnership has supported 38 customers to get into employment, 51 into work-related training, 28 into volunteering and helped 559 customers to improve their overall wellbeing.

Your Voice Award

Also new this year, the Your Voice Award celebrates customers who have made positive contributions through customer engagement activities. This award was won by Tom from Bedford, an engaged customer who has been helping to drive service improvements over the past six years.

Before the pandemic, Tom volunteered as a member of our empty homes' inspections team, who complete assessments of void properties to ensure they are up to our re-let standards. When the project was moved online during lockdown, Tom gave his time to support the development of a virtual home inspections programme, creating a digital way of delivering inspections. Tom helped to shape this new way of working and led the way by developing the survey questions that follow each inspection.

Click here to find out more about Dawn's story

Good Quality, Affordable and Safe Homes

We are committed to providing good quality homes that our customers can afford in places that they are proud to live.

To achieve this, we are:

- **Investing in our existing portfolio**
- **Continuing to improve the energy efficiency of our housing stock as we progress towards the UK's 2050 net zero carbon target, in line with our net zero carbon roadmap**
- **Building new homes in response to the UK's need for more affordable housing**

Investment in our existing homes

We are continuously assessing how we can improve our existing homes and deliver a better experience for our customers. During 2021/22, we invested over £81.5 million in our Property Repairs and Capital Investment programmes, while the Property Management team delivered over 400,000 improvements to our estates. This is part of a new initiative launched with our Property Managers in which we collaborate with customers to carry out small improvement projects that fall outside of our capital delivery programme, but which make a real difference to our communities.

To drive our operational procedures, the Estates Services team reviewed its contract management processes and is in the process of setting up an inspection protocol to ensure the frequency of cleaning, garden clearing visits and service standards. Estate Services Managers, Property Managers, Independent Living Scheme Managers and engaged customers will use this inspection tool in the future.

6,554
Capital delivery works completed

68
replacement roofs

1,454
new boilers

The Social Housing Regulation Bill

Orbit is committed to improving the communities which we create and manage, and we are eager to strengthen the relationships with our customers to deliver this.

We welcome the Social Housing (Regulation) Bill, which has set new standards and placed more accountability on housing associations.

The legislation will give our customers and other housing association tenants more influence and a greater voice in the homes and neighbourhoods in which they live in, constructively addressing many of the key issues that matter most, including quality of services, safety and performance.

82.2% of our homes now EPC band C or above

Decarbonisation

Whilst our commitment to providing good quality homes that our customers can afford doesn't just mean a focus on energy affordability and net zero carbon homes, with the UK's net zero carbon targets and the energy prices rises impacting UK households, these are two key aspects which are understandably very high on everyone's agenda.

We continue to invest in the energy efficiency of our homes. We have committed to ensuring all our homes are EPC Band C or above by 2030 and are well on our way to achieving this, with 82.2% of Orbit homes now EPC band C or above.

We are also working in partnership with Stratford-on-Avon District Council as part of the Government's Social Housing Decarbonisation Fund (SHDF) Demonstrator, to upgrade 69 properties across the Stratford District.

Work is in progress and, following its initial success, we have been awarded a further £1.4m of funding as part of the SHDF Wave 1, extending the Stratford works to a further 66 properties, and providing funding for 70 Orbit properties to be upgraded in partnership with the West Midlands Combined Authority. Alongside the Government funding, Orbit is investing £4.6m into the project to help better understand the scale of the challenge ahead and explore the impact of selected sustainable technologies in a retrofit application. This project will generate knowledge and insight, which we can work into our ongoing home improvement programmes and share with the social and new build sectors.

Click here to view our decarbinsation case study

Jeanette Hodges, Head of of Carbon and Operations, with representatives from the Department of Business, Energy, and Industrial Strategy (BEIS) visiting the retrofitting works in Henley-in-Arden, Warwickshire

Working with customers to reach net zero carbon

The sector is fully aware of the difficult and complex environmental challenges involved in accelerating the decarbonisation of UK homes, but there has been little consideration of what the impact is for customers.

In May 2021, we gathered the views of 900 customers to help us understand our social rented households' priorities around the net zero carbon agenda, and to examine what matters to them in relation to their environment.

This study, jointly produced with the Chartered Institute of Housing, was one of the first in-depth pieces of work of its kind in the sector.

The insight gathered from our customers has given us an immense amount of food for thought. It showed that customers were already struggling with their heating and energy bills, and that any plan to retrofit properties should and must reflect their daily financial struggles. It also underlined the need to work collaboratively with our customers and engage them throughout the decarbonisation process if we are to achieve the UK's net zero carbon transformation.

Click here to view our net zero carbon report

An Orbit resident helping local wildlife

Net zero carbon retrofit report

Taking this a step further, we then undertook research to assess how our customers will be directly impacted by retrofitting works, both during the process and following its completion, so we know what challenges our customers will face.

The resulting report provided recommendations on how we can best support our customers through the decarbonisation of their homes. We are now using this as a guideline to engage with our customers throughout the retrofitting process, so not only do we achieve the goal of becoming net zero carbon, but we also deliver the best possible service to our customers.

> "We need to deliver a decarbonisation programme that keeps energy affordability and experience at the heart of what we do"

Paul Richards, Group Director of Customer and Communities

Click here to view our net zero carbon summary report

Creating places to thrive

We remain one of the largest builders of affordable homes in the UK and have plans to deliver 6,500 new homes by 2025 to meet growing demand.

Over the past year, COVID-19 had a major impact on the construction sector, with labour and materials shortages causing build delays. However, we have continued to deliver new homes, with a total of 1,013 new homes completed across all tenures, including market sale, shared ownership, private rent, and affordable and social rent. Of that total, c. 80% were affordable homes for customers throughout the Midlands, East of England and the South East.

This financial period has also seen Orbit Homes launch eight new developments across our core areas, and we continue to grow our land portfolio, with our five-year development pipeline (2020-2025) now totalling over 5,000 plots.

In September 2021, we were awarded our second Homes England Strategic Partnership, securing a £104 million grant through the government's Affordable Homes Programme (2021-2026). The grant will provide funding for an additional 1,500 much-needed new affordable homes and builds upon our Strategic Partnership with Homes England, announced in November 2018, bringing the total number of homes to be delivered under this partnership to over 3,900. We have registered 1,234 starts on site, with approximately 1,200 further units identified within our pipeline, and have delivered 479 completions within this partnership. We have now received our full £119.6 million grant allocation from Homes England.


Construction work in progress at our Micklewell Park development

Kitchen diner in one of our homes at our Wellington Place development at Marham Park

> “Orbit Homes has set the standard by being an early adopter of our ‘Safer by Design’ framework that offers achievable ways to reduce the number of domestic accidents. RoSPA wants to make houses of the future safer places to be and we are delighted to have Orbit Homes as a partner in this journey.”

Errol Taylor, Chief Executive of RoSPA

Your place to thrive

Through the introduction of our new design standards and housetype range, we are setting ourselves new and demanding goals for creating energy efficient, cost effective and aspirational homes for all our customers.

Using customer research and drawing upon a number of best practice initiatives and regulations – such as Building Regulations Part M42 and Part M43, the National Space Standards and London Housing Design Guide – our new house range focuses heavily on maximising light and space, reducing retrofit requirements and providing flexible age-neutral space that can adapt to meet the changing needs of transient residents.

We have also continued our commitment to safety and extended our work with the Royal Society for the Prevention of Accidents (RoSPA). As a result, not only have we embedded the Safer by Design framework within our design standards and committed to all new Orbit Homes being built to Safer by Design Gold Standard, but in June 2021 we became the first social housing developer to have house designs successfully matched against the framework. This means a brand-new home from Orbit will be amongst the safest on the UK market.

Our new design specification can now be found on developments across the country and our new house types will start to roll out later this financial year.

Customer satisfaction success

Our focus on our customer has been recognised with four Gold Awards for Customer Satisfaction from In-house Research Ltd. The independent awards are based on feedback from customers six weeks after they have moved into their new home, and a Gold Award is accredited to organisations which achieve a score of 90% or above.

In the survey year, covering handovers from 1st January to 31st December 2021, Orbit Homes received a Gold Award for an overall customer satisfaction score of 96%. The In-house Gold Award was also presented to all three Orbit Homes regions for achieving scores as follows: East – 98.6%; Midlands – 96.3%; South – 94.7%.

This is the eighth consecutive year that Orbit Homes has been presented with a Gold Award and means that since 2014, more than 90% of customers would recommend Orbit Homes to their friends and family.

Bathroom in one of our homes at our Wellington Place development at Marham Park

Micklewell Park

Micklewell Park is a brand-new development of 450 homes and apartments in Daventry, Northamptonshire, which has been designed with wellbeing at its heart. It will include a total of 20 allotments, offering opportunities to grow vegetables as well as form friendships with like-minded people; a new cycle path and improved towpath to provide traffic-free routes for exercise and leisure; a trim trail providing a number of physical challenges aimed at developing balance, climbing confidence, and body strength, as well as other dedicated play spaces for all ages; and wildlife corridors to integrate habitats across the site and beyond.

The development will also be home to a new school, community centre and two retail units.

Additionally, the team at Micklewell Park will be planting eight acres of woodland, including new trees and shrubs for wildlife habitats, and will be installing electric vehicle charging points across the development.

Our Micklewell Park development taking shape

Profit for a Purpose

By focussing on value for money and managing our business efficiently, we can reinvest our profits to build more affordable homes, improve our services and support the sustainability of our communities.

Despite this being an extraordinary year, we have continued to invest. We have delivered 1,013 new properties and invested £81.5 million in our existing homes through both repair and capital investment programmes.

We have invested £10.4 million in our communities, and realised £8.6 million of social value on Thriving Communities projects and programmes measured using the Housing Association Charitable Trust (HACT) social value calculator.

Our Better Days programme supported over 5,500 customers, providing access to health and wellbeing and financial, digital and employment services. We supported over 1,000 customers to reduce and manage debt totalling £760,000, and over 500 customers with grants and Hardship grant applications, providing vital immediate financial support.

£81.5m investment in our existing homes

£10.4m invested in our communities

£8.6m
social impact realised through our Thriving Communities programmes

Our recently completed Newlands development is a collection of two, three and four-bedroom homes located in Attleborough

Densification Strategy

To support our Profit for a Purpose ethos and our commitment to continually improve the quality of our customer service, we have continued to progress our Densification Strategy.

In June, we completed a stock swap of over 1,100 homes with Midland Heart, which saw Orbit take ownership of approximately 500 homes predominantly in the Milton Keynes and South Warwickshire areas, and Midland Heart take ownership of around 600 homes from Orbit in East Staffordshire. By adding properties to areas where we already have a sizeable presence, we can maximise the resources we have available and, through economies of scale, operate in the most efficient way possible whilst also reducing our environmental impact.

In February, we transferred 180 properties in Elmbridge to PA Housing who already own or manage more than 5,300 properties in the area, ensuring the continuation of customer service for these residents and securing £22.7 million to support the delivery of more affordable new homes.

Support for Ukraine

Since the war in Ukraine began, millions of people and their families have been displaced, afraid and uncertain about the future, moving to places many miles away from home. Most are in urgent need of a temporary home and a welcoming society.

Orbit was founded on the belief that everyone has the right to a place to call home, where they feel safe and are treated fairly. To this day, we proudly provide homes to those with the greatest need, and invest our profits into building thriving communities.

To support those leaving areas of conflict, we are:

Providing vacant properties

Working with Government, we've made 26 properties from our Independent Living and Supported Housing properties available for refugees, including extra care so that older refugees with care needs can access appropriate support. Those moving into these homes will have support from our scheme colleagues, and be able to access all facilities, the Better Days programme and become a part of our community.

Supporting refugees in our communities

We've extended our customer support to refugees living in Orbit properties, whether as tenants or where our existing customer has offered a spare room. This includes our Better Days programme, which will help them access a tailored package of holistic and trauma-informed advice and guidance, and links into Local Authority as well as NHS support services.

Helping colleagues to help those in need

To support colleagues looking to take a refugee into their home through the Homes for Ukraine Scheme, we've given employees an additional week of paid leave and £250 retail vouchers for the employee and refugee to purchase essential home items to make the move as easy as possible. We've also provided them with mental health and financial resilience services through our Better Days programme. Finally, we have fund matched colleagues' donations to the Disasters Emergency Committee's Ukraine Humanitarian Appeal, up to a total of £10,000.

Coventry UK City of Culture 2021

This year, one of our core operating areas, Coventry, has been the UK City of Culture. As one of the major partners of this historic event, we never could have anticipated how unique this would be as the organisers and participants navigated the impact of the pandemic. As ever, Coventry proved itself to be an example of resilience and we are proud to have played our part in celebrating the culture and community of this diverse city.

Coventry Moves

Residents from our Independent Living scheme, Shortwood Court in Coventry, helped to promote the launch event, Coventry Moves. A world-first, this saw different streams of music played across community and local radio stations which, when heard simultaneously, came together to create a complete piece, reflecting Coventry's pioneering identity and the voices of the many people that call the city 'home'.

The 'Portraits of Coventry'

We were proud to host exhibitions showcasing the portraits of some of our older residents who live in the city. 'Portraits of Coventry' is a series of 12 paintings by artist Andy Farr, depicting the lives of Orbit customers based in Coventry, including those who moved to the city from elsewhere and made it their home.

Working with Schools

Celebrating some of the younger artists in our communities, we hosted an art competition with Coventry City of Culture and local primary schools to celebrate what 'home' and 'community' means to them. The winning piece by a pupil from Stanton Bridge Primary School depicted Coventry's two iconic cathedrals.

City Hosts

Our colleagues have taken an active role in supporting the City of Culture, with a number becoming City Hosts, volunteering their time to support events throughout the year.

Great Place to Work

Our Culture

We are proud of our diverse, open and inclusive culture. Our active People agenda works to ensure everything we do is safe and fair, and that our people have an enjoyable and rewarding working experience.

This year we have continued to see challenges in how to best support our people as we navigated further pandemic restrictions and national lockdowns.

The programmes and procedures that we put in place ahead have continued to hold us in great stead, as the results from our 4.3 out of 5 Glassdoor rating and 2021 employee satisfaction survey show, below.

Orbit employees engaging in our office spaces

91%
"I am proud to work for Orbit"

89%
"I would recommend Orbit as a great place to work"

93%
"I believe I can make a valuable contribution to Orbit's success"

90%
"Orbit is committed to improving the societies in which we work"

91%
"My manager cares about me as an individual"

89%
"Orbit is committed to reducing our impact on the environment"

Our Values

We continue to focus on creating a culture that is supportive for all our employees and our values play a key role in this. They help guide how we work with customers, stakeholders and each other. They define who we are and help deliver on our core vision of building thriving communities.

Invest

We are passionate about making profit for a purpose. The things which change people's lives are the focus of our investments; and sharing our experience and knowledge with each other is the key to our success. This helps ensure Orbit delivers on its ambition to have fantastic people, quality homes and great communities and to make every day a better day.

Driven

We are dynamic and performance focused, and fully committed to delivering Orbit's vision. We work together to achieve our goals and to improve products, services, and processes. We are prepared to be bold and try something new, and we celebrate our progress as we achieve success.

Achieving Together

We value the talents of every person and work together with passion, energy and strength to overcome challenges and achieve together.

Innovative

We always take the opportunity to improve and learn. We enjoy working together to solve problems. Being passionate about providing added value to our customers means we will naturally explore to understand what great looks like. We value the knowledge, skills, ideas and capabilities our people bring to Orbit, and together we will create inspirational teams committed to being the best.

Responsible

We care about the safety, equality and prosperity of our people, communities and environment. Our employees are dedicated to our common purpose and take accountability for the delivery of their part in our overall mission. We evaluate the impact of our work, understand how to target our investments and think critically to improve, ensuring we make the right changes for the right reasons.

Agile working

We have fostered a flexible working culture over many years, which allowed us to quickly implement our agile working programme, WorkSmart, in September 2020. As a result, over 800 colleagues have signed up to the programme and we have continued to become a more flexible and agile organisation.

Our WorkSmart policy has allowed us to adapt to Government restrictions, maintain productivity levels and become a more resilient organisation. It has also had environmental benefits, reducing commuting travel and emissions, and we have seen no detrimental impact to our strong Orbit culture as we embrace the new normal of WorkSmart.

Post pandemic, our vision is that our colleagues will work in a blended way from any location, whether it's an Orbit building or community, home or other location – or any combination of these. This supports our ambition of being Safer, Smarter, Faster, Greener.

One of our agile work spaces at our Customer Hub in Coventry

Chloe Curtis Dunn, our Environmental Business Apprentice

"I felt as though Orbit was a really inclusive place to work and from previously doing work experience with Orbit, I knew that everyone was really kind and always open to helping you, which for me was a real plus.

I also liked that Orbit had a high retention rate after the apprenticeship programme had finished, which gave me hope that I would also be offered a permanent role once I had finished my qualification.

Orbit also has an agile working policy which allows you to be more flexible with your hours on a day-to-day basis as well as being able to work from home, which for me showed they cared about their employees and their wellbeing."

Chloe Curtis Dunn,
Environmental Business Apprentice

Wellbeing support

Employee wellbeing remains a key focus for Orbit. Our award-winning wellbeing programme, #ThisIsMe, was developed to support colleagues through the pandemic and beyond. It continues to provide access to Healthy Mind First Aiders, our Employee Assistance Programme, and a range of support tools, videos, podcasts, factsheets, talks and resources to support mental and physical health.

To open conversations around wellbeing and equality, diversity and inclusion, #ThisIsMe talks were introduced with the aim of education, conversation and celebration. Since starting this series, we have held many sessions - some involving colleagues talking about their personal stories and others from external experts - and have discussed subjects ranging from mental health awareness, transgender awareness, racism, suicide, domestic abuse and cohesive control.

Creating an inclusive workplace

We are passionate about enabling people to unlock their full potential and take a collaborative approach to Equality, Diversity and Inclusion (EDI). We actively create the conditions where all colleagues and customers are able to influence change and have a voice that impacts our decisions and service delivery.

Our EDI focus aims to achieve two key strategic outcomes:

- **Orbit has an open and inclusive workplace culture, in which the differences that all our people bring to Orbit are valued, and equality of opportunity is available for all.**
- **We deliver accessible services and equitable outcomes for the diverse communities we serve, with a focus on improving the quality of service experience for all our customers.**

Led by our Chief Executive, our EDI Operational Forum meets quarterly to turn this strategic vision into clear operational plans and outcomes. Our Group Director for Orbit Homes is our champion for gender, and our EDI Allies – colleagues from across all areas of our organisation - are consulted in developing and delivering our EDI plan, and act as a go-to for any internal concerns.

Supporting these ambitions, we have worked collaboratively with all stakeholders to update our EDI policy covering customers, colleagues, stakeholders and partners. We have developed new EDI training to support this, which is being rolled out to managers. We retain an open dialogue with all employees as part of our day-to-day operations, and celebrate diversity and inclusivity through awareness campaigns, which are led by our EDI Allies.

86%
I can bring who I am (my true self) to work

84%
I feel a strong sense of belonging and inclusion in my team

89%
Within my work area I am treated with fairness and respect

Our annual Employee Survey includes specific questions about diversity and inclusion, which we use to gauge employee views and guide our internal policies and plans.

We are committed to increasing the equality of opportunity for underrepresented groups within Orbit and the sector more widely. To achieve this, we have broadened the advertising of roles to include the Career Transition Partnership, Forces Families Jobs, Employers Domestic Abuse Covenant, disabilityjob.co.uk, lgbtjobs.co.uk and bmejobs.co.uk.

Supporting this, we are proud to have become a member of the Employers Domestic Abuse Covenant (EDAC), where we have pledged to support women affected by abuse to enter or re-enter the workplace, becoming the first housing association in the country to do so. As part of signing up to the covenant, we have committed to providing training and awareness-raising opportunities for colleagues, as well as identifying roles within Orbit for women seeking sustainable employment. We will also invite our colleagues to become EDAC Champions, to help develop a new Domestic Abuse Policy for the organisation.

In addition, we remain committed to the HouseProud Pledge, Business in the Community, and the Armed Forces Covenant, and have retained our Disability Confident Committed status provided by the Department for Work and Pensions.

"I am proud of our approach to EDI and we are continually looking for new ways to create an inclusive and diverse workforce. We aim to create thriving communities and believe in providing an environment for our customers, colleagues and partners that gives everyone an equal chance to live, learn and work free from discrimination, harassment, victimisation and prejudice; an environment where everyone can thrive."

Mark Hoyland, EDI Strategic Forum lead

Orbit's Employee Ambassadors represent all parts of the business and play a key role in shaping our culture

Click here view our video that we created to celebrate International Women's Day

Developing our people

Our people remain our most valuable asset and we are committed to providing opportunities for employment and development.

We work with local job centres in our communities to promote opportunities to our customers who may be looking for work. We also offer a Work and Study programme for those not in education, employment or training (NEET), and are part of the Kickstart programme which helps create new work placements for 16-24 year olds on Universal Credit.

Our *Work Inspiration Programme*, which covers graduates, apprentices, internships and work experience, aims to attract, retain and develop entry-level talent throughout the business and to provide high-quality opportunities, a talent pipeline and career progression.

As part of this, our Graduate and Apprenticeship programmes vary year-by-year depending on business needs. In the past, we have recruited roles for both programmes in Information Technology, Property Management, Sales, Construction, Graphic Design, Tenancy Services and Finance.


Our Orbit Homes sales team

One of our apprentices on a site visit

Training and Development

Developing the talents of our people and helping them progress in their roles is a vital part of our People Plan. We were very proud to share our approach during an information-gathering visit from the Government's Department for Levelling up, Communities and Housing, which is responsible for the Professionalisation of Housing review as part of the Social Housing White Paper.

In addition to our *Work Inspiration Programme*, we offer group-wide training programmes to support and promote professional development for all our employees.

Coaching and mentoring programmes provide support for those looking to advance their careers, and we offer all colleagues support with professional qualifications. We have also revised and refreshed our extensive Aspiring Managers programme, offering management training for those looking to take the next step in their career.

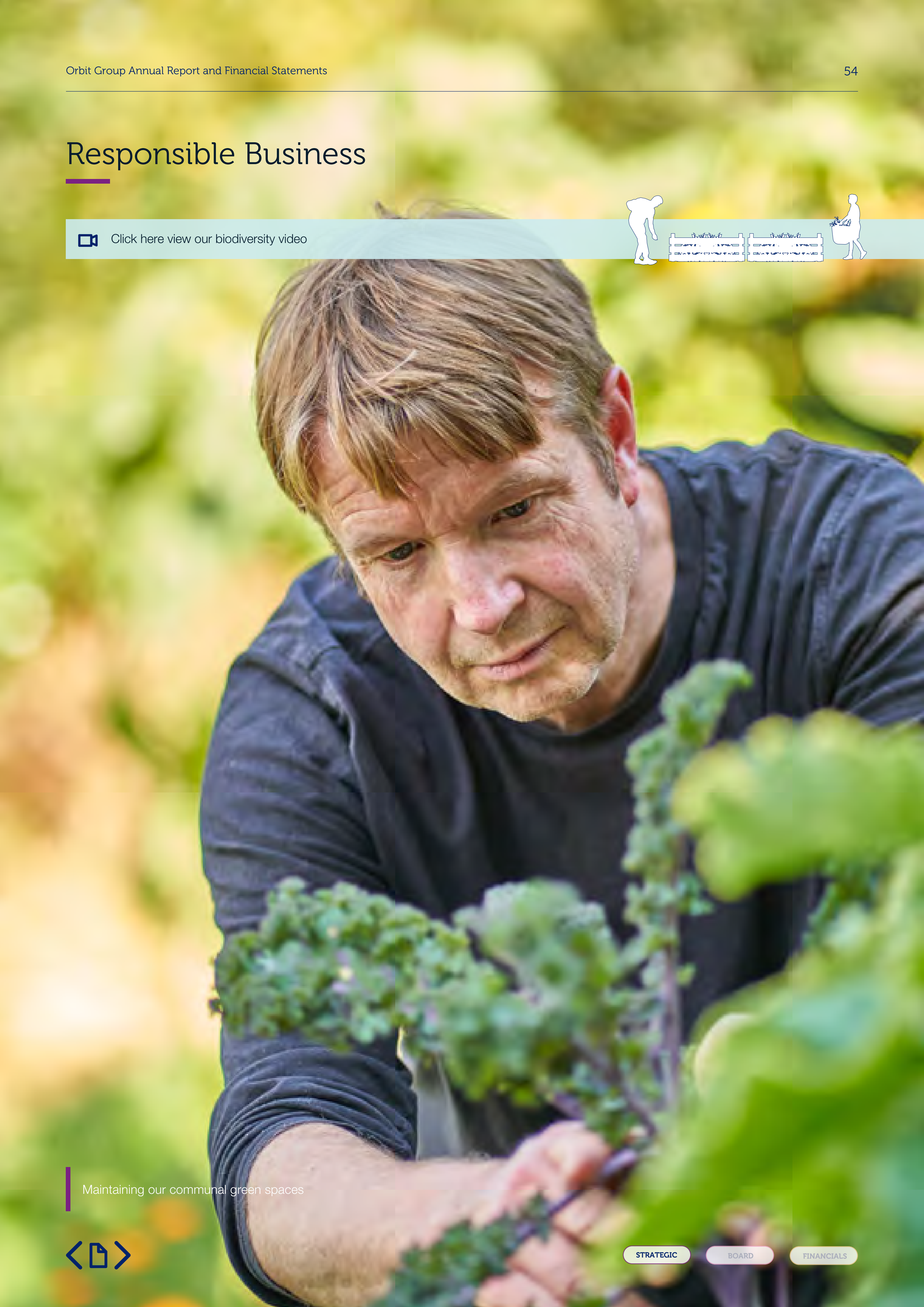
During the 12-month period to 31 March 2022:

6,522 e-learning courses were completed

51 employees undertook apprenticeship-levy funded qualifications

Responsible Business

Click here view our biodiversity video



Maintaining our communal green spaces

Our ESG strategy

Orbit has been fully committed to tackling climate change for many years. Through our sustainability programme, Orbit Earth, we have already seen significant improvement to our carbon footprint and were an early adopter of the sector's Sustainability Reporting Standard.

Developing this further, in 2021 we launched of our Environmental, Social and Governance (ESG) strategy. This provides Orbit with a formal and measurable structure to deliver our commitment to creating a better society and improved performance that is consistent with our mission and vision.

ESG concerns are embedded into our decision-making at all levels and our actions are measured, benchmarked, monitored and publicly reported. You can read more about our strategy and progress in our 2022 Environmental, Social and Governance report.

Volunteers planting in our green spaces to help biodiversity

Orbit Earth

The environmental pillar of our ESG strategy is Orbit Earth. Under this programme, we will actively enhance our environment, creating and improving places and spaces for communities to thrive.

Our objectives are:

Climate action to become net zero carbon

Enhancement of outdoor spaces to improve the quality of natural resources including biodiversity, land, water and air

Sustainable consumption to manage resources, materials and products responsibly

Volunteer improving and maintaining our communal spaces

This programme is overseen by the Orbit Earth Steering Group, a collective of like-minded colleagues from across Orbit working to ensure successful delivery of these objectives.

Data is key to achieving this and we operate an environmental management system aligned to ISO 14001:2015. Part of this process includes the identification and mitigation of environmental risks and opportunities across the organisation in order to help meet environmental regulations and improve efficiency and performance.

In November 2021, we also launched a new environmental sustainability qualification for our colleagues – the first in-house training of its kind in the social housing sector.

The course, Environmental Sustainability Skills for Managers, provides learners with a broad understanding of environmental sustainability principles and the skills needed to implement change as individuals, in their teams and the wider organisation. Delivered in-house by our Environmental Sustainability team, this internationally-recognised qualification developed by the Institute of Environmental Management and Assessment (IEMA) is tailored for our colleagues and the social housing sector, providing learners with a working knowledge of Orbit's environmental management system.

Orbit to Zero

We launched our Orbit to Zero net zero carbon roadmap during COP26, making a firm commitment to achieving net zero carbon in our operations by 2030, and in our customer homes and supply chain before 2050.

Click here to view our net zero carbon roadmap

To reach our net zero target, we have initiated a cross-business Carbon Forum to monitor and manage Orbit's approach. It provides oversight of the delivery of our net zero carbon plan and helps foster a culture of collaboration and innovation, so we are all working towards the same goal.

In the past year, we have reduced our carbon footprint by 6.9% compared to the previous year, with a 33% reduction on our baseline 2018-19 year.

The Carbon Forum members have led a series of workshops involving representatives from across the organisation identifying the actions that we will take to accelerate our transition to net zero carbon across our operations, communal spaces, customers, homes, supply chain and construction.

The forum also includes an innovation hub to trial new technologies, focusing in particular on energy efficiency measures such as smart thermostats, external wall insulation and intelligent air bricks.

We were also proud to have our Head of Environmental Sustainability and Head of Carbon and Operations both recognised in Unlocknetzero's Climate Change Power List for their work in this sector.

Two new 'Pod Point' electric vehicle charging points were installed for customers at Arden Quarter's Independent Living scheme, Rosalind Court, and Fordham House in Stratford-upon-Avon.

Biodiversity – Wildlife Trust pilots

We are committed to ensuring that the outdoor spaces we care for contain a rich biodiversity, as well as creating a space for our customers to enjoy. Over the course of the year, we have continued to invest in our outdoor spaces, with the creation of pocket parks, tree planting and sustainable environmental solutions.

Tanyard Farm Pocket Park

We created a pollinator-friendly pocket park at Tanyard Farm with pupils from Leigh Church of England Academy, The Westwood Academy and Our Lady of the Assumption Catholic Primary School, in partnership with Warwickshire Wildlife Trust.

Tree planting at Micklewell Park

Colleagues volunteered their time to help plant 300 trees at Orbit Homes' Micklewell Park as part of National Tree Week. Once complete, Micklewell Park will be home to eight acres of newly planted woodland, helping to connect existing wildlife corridors in the neighbouring land such as the canal and local parks that border the development.

A natural solution

A section of eroded riverbank in Stratford-upon-Avon which was causing gardens and fences of some Orbit customers and other residents to collapse into a brook, has been stabilised using sustainable methods.

Rather than relying on hard engineering solutions such as gabions and concrete canalisation, which were already in place upstream and exasperating the erosion issues, we worked closely with the Environment Agency and specialist contractors to install a more environmentally friendly solution.

We used natural materials, including coconut coil rolls seeded with aquatic vegetation and live willow stakes and spilling, which will eventually grow into the bank and help bind it together to create a natural buffer against future erosion and better support the habitat of local wildlife.

Not only has this project enhanced the natural environment, but it will protect our properties and reduce maintenance costs going forward.

Partnership with the Wildlife Trusts

As part of our objective to enhance our green spaces to improve their quality and biodiversity, we partnered with the Warwickshire Wildlife Trust to look at how we could improve communal outdoor spaces across existing estates, whilst also connecting our customers with nature and encouraging them to enhance biodiversity in their private outdoor spaces.

The first stage of this project saw us working with Warwickshire Wildlife Trust to undertake detailed habitat surveys of four estates that are representative of our wider portfolio. These surveys were then used to develop biodiversity improvement plans for those communities.

Residents worked alongside colleagues from Orbit and Warwickshire Wildlife Trust to make improvements to their outdoor spaces.

They created wildlife-friendly environments for the community to enjoy, while also running nature wellbeing activities such as weaving willow bird feeders. Engaging with nature helps to enhance our resident's wellbeing with studies showing it supports good mental health and prevents distress.

The improved green spaces will provide food and shelter for nature to thrive and support native species such as birds, insects and small mammals to inhabit the local area.

We have also used this analysis to create a 'manual' of categorised Orbit estate habitats with suggested improvements to ensure 30% of the outdoor areas is available for wildlife, which aligns with the Wildlife Trusts 30by30 campaign. Training for our Estates teams to replicate this across our sites is currently in progress.

Click here to view our booklet produced in collaboration with the Wildlife Trusts

Volunteers helping the Wildlife Trusts develop our green spaces

'Wildlife outside your window'

To support our customers to connect with nature and encourage them to enhance the biodiversity in their private outdoor spaces, we've created a handy booklet in collaboration with the Wildlife Trusts. Full of easy ideas and tips to improve the wildlife outside their window, it includes a packet of wildflower seeds for residents to plant to encourage pollinator species.

Waste progress & plans

Our third objective under Orbit Earth is to transition to a circular economy where resources are sourced, produced, used and disposed of sustainably. Supporting this, we have created a Waste Action Group which is working to devise a zero waste strategy that will go above and beyond the minimum waste reporting and compliance, to seek out positive circular economy principles that will save money and provide social impact as well as environmental benefits.

Each business area in the organisation will take formal responsibility for the waste they produce and will create a delivery plan which the Waste Action Group will support. Workshops were held at the start of 2022 with colleagues from across Orbit to form ideas and actions for these plans.

The CEO of Paint 360 being awarded their trophy as one of our Thriving communities Award Winners

Paint360

Each year, the UK generates over 55 million litres of waste paint, the majority of which is incinerated with only 2% getting reused. Paint360 changes that, re-engineering waste paint into brand new paint with a minimum 50% recycled content.

Unwanted paint is received from manufacturers, waste management companies, councils and contractors, increasing recycling rates and delivering a true closed loop service.

We have partnered with Paint360 since 2016 as part of our Orbit Earth programme, with the social enterprise providing paint for use in the refurbishment of our rental properties. We're now taking that a stage further by trialling Paint360 on our new-build homes.

Compliance and Risk

Culture of Health and Safety and Compliance

Orbit has a strong culture of health and safety and a rigorous approach to governance, risk and compliance.

We are rightly proud of the high standards we have achieved and are delighted to have been awarded a prestigious Merit for our commitment to customer and property safety by the British Safety Council in its globally recognised International Safety Awards.

We have also received a RoSPA Highly Commended in the Public Service & Local Government Industry Sector Health and Safety Award for working hard to ensure our colleagues, customers and contractors are kept as safe as possible. Moreover, Orbit's Head of Health Safety & Insurance, Jayne Lombardi, received the Woman of The Year Award at the Safety & Health Excellence Awards.

All our colleagues play a key role in our strong health and safety culture and, in recognition of this, we hosted our first Orbit Health and Safety Excellence Awards in October 2021. Held in partnership with the Royal Society for the Prevention of Accidents (RoSPA), these awards celebrated our sector-leading contributions to Health and Safety and acknowledged our people and partners who have shown an outstanding commitment to keeping our customer and workplaces safe.

BRITISH SAFETY COUNCIL
International Safety Awards 2022 Merit

2022 RoSPA Public Service & Local Government Sector Award Highly Commended

2022 RoSPA Gold Award

One of our Orbit Homes colleagues carrying out a risk inspection

Cyber Security

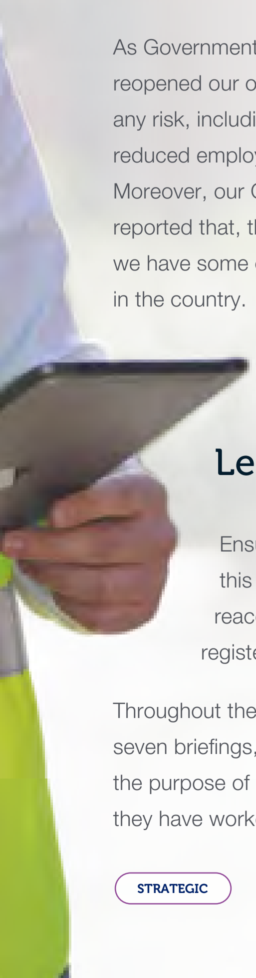
Just like other organisations, Orbit faces an ever-increasing and evolving threat from cyber criminals and hackers. We continue to strive to embed cyber security in all decision, making across the business. We regularly raise awareness across our teams through communications and simulated exercises. Over the past year, Orbit has implemented several new security capabilities and amplified security culture across the business. We have invested in multiple layers of security tools and defences which seek to prevent, protect, respond to and monitor attacks. We constantly monitor the threat landscape and adapt our security position learning from other incidents and breaches globally. With our growing digital footprint, cyber risk continues to be a priority and remains firmly on our radar.

COVID-19 Response

Our focus on keeping our customers, colleagues and partners safe has been paramount as the COVID-19 pandemic continued.

Orbit's Incident Management team has demonstrated the organisation's capability to cope with the risks associated with the pandemic through the incident management framework, a core aspect of the Group's risk management protocols. This has ensured that we are well-placed to manage and mitigate any potential risks for the business.

As Government restrictions have eased over the year, we have reopened our offices with effective procedures in place to reduce any risk, including rigorous daily cleaning schedules and significantly reduced employee numbers to maintain social distancing. Moreover, our Orbit Homes team's Health and Safety assessment reported that, through our effective risk management protocols, we have some of the most COVID-19 secure construction sites in the country.



Leaders in Safeguarding

Ensuring our customers are safe is a priority at Orbit and this was recognised with our 'Leaders in Safeguarding' reaccreditation this year, having become the first registered housing provider to achieve this in 2020/21.

Throughout the year, our Designated Safeguarding Leads delivered seven briefings, reaching over 70 colleagues and contractors, with the purpose of keeping the profile of safeguarding high. In addition, they have worked with our IT team to improve our safeguarding form and were proactive in the decision to move the form to the Health and Safety platform, enabling our contractors to complete it. Each Designated Safeguarding Lead has also continued to proactively raise awareness and promote the reporting of concerns by colleagues, agents and contractors.

This year we introduced two Impact Coaches into the Tenancy Sustainment team to support customers with more complex support needs. By signposting our safeguarding customers across to the service, we have seen a 56% reduction in Multiple Safeguarding Concerns, 56% reduction of repeat phone calls and a 22% reduction of behaviour impacting local communities.

Supporting Fire Safety

We are proud to remain the only national affordable housing provider to have achieved BS9997, British Standards in Fire risk management systems. In addition to this, our Home Fire Safety app developed in conjuction with Firemark Education – a community interest company – has had more than 500,000 views.

Operating at the forefront of fire safety training, the app provides an augmented reality digital safety tour so our customers can get the very latest fire safety advice at the touch of a button, helping to raise awareness of fire safety with our customers, employees and the general public.

Building Safety Bill

To meet the standards that will be set by the new Building Safety Regime, which will become law by April 2023, we have developed our new Building Safety Strategy.

The overarching principle is to implement a 'standards based' approach for our buildings, where we utilise existing British and International standards to create a unique, comprehensive risk management system, including the Plan, Do, Check, Act model (PDCA), which will be at the heart of the new Building Safety Regulator's regime.

Led by our Building Safety Steering Group and the Property Safety Team, and drawing on internal and external expertise, we have begun to gather our 'Golden Thread' of building information, starting with Becton Place in Erith where our first, innovative retrospective Building Information Modelling (BIM) has been carried out to help us understand its make-up and structure. In addition, we'll be conducting enhanced fire risk assessments, environmental reports and heat scanning to ensure we're ahead of the new building safety requirements.

Value for Money

Our Strategy

At Orbit we take a holistic and balanced approach to value for money that supports our fundamental social purpose and ensures we make best use of our resources and assets to deliver the best service for our customers. Within this framework we believe that everyone deserves to live in a good quality and safe home and we continue to combine our social purpose and commercial expertise to build affordable, safe and energy-efficient homes within thriving communities.

The nature of our approach recognises both financial and social value with our vision of creating diverse and thriving communities where our customers feel safe and supported. We are proud to be a multigenerational, inclusive employer with the personal growth and wellbeing of our people at the heart of our business. Our value for money culture is led by our Group Board and Executive Team, through approval of our value for money strategy, financial business plan and business change initiatives. It is embedded in all decision-making processes, and we ensure our strategy adheres to the standards set by the Regulator. We are proud to have retained our G1/V2 regulatory rating.

Our Customer Promise puts our customers at the heart of all we do and sets out what they should expect from us as their landlord. Our promise communicates a clear set of commitments that customers can hold us accountable to, and helps us to deliver on the requirements of the Social Housing White Paper. Our services, available to every customer are designed to support financial inclusion, mental wellbeing, employment, skills and digital support. We are committed to ensuring that customers find us easy to communicate with. Whilst our Customer Hub continues to be the first port of call, customers who wish to contact us and engage with key information and services away from the phone have a choice of other digital platforms. These options are beneficial for customers who find person-to-person communication challenging.

Underpinning our Customer Promise, our Better Days programme has been developed and commissioned by behavioural insight, our customers and employees to create a customer-centred, comprehensive offer managing varied and complex issues.

Our ongoing ambition to offer a sector-leading, streamlined customer experience has continued this year with improvements to the accessibility and useability of our digital channels. Our customers have a choice of online communication channels to use anytime, anywhere and on any device allowing them to self-manage many elements of their tenancy. We have also launched our new Customer Handbook and our updated our Customer Complaints system. Whilst we continue to develop our digital engagement platform, with the lifting of COVID-19 restrictions, we have seen a return to more face-to-face engagement resulting in a more integrated approach.

This year has seen us deliver £10.4 million investment into our work with customers and communities and realise Social Housing impact of £8.6 million through our Thriving Communities programme.

With our increasing digital footprint, cyber security is a priority. The threat from cyber criminals and hackers is increasing and we ensure that cyber security is embedded into decision-making. Over the past year we have implemented several new security capabilities and amplified security culture across the business, investing in multiple layers of security tools and defences which seek to prevent, protect, respond to and monitor attacks.

Our agile working model WorkSmart allowed us to operate efficiently through the pandemic in the earlier part of the year. Post pandemic our colleagues will work in a blended way from any location supporting our ambition of being Safer, Smarter, Faster, Greener. Our business hubs focus on bringing our people together to collaborate. We have reduced our carbon footprint and created value for money for our customers through reduced office overheads, subsistence and meeting costs. As we return to a full year post pandemic, we would expect a slight increase in these costs but aim to retain them below pre pandemic levels. We continue to review how we will use our office spaces in the future.

We have been awarded £2.85 million in Social Housing Decarbonisation Fund (SHDF) grants to update a total of 205 properties in Stratford-on-Avon and the West Midlands combined authority area. Orbit have also invested £4.6 million into this project to generate knowledge and insight into the challenge ahead and explore the impact of selected sustainable technologies in a retrofit application.

Independent Living customers enjoying the communal space at Tithe Lodge

Our Board-approved Densification Strategy which aligns to our commitment to improving both our customer service offer and delivering improved value for money has continued this year. This strategy allows us to deliver affordability through reshaping our stock portfolio. Densification of our operating areas underpins our vision to build thriving communities that meet the needs of our diverse customer base and maximise the efficiency of repairs partners to deliver value for money. This year we successfully completed a stock swap with Midland Heart Group comprising 1,100 homes of which Orbit acquired 526 and 604 transferred to Midland Heart. We transferred 180 properties in Elmbridge to PA Housing who already have a considerable presence in the area, ensuring the continuation of customer service. These activities generated income of £22.7 million to support the delivery of more affordable homes in our key geographical areas. We disposed of the remaining 20 shared ownership units from non-core areas in December 2021 which secured £1.8 million for re-investment.

The financial planning process, overseen and approved by the Board, ensures that Orbit achieves a healthy balance between building good quality, safe and energy-efficient homes where our customers are proud to live, maintaining our existing properties to an excellent standard and creating a great place for employees to work whilst continuing to protect the financial health of our business.

Our corporate strategy, Orbit 2025, is aligned to the Social Housing & Planning White Papers. It details our aspiration and vision of delivering the best customer experience, providing further significant investment into our homes and communities, maintaining our position as a leading UK developer of affordable homes, responding to the needs of a changing and diverse population, attracting developing and retaining the very best people, reducing our impact on the environment and focuses on safety and quality standards.

We continue to explore partnership and growth opportunities. As a part of this we entered into a Grouping Agreement with Swan Housing Association, with the aim of Swan joining the Orbit Group as a subsidiary. We believe Swan to be a complementary fit geographically for Orbit and, should the grouping go ahead, this would create a combined housing portfolio of nearly 60,000 homes and over 125,000 customers across the UK and unlock greater potential. This growth in scale will deliver increased value for money for a larger customer base. Our operations and governance strength will support housing and development opportunities and maximise our combined build programme to provide more homes across our core geographical areas.

Value for Money Metrics

As well as the value for money metrics set out by the Regulator, we also report against our own internal metrics taking into consideration our social and environmental commitments alongside the core thread of governance. These include measuring staff costs as a percentage of turnover, rent collection, occupancy rates, customer satisfaction, investment in communities and the percentage of homes achieving EPC Band C or above. These additional metrics, coupled with the regulatory metrics, evaluate the performance of our value chain. All metrics can be aligned with Economy, Efficiency or Effectiveness. The three E's focus on different aspects and are defined as follows:

Economy: the degree to which objects are being purchased in the right quantity and at the right price, while having regard to quality. This is true of both goods and services that are utilised by Orbit but is equally important when employing staff. It is essential to ensure that staff are employed at the right salary levels, reflecting Orbit's target position of a median benchmarking employer, and that employees have sufficient skill sets to carry out the tasks assigned to their role.

Efficiency: is a productivity measure considering how efficiently the project is delivering its results, considering the rate at which inputs are converted to outputs and its cost-efficiency.

Effectiveness: considers the quality of the work by assessing the rate at which outputs are converted into outcomes along with the impact this has. These outcomes can be either qualitative or quantitative in nature and reaffirming that value for money is not simply a financial consideration.

Outlined below are some key highlights achieved this year as a result of our embedded value for money culture.

Economy

Operating margin
25.2%

EBITDA MRI
139.6%

Efficiency

Home Occupancy
98.15%

Rent collection levels
99.82%

Effectiveness

Multi award-winning company

In House Research awards
Gold

British Safety Council International Safety Awards
Merit

RoSPA Highly Commended
Gold

Customer satisfaction
4.3/5

Benchmarking

To aid benchmarking, we have tracked performance against a representative peer group. This group has been carefully selected by reviewing geographic coverage and property portfolio size. Housing associations included in this benchmark group are as follows:

Midland Heart	Optivo
Platform Housing	Home Group
Live West	Bromford
Sovereign	Notting Hill Genesis
Citizen Housing	Stonewater

Furthermore, we are also continuing to benchmark for Housing Associations providers with over 30,000 units, as defined by the Regulator of Social Housing. Please note that 2021 metrics for both Orbit and the benchmarks groups will be impacted by the pandemic period. Orbit is proud of its commitment to building good quality, affordable safe and energy efficient housing to create diverse and dynamic communities. We will continue to invest in existing properties to ensure we improve customer experience and deliver on the requirements of the Social Housing White Paper.

We firmly believe that our strategy is the right one for us and our customers. As a consequence, we do not benchmark as favourably against metrics such as operating margin, gearing and EBITDA, or headline social housing cost per unit. Whilst we will always seek to deliver improved value for money year- on-year, we would not expect these scores to change significantly due to the nature of our core strategy and commitment to providing our customers with great places to live.

Our future operational priorities for the next 12 months include delivering our best customer experience at every opportunity and transforming our digital offer, developing a service that supports a diverse and changing population and maintaining our place as a leading UK developer of affordable homes. We are committed to providing a greater level of investment in our homes and communities and ensuring that profit is re-invested purposefully, meeting the development requirements of our strategic partnership with Homes England to ensure we maximise the use of the available grant to build affordable homes. We will continue to invest in new technologies and advanced ways of working including modern methods of construction and ensure we continue to attract and retain the very best people.

Good Quality, Affordable and Safe Homes

We are committed to providing good quality, affordable and safe homes and are proud to be one of the largest builders of affordable homes in the UK. We plan to deliver 6,500 new homes by 2025 to meet growing demand. In 2022 we have delivered 1,013 homes across all tenures against the backdrop of COVID-19, and the macroeconomic impacts on labour markets and supply chains.

Orbit is committed to the development of new homes, whilst also improving standards in our existing properties with 99.9% of homes meeting the Decent Homes Standard. We have been recognised as the first social housing developer to have house design approved by RoSPA, which confirms our commitment as a responsible provider with a focus on sustainability.

As Orbit continues to build new homes our primary focus remains on our core value of social housing. Almost 80% of the homes Orbit built in the last 12 months have been social in nature, whilst open market activity continues to contribute to future social housing developments through reinvesting the profits generated.

Our continued focus on the delivery of good quality homes across multiple tenure types is not restricted to the development of new properties and in the last 12 months we have invested in excess of £80 million in maintaining the quality of our existing stock portfolio to improve standards for our customers.

In 2021 we launched our Environment, Social and Governance (ESG) strategy which provides our business with a formal and measurable structure to create thriving communities and a better society. ESG concerns are embedded in decision-making at all levels with actions benchmarked, measured, monitored and publicly reported. We are committed to our energy efficiency programme to ensure that we move towards the Government’s 2050 net zero carbon target and create homes for our customers that are safe and efficient to run. Our environmental sustainability programme Orbit Earth is the environmental pillar of our ESG strategy and is focused on our drive towards net zero carbon, creating environmentally aware places and spaces where communities can thrive together with developing and managing a sustainable supply chain.

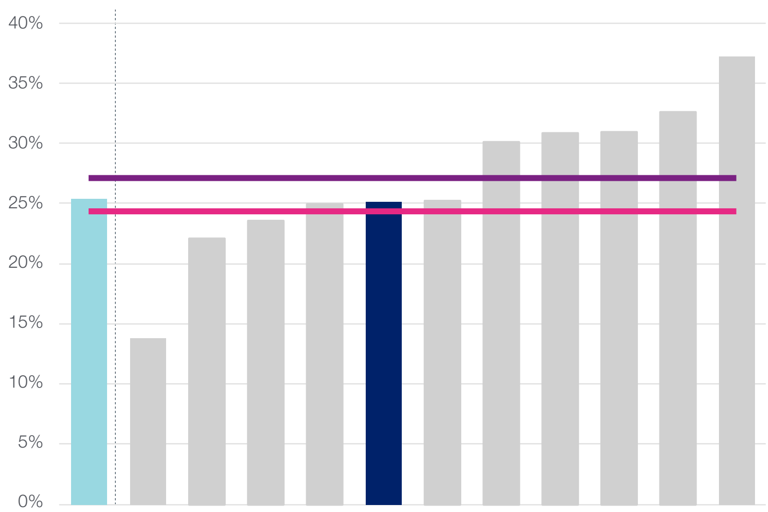
Our sector is aware of the complex challenges that lie ahead in the decarbonisation of homes, equally as important is the impact this will have on our customers. We are committed to working in collaboration with our customers to achieve outcomes that are beneficial to both our business and those who live in our homes. As a business we must ensure that any future retrofit plans contribute to lower energy costs for our customers.

Profit for a Purpose

Orbit's financial delivery is strong and resilient despite the significant geopolitical and macroeconomic headwinds. Our total reserves have continued to increase and this, coupled with our liquidity position, leaves us well-placed to deal with challenges that may arise. Our target reflects our commitment to achieving efficiencies around discretionary spend.

Operating Margin Overall (%)

The Operating Margin, which excludes surplus on sale of housing properties, demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business.



Value Chain Alignment	Key:	Orbit 2021: 25.4%	Orbit 2022: 25.2%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 27.1%	Benchmark: 24.3%	25.1%

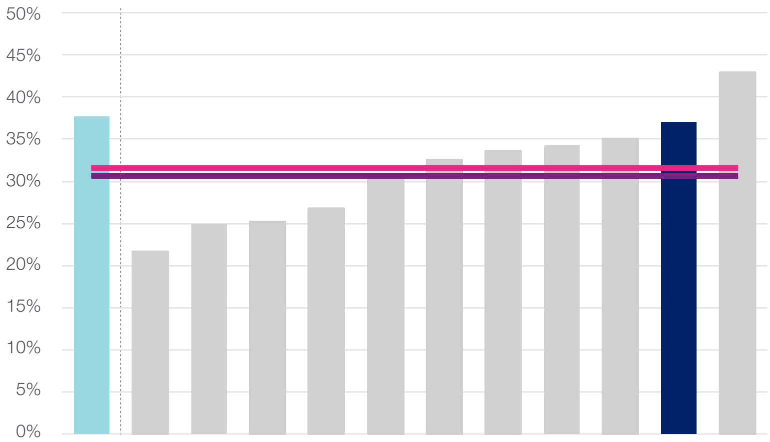
Operating Margin of 25.2% has been achieved, which is 0.2% lower than prior year, and 1.9% below our peer group. However, it has exceeded the benchmark for housing associations with 30,000+ units by 0.9%.

Orbit's commitment to playing its part in reducing the housing crisis through the development of homes for sale and reinvesting profits generated in building thriving communities results in a lower margin percentage.

For 2023, we are expecting a similar margin level to our current year delivery reflecting our increased investment in our housing assets.

Operating Margin (Social Housing Lettings (SHL) Only) %

Demonstrates the profitability of operating assets before exceptional expenses are taken into account.



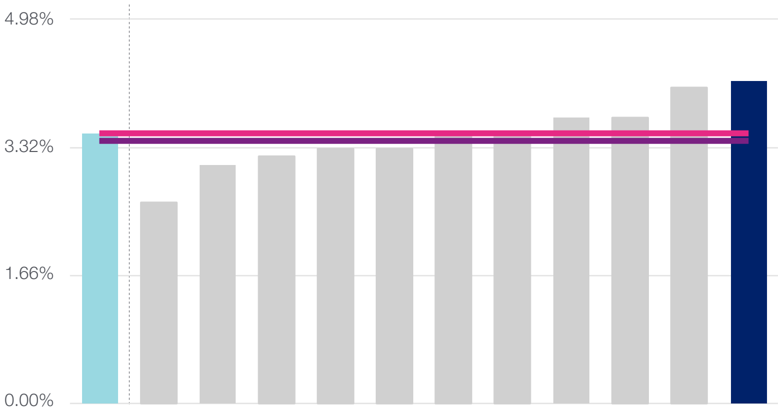
Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		37.7%	37.0%	
Economy	Peers 2021	Peer Average: 30.7%	Benchmark: 31.6%	37.1%

Orbit has delivered an Operating Margin (SHL) of 37.0%, a 0.7% reduction from prior year. However this remains 6.3% above our peer group average and has also exceeded the benchmark for housing associations with 30,000+ units by 5.4%. This metric demonstrates the strength of Orbit's underlying Value For Money strategy and ethos, highlighting our efficiency and effectiveness in the core social aspects of our business.

Our expected metric for 2023, remains strong at 37.1% and reflects the continued investment in our housing assets.

Return on Capital Employed (%)

This metric compares the operating surplus (inclusive of asset sales) to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.



Value Chain Alignment	Key:	Orbit 2021: 3.5%	Orbit 2022: 4.2%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 3.4%	Benchmark: 3.5%	4.7%

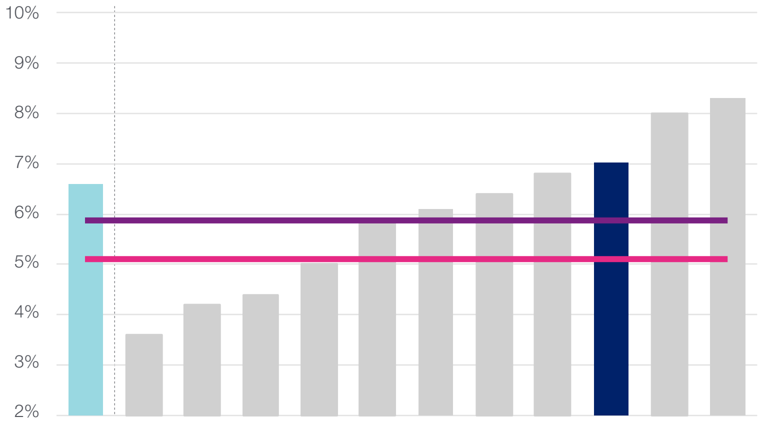
Orbit's Return on Capital Employed percentage of 4.2% is a 0.7% increase from prior year, 0.8% above our peer group average and 0.7% above the benchmark for housing associations with 30,000+ units.

This is benefited by increased gain on disposal of fixed assets through our continuing stock densification programme. This programme continues to work towards delivering density in key geographical areas and has seen asset swaps delivered with other housing associations, as well as the sale of stock in non-core areas.

The continuation of this programme coupled with a strong operational focus will see ROCE increase in 2023.

Reinvestment (%)

Investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.



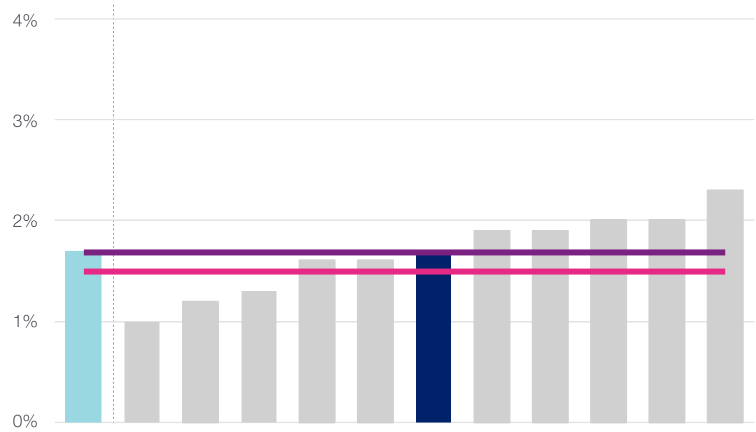
This year, post COVID-19 restrictions, Orbit's reinvestment percentage has increased by 0.4% to 7.0% largely driven by an increased capital programme. Our level of investment is 1.1% above our peer group average and 1.9% above the benchmark for housing associations with 30,000+ units.

Orbit remains committed to building thriving communities, with a 9.7% target for 2023 reflecting increased development, repairs and maintenance spend.

Value Chain Alignment	Key:	Orbit 2021: 6.6%	Orbit 2022: 7.0%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 5.9%	Benchmark: 5.1%	9.7%

New Supply (Social) (%)

Number of new housing units acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.



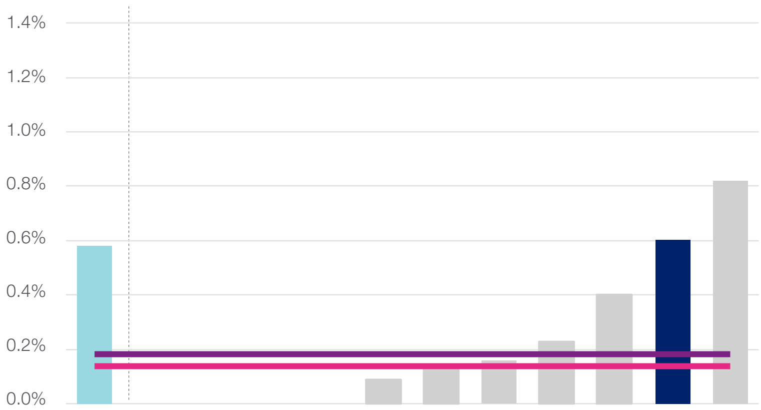
Value Chain Alignment	Key:	Orbit 2021: 1.7%	Orbit 2022: 1.7%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 1.7%	Benchmark: 1.5%	2.4%

Orbit has achieved a New Supply Social percentage of 1.7%, which is the same as the prior year and in line with our peer group average. We are currently operating 0.2% higher than the benchmark for housing associations with 30,000+ units.

We have delivered a similar number of units into management in the year as COVID-19 restrictions eased allowing us to resume construction : 405 social/ affordable rented homes (2021:474) and 299 shared ownership homes (2021:241). We also developed 56 properties for others which are excluded from these figures. We continue our commitment to contribute to addressing the UK's housing crisis and our 2023 target reflects this. Orbit's primary focus to deliver good quality affordable homes to meet a range of customer needs and in 2023 our development pipeline is geared up to deliver in excess of 1,000 new homes, the majority of which will be social in nature.

New Supply (Non-Social) (%)

Number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.



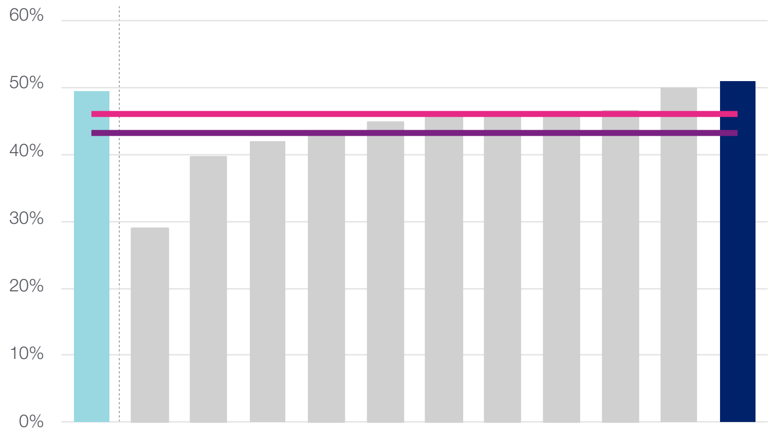
Value Chain Alignment	Key:	Orbit 2021: 0.6%	Orbit 2022: 0.6%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 0.2%	Benchmark: 0.1%	0.6%

Orbit has achieved a New Supply Non-Social percentage of 0.6% which is in line with prior year. This is 0.4% above our peer group average 0.5% above the benchmark for housing associations with 30,000+ units.

Orbit has this year focused on delivering Social Housing properties against the challenges of the pandemic. We delivered 264 non-social homes (2021:252). We also developed 14 properties for others which are excluded from these figures. These profits will be reinvested into new affordable homes, as can be seen in our New Supply Social metric. Our targets for non-social development for 2023 are broadly in line with 2022 delivery, as we continue to build homes that meet a variety of needs.

Gearing (%)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.



Value Chain Alignment	Key:	Orbit 2021: 49.5%	Orbit 2022: 50.9%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 43.3%	Benchmark: 46.0%	49.5%

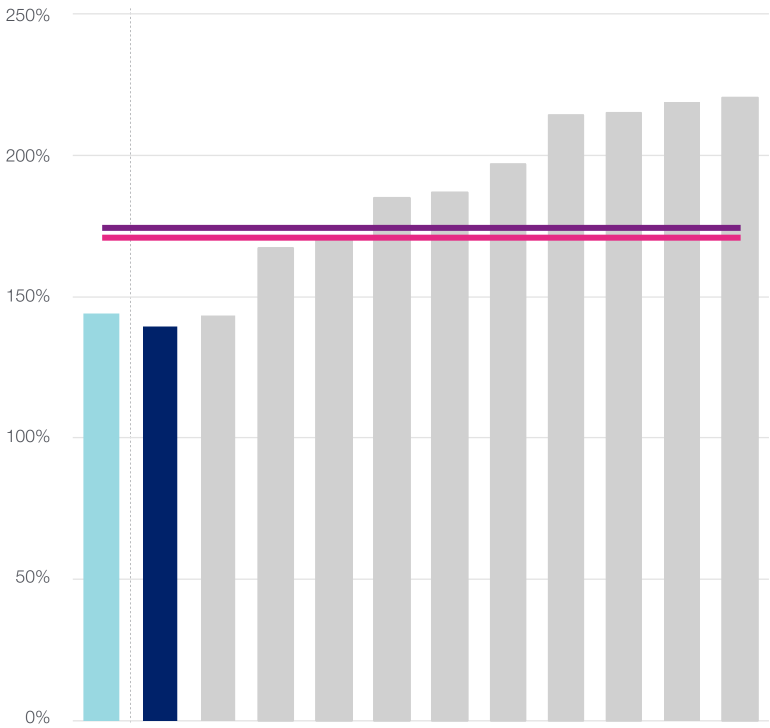
Orbit's continued strategic commitment to playing its part in addressing the national housing crisis through developing new homes and creating thriving communities is reflected in this gearing metric. Furthermore, we have actively chosen to increase the level of investment in our existing stock to continue to improve the quality of our existing assets to provide, good quality and safe homes for our customers.

As a result, we have leveraged our balance sheet to support our strategic objectives resulting in a gearing percentage of 50.9%, 1.4% higher than prior year. This is 7.6% above our peer group average and 4.9% above the benchmark for housing associations with 30,000+ units.

The rise this year is due to reduced cash holdings increasing our net debt postion which is only partially offset by our increasing asset base. We anticipate a reduction from 2023.

EBITDA MRI (%)

Key indicator for liquidity and investment capacity. Measures the level of surplus (excluding asset sales) that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.



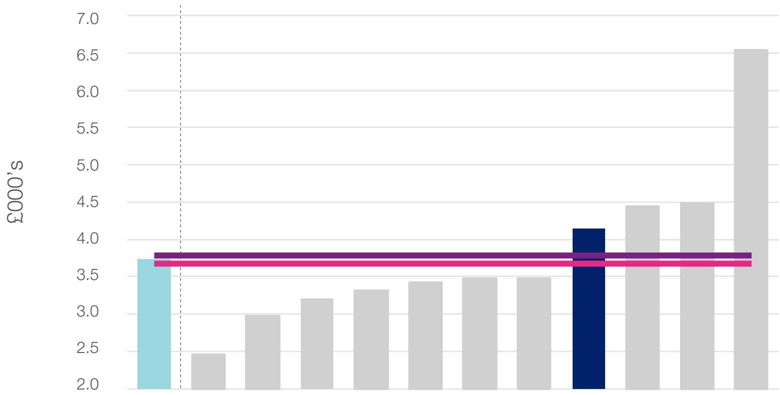
Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		144.0%	139.6%	
Economy	Peers 2021	Peer Average:	Benchmark:	111.6%
		174.4%	171.0%	

Our EBITDA MRI metric has marginally decreased this year, by 4.4% to 139.6%. Therefore our EBITDA remains lower than the majority of our peer group reflecting our strategic positioning and the lower margin house sales that Orbit builds, whose profit is invested back into the business in order to increase our social housing portfolio. We have invested in excess of £80 million into our existing stock with 99.9% of our homes meeting the Decent Homes Standard. 82.2% of our homes are rated EPC Band C or above which benchmarks favourably against the 60.7% average for other housing providers. This reflects our committment to providing good quality homes and we will continue to invest in our properties.

Our 2023 target reflects the significantly increased investment in our assets to improve quality. Orbit remains committed to delivering new housing stock and improving the homes of current customers which will continue to see lower overall operating margin and EBITDA with significant improvements in these metrics remaining unlikely. Orbit will continue to measure the efficiency of its operations through close monitoring of the Social Housing Lettings operating margin.

Headline Social Housing Cost Per Unit (£000's)

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator.



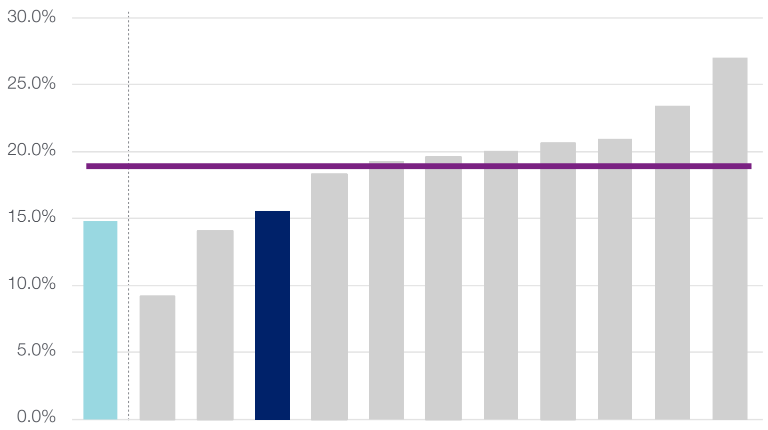
Value Chain Alignment	Key:	Orbit 2021: £3.742	Orbit 2022: £4.141	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: £3.778	Benchmark: £3.680	£4.650

This year, Orbit has achieved a Headline Social Housing Cost Per Unit of £4.141, which is a £399 increase from the prior year, £363 above our peer group and £461 above the benchmark for housing associations with 30,000+ units.

Prior year metrics for Orbit, the Peer Average and the Benchmark group have been impacted by the effects of the pandemic, which resulted in lower routine and major repairs. This year we have returned to more normal levels of of component replacement and cyclical decorations. In addition, we have increased investment in our fire and building safety activity which will continue in future years. COVID-19 lockdown also affected the number of properties returned in a poor state of repair leading to increased repairs on void properties. Management costs have increased driven by inflation and are significantly lower than the peer group average. The full-year impact of licence costs following project work and investment in our customer services are reflected. Our 2023 target will see an increase versus our 2022 position as we continue to deliver our commitment to delivering good quality homes to our customers.

Cost per unit (CPU)	Orbit 2022 (£000)	Orbit 2021 (£000)	Peer Average 2021 (£000)
Management cost per unit	£0.844	£0.750	£1.014
Service charge cost per unit	£0.625	£0.642	£0.608
Maintenance cost per unit	£1.217	£1.240	£1.194
Major repairs cost per unit	£1.043	£0.672	£0.628
Other social housing costs per unit	£0.412	£0.438	£0.334
Total	£4.141	£3.742	£3.778

Staff costs as a percentage of turnover (%)



Value Chain Alignment	Key:	Orbit 2021: 14.8%	Orbit 2022: 15.6%	Orbit 2023 Target:
Economy	Peers 2021	Peer Average: 18.9%		15.0%

Orbit staff costs as a percentage of turnover are 15.6%, which is a 0.8% increase from the prior year and 3.3.% below our peer group average.

Our continued focus on value for money ensures that we are utilising our resources efficiently to maximise the returns achieved and ensure that we continue to generate profits to be reinvested into building thriving communities.

Our customer services team sharing our BetterDays service

Treasury Management Report

The Group's treasury function is responsible for the treasury management activities, which consist of its borrowings, banking, money market and capital market transactions, along with the effective management of the risk-return trade-offs associated with these activities and review of the Group's cash flows.

The Group adopts a risk-averse approach to treasury management and identifies the following key treasury risks to which it is exposed: liquidity risk, interest rate/inflation risk, counterparty credit risk, refinancing risk, legal/regulatory risk, and treasury operational risk.

All treasury activities are subject to the oversight of the board of Orbit Treasury Limited. All treasury risks are continuously monitored through rigorous scenario analysis and regular reporting, whilst funding risk and financial covenants are stress-tested in the Group's annual Financial Plan.

The Group was fully compliant with all of its financial covenants throughout the period. The financial covenants are primarily in respect of interest cover, gearing and asset cover.

The Group maintains a robust risk management framework, which defines the Group's appetite for risk. The treasury function operates within the set risk parameters of this framework. The treasury parameters in the framework are:

- Net debt per unit below £60,000
- Available liquidity sufficient to cover at least 24 months of net expenditure
- Interest cover exceeding 1.5x

The Group was compliant with all its treasury risk parameters as at 31 March 2022.

Capital Structure

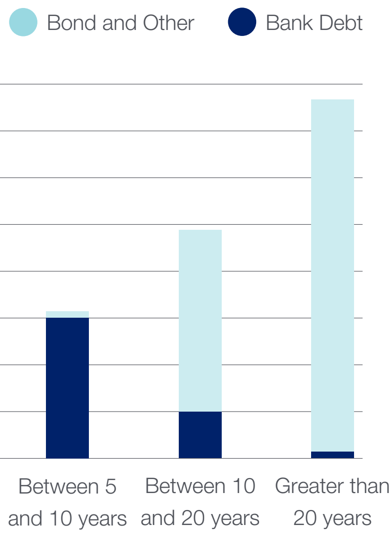
As at 31 March 2022, the Group had £2,022 million (2021: £2,055 million) of committed debt funding. Drawn funding totalled £1,582 million, a decrease from 2021 (£1,713 million). The Group seeks to maintain diversification in its funding sources with 43% coming from seven banks and building societies and 57% from capital markets. During the year, the Group extended £100 million of its revolving credit facilities and negotiated a net increase of a revolving credit facility of £35 million. A £55 million development facility was allowed to mature.

As at 31 March 2022, the weighted average debt portfolio duration was 15.1 years (2021: 15.5 years).

Bank vs Other Debt

The Group has limited re-financing risk in the next five years of 23% of loan facilities (£453 million), with 77% of the Groups debt maturing after 5 years and 62% maturing after 10 years.

Debt Repayment Profile



All committed facilities are secured by fixed charges. At the year-end the Group held approximately 10,700 unencumbered properties available for use for new loans. These properties are conservatively estimated to provide potential security for a further c. £900 million of new loans. This ability to raise new loans may enable us to develop a significant number of new homes in the future.

Investment and Liquidity

The Group will ensure it has adequate cash resources, committed borrowing arrangements, overdrafts, or standby facilities to enable it to have the level of funds available to it at all times which are prudent in relation to the achievement of its business and service objectives.

The adequacy of future funding and liquidity is controlled via policy limits as follows:

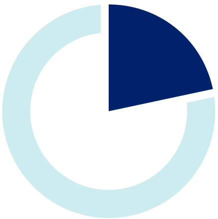
i. Sufficient cash to cover the next 3 months' forecast net cash requirements;

ii. Sufficient cash and secured loan facilities to cover the next 12 months' forecast net cash requirement; and

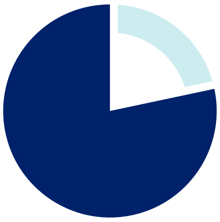
iii. Sufficient cash and committed loan facilities (secured and unsecured) to cover the next 24 months' forecast net cash requirement.

As at 31 March, the Group maintained £440 million of committed undrawn facilities available for immediate drawing and £70 million of cash in hand, representing total available liquidity of £510 million. These resources are considered sufficient to comply with the Group's liquidity risk parameter of 24 months.

Total Committed Funding

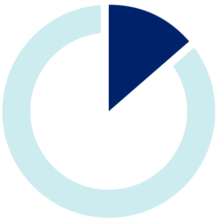


£440 million
undrawn debt

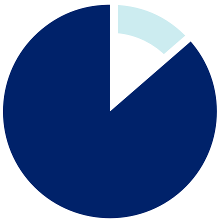


£1,582 million
drawn debt

Available Liquidity



£70 million
cash



£440 million
undrawn committed

Interest rate management

The Group continues to be risk averse in its approach to interest rate management. The Group targets a flexible policy of hedging 65% to 90% of its total debt portfolio with predominantly fixed rate instruments and a small proportion of index linked instruments, with flexibility to depart from these parameters if circumstances make this appropriate.

The Board regularly monitors interest rate risk and at the year-end this resulted in a total debt portfolio that was 77% fixed, and in a total drawn debt position that was 99% fixed.

The Group's average interest cost for the year is 3.71% reflecting the fixed rate hedging noted above. The Group does not have any non-sterling or exchange rate exposures.

Hedging Mix %

99%
fixed loans, embedded and standalone

1%
RPI

The Group maintains a desired interest rate profile through a mixture of embedded instruments (including fixed rate bank loans and bonds) and stand-alone swaps (including fixed and index linked derivatives with bank counterparties). As at the year-end, 99% of the Group's hedged activities were undertaken through fixed loans/ bonds, embedded instruments and stand-alone swaps.

The Group's weighted average duration of its fixed rate debt is just above 19.1 years, limiting the impact of an increase in interest rates.

During the year, Orbit restructured several interest rate swaps at a total cost of £0.8 million. As a result, these interest rate swaps now provide true protection against any future interest rate rises.

All of the Group's hedge arrangements allow social housing assets to be used as collateral to cover mark to market positions.

The Group maintains a formal conservative counterparty policy in respect of those organisations from which it will borrow or with which it will enter into other finance arrangements and derivative transactions. Similarly, on investments, the Group regards the primary objective of its treasury management activity to be the security of the principal sums invested. Short-term investments are well diversified and all cash investments are held with counterparties that meet the criteria agreed by the Board.

The Group's treasury strategy is reviewed and approved at least annually, to ensure it underpins the budget and longer term financial plan. Detailed cash flow forecasts, key ratios and limits are all monitored regularly by either Executive Team and/or Orbit Treasury Limited Board.

Cash Flows

The Group net cash inflow from operating activities during the year was £84.1 million (2021: £162.6 million). The principal sources of cash inflow remain rental income and proceeds from sale of housing properties. The principal sources of cash outflow for Orbit were the costs associated with the provision of housing accommodation, the acquisition and construction of housing properties and interest payable on loan facilities.

Business Overview

The Group structure is illustrated below; Orbit Group Limited is the parent organisation of the Group. Orbit Housing Association is our housing management business. Orbit Homes (2020) Limited is our development and sales organisation, building new homes. Orbit Treasury Limited is our main funding vehicle, whilst Orbit Capital plc was set up to issue bonds. Other entities in the Group structure (not shown below) are two non-trading companies, Orbit New Homes Limited and Orbit Gateway Limited.

On 31 March 2021 Heart of England Housing Association Limited transferred its engagements to Orbit South Housing Association Limited, and the newly merged entity was renamed Orbit Housing Association Limited.

Orbit Group Ltd

- The parent company of the Orbit Group
- Registered Provider
- Owns the majority of the Group's shared ownership properties

Orbit Homes

- Provides design and build services, homes across a range of tenures, including market sale, shared ownership and rent, to Orbit Group Limited and its subsidiaries
- Incorporated 20 August 2009

Orbit Housing Association

- Registered Provider
- Owns and manages Orbit's properties in the Midlands, East and South East
- Incorporated 31 March 2021

Orbit Capital

- Issues asset backed securities
- Issuing entity of existing £250 million 3.500% due 2045, £450 million 3.375% due 2048, and £300m 2.000% due 2038
- Incorporated 22 January 2015

Orbit Treasury

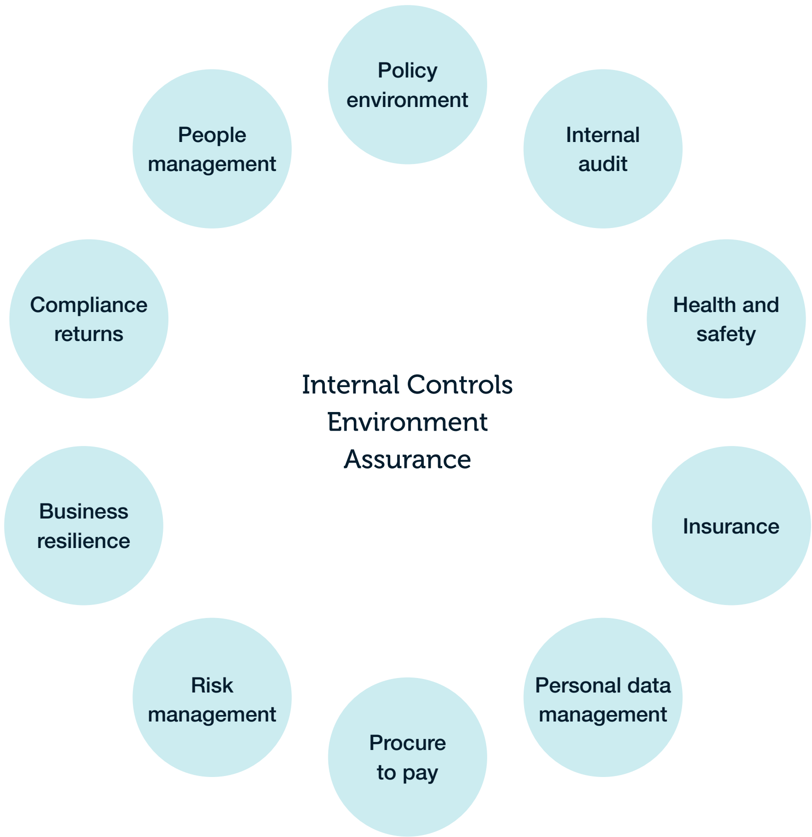
- Provides cost-effective treasury management to operating associations
- Incorporated 31 May 2007

Risk Management

The Group Board maintains overall responsibility for strategic risk management. There are systems in place to ensure the Board and the Executive Team can analyse, understand, manage and mitigate strategic and business critical risks.

Our overall approach to risk management is based on good practice and our internal control environment is continually reviewed and monitored by the Audit and Risk Assurance Committee on behalf of the Board. All subsidiaries are required to implement our risk management framework and provide reports to their respective Boards.

Risk Management is a fundamental element of our Internal Control Environment (ICE) and Assurance Strategy, which feeds into our annual statement of internal controls (see diagram below).



Our approach to risk management encompasses all areas of our business and is underpinned by six key elements:

1) Clear understanding of our risk environment, incorporating internal and external factors;

2) Robust approach to identifying and monitoring key risks;

3) Putting in place early warning measures and risk triggers so that we can act before a risk materialises;

4) Close monitoring of our Strategic Business Critical Risks;

5) Regular stress testing of our Financial Plan in line with the appetite set by the Board;

6) Clearly defined appetite for risk approved by the Board.

Risk Analysis

Orbit has a Risk Management Policy that contains the following Risk Management Policy Statement.

Risk Management Policy Statement

Orbit, its Board and Executive Team are committed to the provision of high standards of risk management and recognise their duty to protect the assets and strategic objectives of Orbit.

Orbit's goal to lead in building thriving communities is linked to a commitment to ensuring the health of the business including all those involved in our work or living or working in our properties or communities.

The risk management performance of Orbit will be measured against objectives that are set to be both clear and quantifiable.

The aim will be to achieve a progressive improvement in the overall standards of risk management.

Orbit provide adequate resources to develop and maintain policies and procedures, embedding risk management and an effective culture that achieves adequate control over risk to minimise adverse impact upon the business. Where appropriate, our approach is to manage risks at an acceptable level rather than to eliminate them. Risk Management is an integral part of the management function. However, all personnel are responsible for the implementation of this policy and every person has a role to play in its success. Orbit recognises the important role that is played by staff and actively seeks their co-operation by maintenance of effective systems of consultation and communication. In this way, Orbit enables and encourages all employees to make a positive contribution towards Orbit being a successful business within an environment in which to live and work.

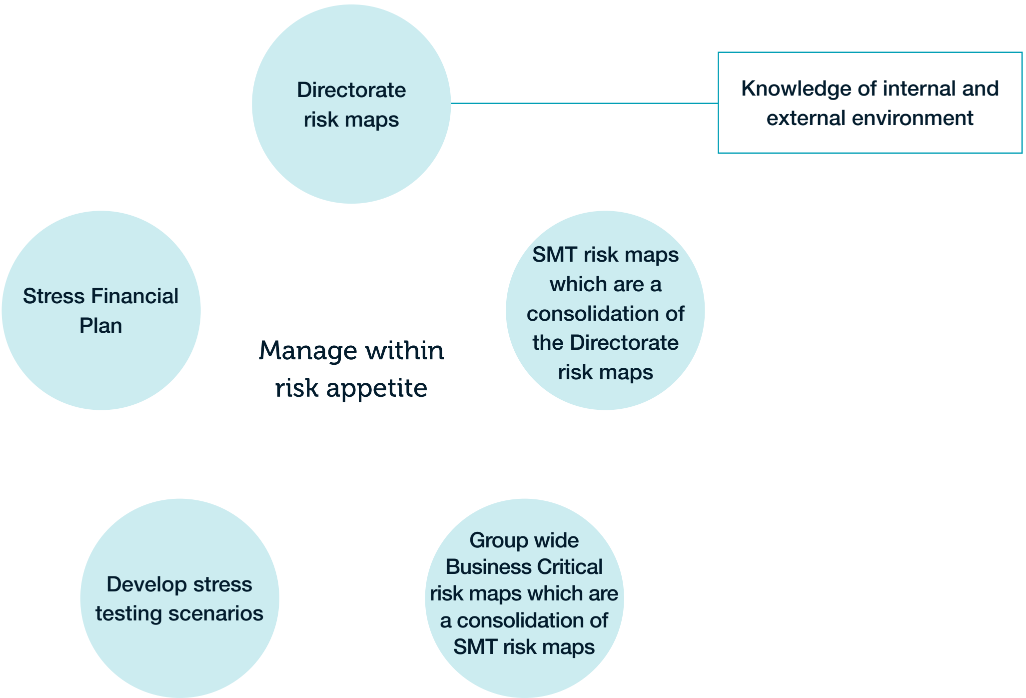
The Risk Management Policy recognises and adopts the essential principles, core actions and good practice set out in relevant guidance within which Orbit operates. These include areas of financial management and robust governance covering regulatory and legal obligations whilst delivering to agreed customer standards.

Roles and Responsibilities

Within the overall governance and reporting structures, there are key roles and responsibilities for the following:

- Group Board
- Subsidiary Boards
- The Audit and Risk Assurance Committee
- Group Chief Executive
- Executive Team
- Executive Director Corporate Services
- Director of Business Assurance
- Senior Management Teams

The risk management policy is underpinned by a robust framework, supporting the delivery of 2025 Corporate Strategy.



There are two distinct levels of risk management within Orbit:

- Operational Risk Management and Delivery of the Policy
    1) SMT risk registers.
    2) LT directorate risk registers.
- Strategic Risk Management
    1) Subsidiary Board risk reports.
    2) Business Critical Risks at a Group level.
    3) Stress testing and scenario planning.

Both of these distinct levels are underpinned by the need for management to understand its internal and external environment.

The policy has been formulated in line with the following principles:

- strong and active leadership from the top
- effective 'downward' communication systems and management structures
- visible and active commitment from the Board
- the integration of good risk management with business decisions
- employee involvement – engaging the workforce in the promotion and achievement of effective risk management
- effective 'upward' communication
- providing high quality training
- assessment and review – identifying and managing risks
- seeking (and following) the guidance of competent advisers
- monitoring, reporting and reviewing performance.

Business Critical Risk	Key mitigations strategies
1) Material change (internal and external) adversely impacting upon the key assumptions within the Financial Plan:	• Robust procedures to manage development sites and new hurdle rates have been agreed in order to prudently respond to the challenging market conditions to enable further development to take place. • Posts are reviewed on a case by case basis, to manage the risks around recruiting and retaining appropriate staff. • Revised stress testing of the Financial Plan (see scenarios below). • Weekly reporting on rental collection focusing on the impact of Universal Credit. • New Procurement Framework has a focus on reducing the cost of Orbit's supply chain. • Close management of sites and responding to our Early Warning Indicators.
2) Condition of existing stock in a poor state leading to a material impact on the financial plan and growth aspiration.	• A review of Early Warning Indicators around EPC and non emergency works confirms that performance for decent home standard and EPC remain on target. • Programme of works to understand the medium to longer term costs of achieving net zero carbon targets and the impact of Building Safety Regulations. • Data review continues to be undertaken across the Group to improve the accuracy of key asset and customer data. • Additional costs relating to cladding are low given the small number of properties over 18 metres. • Programme of works to manage risks associated with damp, mould and condensation within properties.
3) Negligence/poor practices leading to an unsafe working environment	• Clear policies and procedures for all areas of Health and Safety risk. • Detailed programme which focusses on role based training. • Separation of duties of the Property Safety team and Health and Safety Team to ensure oversight of compliance performance. • All live sites are reviewed by Health and Safety and third party specialists each month. • Reporting to the Board and management on Health and Safety risk and performance.
4) Unable to properly respond to a cyber-attack in an effective manner leading to a business interruption and data security breaches.	• Clear policies and procedures for all areas of IT risk. • Detailed training programme which focusses on security risks. • Multi Factor Authentication and email security (Egress) is now fully rolled out to the business. • New Network & Detection Tool (Vectra) has been implemented to improve monitoring of unusual events and includes Artificial Intelligence (AI) learning and will continue to be optimised. • Phishing tool implemented and awareness programme underway. • Mandatory Security/Phishing training being developed. • Regular penetration tests established. • External cyber review undertaken by Zurich. • IT Internal audit plan in place. • Monthly report on performance to management.

5) The delivery of the Development Programme is not managed effectively leading to unacceptable levels of financial and operational risks.	• Dedicated internal Health and Safety teams are in place and regular internal management visits, senior management site visits and external Health and Safety Inspections are performed on all sites by RG Wilbury; the results of these visits are reviewed at monthly Regional Management Meetings and Orbit Homes monthly Senior Management Meetings. • Procedures, training and reporting are all regularly reviewed to ensure that high standards are maintained and comprehensive accident investigation procedures are in place. Insurance is held to cover the risks inherent in construction projects. • Robust land acquisition and approval process with agreed tenure mix before acquisition and regularly reviewed during delivery of each development to ensure that supply is matched by demand in each location. • Monthly reviews of all development cash flows by Development and Finance Teams. • Monthly and annual monitoring of movement in mortgage approvals and annual house price increases reviewed by Homes Senior Management Team and Corporate Investment Group. • Annual Budget and quarterly forecasting undertaken by the Homes Senior Management Team. Actual results monitored against budget and forecast on a monthly basis, including market sales and shared ownership gross margins. Actions taken to address adverse variances. • Weekly Reservations Report (plots reserved and not exchanged within 12 weeks) reviewed by Regional Sales and Marketing Directors enabling identification of risk to timing of plot legal completions. Weekly monitoring of rate of sale by site/ tenure, cancellations, legal completions and forward sales position. • Live Build Progress Report reviewed by Homes Senior Management Team. This report monitors progress on each site split by development and by tenure. Completed stock levels are reviewed regularly. • Weekly Sales Build meetings – to align build and sales completions for accurate forecasting. • Monthly Regional Cost/Value Reconciliation Report (CVR) meetings held to review movements in CVR Reports. Summary of CVR Report movements reviewed by Homes Senior Management Team and Corporate Investment Group.

6) Inability to move the business towards a more consumer focused regulatory environment.	• Working Groups have been set up to address key requirements of new legislation, which has led to a detailed action plan to address the requirements of a new regulatory environment:
	  • Appointed customers to Committees to support the implementation of new processes.
	  • Strategic customer engagement plan, aligned to the Together with Tenants charter.
	  • Implemented cross business UK Customer Satisfaction Index (UKCSI) steering group
	  • Developed a Building Safety Assurance framework to quality check new ways of working.
	  • Improvements to the repairs experience have been identified and work is on going.
	  • Implemented a new complaints system and incorporated independent quality assurance reviews.
	  • Work is progressing on the SHDF (Social Housing Decarbonisation Fund) demonstrator with a revised completion date of 30 September 2022. The Wave 1 projects are being mobilised in the West Midlands and Stratford areas.
	  • Policies and Standards Team are updating their framework to assess compliance against the consumer regulations.
	  • Internal audit plan has incorporated a number of reviews to ensure that new processes are fit for purpose.

7) Adverse impact of the potential Swan partnership on the Orbit business.	• Detailed due diligence exercise has been undertaken, with key outcomes identified and actions in place to address prior to merger. • Financial Plan has been approved. • Dedicated Executive Team lead sponsor; Executive Director of Group Corporate Services. • A robust governance structure is in place to agree key decisions and assign resources. This is made up of a Joint Planning Board (Board members plus 2 CEO's), Steering Committee (Executive Directors from both businesses) and several work streams focusing on key operational services. • Detailed cadence in place to monitor and address 'hot spot' areas. • A dedicated Integration Management Office is in place and workstreams assigned to lead on key areas. • External advisers to support workstream leads. • Commitment to invest in resources to deliver the integration stage of the merger.

Movement of Risks During the Year

The impact of COVID-19, is still being felt within the business with many absences of employees and contractors affecting service delivery. The housing regulatory environment and economic climate is changing and is raising the inherent risk. During the year, there have been 2 changes to the BCR.

- BCR 5 (development programme) has seen an increase in its risk profile. This is due to the external challenge of obtaining material and labour resources.
- With the potential merger with Swan Housing, an additional risk 7 has been included. The specific risks facing Swan as a business and their effect on Orbit Group risks are being monitored.

It should be noted that the risks below are scored after the mitigations have been considered resulting in the net risk.

Likelihood

Impact	Unlikely	Possible	Likely	Almost certain
Catastrophic				
Major	3	4, 5, 6, 7		
Moderate	2			1
Minor				

Risk Appetite

At the centre of the risk management framework is our defined appetite for risk, which sets clear parameters within which to deliver our business objectives. As part of the revised Risk Management Policy the risk appetite was amended to take into account the internal and external environment. The financial risk metrics remain the same.

The risk appetite is now structured into an overarching statement, operational risk metrics and financial risk metrics.

Stress Testing

We have developed a workbook outlining five stress scenarios, each one identifying the impact on our business and the recovery plans in place to manage these. These scenarios are:

1) Economic downturn

2) Political pressures

3) The perfect storm

4) Property market collapse

5) Accelerated zero carbon spend

Discussing plans for our retrofit works in Henley-in-Arden, Warwickshire

Governance

Name	Appointed
The Rt Hon. Baroness Tessa Blackstone Chair	1 February 2013 (retired 1 February 2022)
Helen Gillett	1 February 2019
Stephen Howlett CBE, DL	1 November 2018
Mark Hoyland MRICS	26 May 2018
David Weaver MBA, Chair	14 September 2016
Stephen Stone	1 April 2019
Stephen Smith	1 February 2021
Massy Larizadeh	1 March 2021

The Board can comprise up to 12 members but currently there are seven. The Board is responsible for governing the affairs of Orbit Group Limited and Orbit as a whole. Board members are drawn from a wide background bringing together professional, commercial and public sector experience. The primary role of the Board is to focus on strategic direction, growth and risk. The Board meets formally at least five times a year for regular business and at other times to discuss strategic issues.

All members of the Group remunerate their Board members for undertaking their duties and responsibilities. The Board members delegate the day-to-day management to the Group Chief Executive and the Executive Directors who form the Executive team.

The Executive team members are listed on pages 16 and 17. The Executive team met at least monthly throughout 2021/22 and the Directors attend meetings of the Group Board and subsidiary boards.

Code of Governance

We have adopted the National Housing Federation's (NHF) 2020 Code of Governance as the Code of Governance for our Registered Providers. Whilst our non-charitable subsidiaries are not required to comply with the Code, they undertake to adhere to the spirit of the Code. We comply with the Code of Governance in all material aspects and with the Regulator of Social Housing's Governance and Financial Viability Standard. We have developed our own Probity and Severance Policy, which picks up the key principles of the NHF's Code of Conduct. In addition to this Policy, we have our own code of conduct for Board members.

Governance and Viability Standard

Orbit complies with the Governance and Viability Standard of the Regulator of Social Housing (RSH). Our governance rating is G1 and our financial viability rating is V2.

General Data Protection Regulation (GDPR)

We have invested in ensuring that Orbit complies with the GDPR. This is underpinned by a clear strategy and robust action plan, the performance against which is monitored by senior management.

Shareholding Policy

Under the Association's rules, the Group Board retains discretion over the issue of shares in the Association and the current policy is that we will operate a closed membership, with shares only issued to individuals who are Board members. This policy will be kept under review.

Committees of the Board

The Group Board is supported by three committees with specific responsibilities.

Governance and Remuneration Committee – responsible for developing and maintaining our governance framework. This includes arrangements for the recruitment, induction, appraisal and development of Board members, the review of the roles and responsibilities of Board members and the structure and policies of Board member remuneration. The Committee also considers our policy on remuneration, contracts of employment and conditions of service generally for executive directors and recommends to Group Board the specific remuneration packages for each of the Directors, including pension rights and any compensation/ severance payments.

Audit and Risk Assurance Committee - considers the operations of internal audit and the appointment of external auditors, the scope of their work and their reports. The Committee monitors the implementation of our Risk Management Strategy and internal audit plans. It reports to the Group Board on the effectiveness of the internal control arrangements and considers the financial statements before they are presented to Group Board for approval.

Development Committee - oversees the development and sales activity of the Group and the implementation of the Development Strategy set by the Orbit Group Board. The Committee regularly monitors and reviews development activity against the approved Development Programme, Budget and Group Financial Plan. It also ensures that development risk – notably health and safety – is identified and managed effectively in accordance with the Group's Risk Management Strategy.

Customer Engagement

We are committed to providing customers with an opportunity to feedback on their experiences, hold us to account on our performance, scrutinise and shape the delivery of services, suggest recommendations for improvement and influence future decisions.

Customers are represented on the Orbit Housing Association Board and a range of engagement opportunities have been developed for customers to get involved in our work as part of us embedding Together with Tenants, the National Federation of Housing's charter on strengthening relationships between tenants and housing associations. This ensures we meet regulatory requirements and good practice in terms of governance and customer involvement.

Customers can engage with Orbit in a number of different ways including providing individual feedback through complaints, social media and our perception and transactional surveys. This feedback and insights are then used to apply learning and drive service improvements. They can take part in local activities such as estate inspections, scheme meetings and local events in their community to be able to influence decisions and services in their homes, neighbourhoods and communities.

In addition, customers are also invited to take part in workshops on specific areas of service delivery including our repairs, maintenance and estates management servicing, our communications plans and complaint handling. We ask customers to select the areas they most want to explore in depth as well as inviting them to take part in service reviews as they are implemented.

Our performance information is shared with customers on a quarterly basis alongside 'Voice of the Customer' data for them to select a scrutiny topic. Customers can then take an active role in scrutiny by becoming a Scrutiny Champion or just take part in a one-day workshop to address a problem and identify solutions. In addition to this, they can engage with us 24/7 through our digital engagement platform. On this platform they can find out information such as engagement activities, training sessions, view our Board meeting notes and take part in surveys, polls and discussion forums.

The customer engagement programme is overseen by a committee of customers, whose chair also sits on the Orbit Housing Association Board. Progress is reported by customers to our Orbit Housing Association Board annually.

Our key focus currently is encouraging a wider and diverse range of customers to take part in these activities and that the activities are accessible to all. Orbit's Annual Report to Customers summarises performance against the key regulatory standards.

Subsequent Events

On 11 March 2020 the World Health Organisation declared the Coronavirus outbreak a global pandemic. Management recognise that this represents a current-period event that has required ongoing evaluation to determine the extent to which developments after the reporting date should be recognised in these Financial Statements.

Orbit Group has entered into a Grouping Agreement with Swan Housing Association with the proposed aim of Swan joining the Orbit Group as a subsidiary later in 2022.

Management have not identified any further subsequent events to report.

Going concern

After making enquiries, the Group Board has a reasonable expectation that the Group and Association have adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in the financial statements.

On behalf of the Orbit Board

David Weaver, Chair

14 July 2022

Statement of Internal Control for Orbit Group

Purpose

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

Sources of assurance

A key element of providing this opinion is based upon Orbit's internal control environment (ICE) framework, which combines assurance from a number of sources on a regular basis. This feeds into the annual statement of internal controls. Orbit's standard assurance providers include the following:

- Policy environment
- Internal audit
- Health and safety
- Insurance
- Personal data management
- Procure to pay
- Risk management
- Business resilience
- Compliance returns
- People management

Based on the risk and assurance work undertaken in 2021/22, the overall opinion is that Orbit's internal control (financial and non-financial) environment, supported by risk management and governance arrangements, is operating with sufficient effectiveness to provide reasonable assurance to Executive Management, the Audit and Risk Assurance Committee and Group Board.

Outcomes

During 2021-22 the outcomes from key areas of assurance have been positive and management continues to recognise that continuous improvement is fundamental, particularly as the operating environment for the sector evolves. It is important to note the following highlights:

1) External audit opinion is unqualified.

2) The outcomes from internal audit reviews have concluded that the system of internal control, governance and risk management, for the scope and areas reviewed, is operating effectively to provide adequate levels of assurance. Where weaknesses are identified they have either been addressed or management is in the process of addressing these.

3) The quality of the in-house internal audit team's work has previously been reviewed by the Chartered Institute of Internal Auditors. On-going self-assessments have confirmed that the team adheres to the professional standards expected of all internal auditors.

4) The annual health and safety report confirmed that there is a robust Health and Safety management system and there is continuous focus on bedding in a strong safety culture from executive management.

5) Insurance risks continue to be managed effectively within the Group.

6) There is effective management of personal data, in line with the requirements of GDPR.

7) Business Continuity and Incident Management Plans are in place across all offices.

8) Our risk management strategy continues to provide insight into Orbit's business critical risks. Stress mitigations have been tested and are effective if key scenarios materialise.

9) Orbit's governance arrangements continue to be robust, confirmed by maintaining our G1 and V2 regulatory rating.

10) The Group is in discussion with Swan for a potential merger. Given G3 / V3 Group is undertaking Due Diligence and preparing an integration plan and governance structure to address the issues identified.

Statement of Board's Responsibilities in Respect of the Board's Report and the Financial Statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

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

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual General Meeting

The Annual General Meeting will be held on 20 September 2022.

Disclosure of Information to Auditors

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

Independent Auditors

KPMG LLP was appointed as the external auditors for the year ending 31 March 2022. A resolution to re-appoint the Group's auditors will be proposed at the Annual General Meeting.

The report of the Board was approved on 14 July 2022 and signed on its behalf by

Richard Wright
Secretary

Independent auditor's report to Orbit Group Limited

Opinion

We have audited the financial statements of Orbit Group Limited ("group and the association") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the group and the association as at 31 March 2022 and of the income and expenditure of the group and the association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

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

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

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

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

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.

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

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

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

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

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

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

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

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

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

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

Other information

The Association's Board is responsible for the other information, which comprises Overview of the Group, Our Strategy, Our Environmental Social Governance Strategy, Five Year Summary of Financial Highlights, Group Chair's Introduction, Chief Executive Report, the Strategic Report and Board Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Independent auditor's report to Orbit Group Limited (continued)

Board's responsibilities

As explained more fully in their statement set out on page 93, the association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

Sarah Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 July 2022

Statement of Comprehensive Income
For the year ended 31 March 2022

		Group		Association	
	Note	2022 £m	2021 £m	2022 £m	2021 £m
Turnover	2	**374.0**	354.6	**96.7**	91.7
Cost of sales	2	**(109.5)**	(100.8)	**(34.7)**	(33.5)
Operating costs	2	**(170.4)**	(163.7)	**(42.6)**	(42.2)
Surplus on sale of housing properties	7	**37.3**	21.9	**8.2**	13.4
Operating surplus	2&5	**131.4**	112.0	**27.6**	29.4
Income from shares in Group undertakings		**-**	-	**1.7**	1.7
Interest receivable	8	**0.7**	0.8	**2.3**	2.3
Interest payable	9	**(49.4)**	(51.8)	**(9.0)**	(10.6)
Other financing costs	9	**(3.6)**	(5.2)	**(0.6)**	(4.2)
Movement in fair value of financial instruments		**3.3**	7.0	**-**	-
Surplus before taxation		**82.4**	62.8	**22.0**	18.6
Taxation	10	**(1.0)**	(0.9)	**-**	-
Surplus for the year		**81.4**	61.9	**22.0**	18.6
Actuarial gain/(loss) in respect of pension schemes	36	**5.4**	(11.3)	**5.0**	(11.5)
Movement in fair value of hedged financial instrument		**24.6**	19.0	**-**	-
Total comprehensive income		**111.4**	69.6	**27.0**	7.1

All amounts derive from continuing operations.

The accompanying notes form part of these financial statements.

The financial statements on pages 97 to 152 were approved by the Orbit Board and signed on its behalf by:

David Weaver
CHAIR

Stephen Smith
BOARD MEMBER

Richard Wright
SECRETARY

14 July 2022

Statement of Changes in Reserves
For the year ended 31 March 2022

Group	Income and expenditure reserve £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total reserves £m
Balance as at 31 March 2020	**689.1**	**-**	**(76.8)**	**612.3**
Surplus for the year ended 31 March 2021	61.9	-	-	61.9
Actuarial gain in respect of pension schemes	(11.3)	-	-	(11.3)
Change in fair value of hedged financial instrument	-	-	19.0	19.0
Balance as at 31 March 2021	**739.7**	**-**	**(57.8)**	**681.9**
Surplus for the year	81.4	-	-	81.4
Actuarial gain in respect of pension schemes	5.4	-	-	5.4
Change in fair value of hedged financial instrument	-	-	24.6	24.6
Balance as at 31 March 2022	**826.5**	**-**	**(33.2)**	**793.3**

Association	Income and expenditure reserve £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total reserves £m
Balance as at 31 March 2020	**305.0**	**-**	**-**	**305.0**
Surplus for the year ended 31 March 2021	18.6	-	-	18.6
Actuarial gain in respect of pension scheme	(11.5)	-	-	(11.5)
Balance as at 31 March 2021	**312.1**	**-**	**-**	**312.1**
Surplus for the year	22.0	-	-	22.0
Actuarial gain in respect of pension scheme	5.0	-	-	5.0
Balance as at 31 March 2022	**339.1**	**-**	**-**	**339.1**

The Group Income and Expenditure reserve includes £25.4 million (2021: £25.3 million) in respect of the net proceeds from the Voluntary Right to Buy pilot that took place in 2020. This will be reinvested in new properties.

Statement of Financial Position
As at 31 March 2022

	Note	Group 2022 £m	Group 2021 £m	Association 2022 £m	Association 2021 £m
Fixed assets					
Tangible fixed assets	12&17	**2,931.3**	2,788.1	**507.1**	421.5
Investments - Homebuy loans receivable	16	**9.6**	10.5	**9.6**	10.5
Fixed asset investments	13	**2.7**	2.6	**44.0**	44.0
Intangible assets	14	**19.2**	18.4	**19.2**	18.4
Investment properties	15	**42.5**	37.9	**-**	-
		3,005.3	2,857.5	**579.9**	494.4
Debtors: amounts falling due after more than one year	19	**2.9**	3.0	**92.4**	35.6
Current assets					
Properties for sale and stock	18	**168.5**	172.1	**49.4**	52.6
Trade and other debtors	19	**60.0**	26.0	**108.2**	64.9
Cash and cash equivalents		**70.0**	313.8	**54.5**	307.4
		298.5	511.9	**212.1**	424.9
Creditors:					
Amounts falling due within one year	20	**(162.5)**	(214.5)	**(255.7)**	(183.4)
Provisions falling due within one year	23		-	**-**	-
Net current assets		**136.0**	297.4	**(43.6)**	241.5
Total assets less current liabilities		**3,144.2**	3,157.9	**628.7**	771.5
Creditors: amounts falling due after more than one year					
Recycled Capital Grants Funds	24	**(35.4)**	(12.7)	**(20.8)**	(4.1)
Derivative liabilities	21	**(57.7)**	(85.3)	**-**	-
Other creditors	21	**(2,251.1)**	(2,355.1)	**(264.2)**	(434.9)
		(2,344.2)	(2,453.1)	**(285.0)**	(439.0)
Provisions for liabilities					
Net pension liability	36	**(6.3)**	(22.5)	**(4.6)**	(20.4)
Other provisions	23	**(0.4)**	(0.4)	**-**	-
Total net assets		**793.3**	681.9	**339.1**	312.1
Reserves					
Income and expenditure reserve		**826.5**	739.7	**339.1**	312.1
Cash flow hedge reserve		**(33.2)**	(57.8)	**-**	-
Total reserves		**793.3**	681.9	**339.1**	312.1

The financial statements on pages 97 to 152 were approved by the Orbit Board and signed on its behalf by:

David Weaver
CHAIR

Stephen Smith
BOARD MEMBER

Richard Wright
SECRETARY

14 July 2022

Statement of Cash Flows
For the year ended 31 March 2022

	Note	Group 2022 £m	Group 2021 £m
Net cash generated from operating activities	29	**84.1**	162.6
Cash flow from investing activities			
Purchase of tangible fixed assets		**(231.3)**	(170.4)
Purchase of investment property		**(3.1)**	(22.8)
Proceeds from sale of tangible fixed assets		**76.2**	44.1
Grants received		**22.2**	52.7
Interest received		**0.5**	0.4
Mortgages redeemed		**-**	0.1
Investment		**-**	3.7
Cash flow from financing activities			
Interest paid		**(61.8)**	(58.7)
Loan refinancing break costs		**-**	(15.9)
New secured loans		**-**	359.9
Repayment of borrowings		**(130.6)**	(125.1)
Other financing costs		**-**	(4.7)
Net change in cash and cash equivalents		**(243.8)**	225.9
Cash and cash equivalents at beginning of the year	31	**313.8**	87.9
Cash and cash equivalents at end of the year	31	**70.0**	313.8

1. Principal accounting policies

Legal status

Orbit Group Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a not for profit Registered Provider of social housing as defined by the Housing and Regeneration Act 2008. Please refer to note 35 for information on the legal status of the other group undertakings.

Basis of accounting

These financial statements have been prepared under the historical cost basis of accounting, with the exception of derivative financial instruments and investment property which are stated at fair value, in accordance with the Statement of Recommended Practice for Registered Social Housing Providers (SORP) 2018, and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. As a public benefit entity Orbit Group Limited has applied all paragraphs of FRS 102 which relate to public benefit entities in preparing the financial statements.

The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Group prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in April 2022 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The stress testing impacts were measured against loan covenants and key risk metrics, with potential mitigating actions identified to reduce expenditure. Following the outbreak of the coronavirus pandemic the Group has continued to review and adapt scenario testing including severe but plausible downsides in the worst case assessment.

The Board, after reviewing the Group and Association budgets for 2022/23 and the Group's medium term financial position as detailed in the 30-year business plan including changes arising from the coronavirus pandemic, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board has considered:

- The property market – budget and business plan scenarios have taken into account lower numbers of property sales, reductions in sales values and reduction in development expenditure;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential reductions in rent income from delayed new build properties and potential legislative changes;
- Liquidity – current available cash and unutilised loan facilities of £510 million which gives significant headroom for committed spend and other forecast cash flows that arise;
- The Group's ability to withstand other adverse scenarios such as an increase in the number of void properties and reduced fixed asset sales.

In considering the above downsides the following mitigation actions were identified to reduce expenditure:

- Halting the development of uncommitted market sale properties.
- Halting the development of uncommitted shared ownership properties.
- Halting the development of uncommitted general needs properties.
- Reprofiling committed but controllable spend across all tenures.
- Reviewing operating costs for short term cost savings.
- Rephasing repairs and maintenance programmes.
- Sale of void assets.

The Board believes the Group and Association have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Directors are confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1. Principal accounting policies (continued)

Significant management judgements

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

Impairment

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

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

Impairment reviews are carried out in accordance with Section 14.6 of the SORP, with consideration of the following potential indicators of impairment:

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

Segment reporting

Reporting of revenue and profit by segment is a requirement of FRS102 and SORP 2018. Management has determined that the Group's segments are Housing Management and Development. This segment information is however already disclosed in note 2 (development segment), and note 3 (housing management segment) and therefore no additional segment report has been prepared.

1. Principal accounting policies (continued)

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of asset, liabilities, income and expenses is provided below.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on its expected use of assets including any components. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

Grant amortisation

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

Defined benefit obligation

Management's estimation of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rates and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in note 36).

Work in progress

In determining work in progress management allocates site wide development costs between units built in the current year and those built in future years. An estimate is made of the cost to complete on each development based on build stages on each home together with the stage of infrastructure. Values are assessed based on available market information.

Fair value measurement

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

Arrears

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

Basis of consolidation

The financial statements for Orbit Group Limited are the result of the consolidation of the financial statements of the Association and its subsidiaries during the year ended 31 March 2021. The subsidiaries consolidated are: Orbit Housing Association Limited, Orbit Treasury Limited, Orbit New Homes Limited, Orbit Homes (2020) Limited, Orbit Gateway Limited and Orbit Capital plc.

Uniform accounting policies have been adopted across the Group, and surpluses/deficits and balances on intra group transactions have been eliminated on consolidation.

1. Principal accounting policies (continued)

Turnover

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

Properties for sale

Properties developed for outright sale are included in turnover, cost of sales and operating costs. Properties developed for shared ownership sale are divided into first tranche sales and other sales. First tranche sales are included in turnover, cost of sales and operating costs. Subsequent tranches are not included in turnover and cost of sales, they are shown in surplus on sale of housing properties before operating surplus in the statement of comprehensive income. All other sales of fixed asset properties are shown in surplus on sale of housing properties.

Properties developed for outright sale and shared ownership first tranche proportions are included in current assets as they are intended to be sold. Cost of sales is posted to the statement of comprehensive income for each outright sale property based on the initial appraisal target margin. This target margin is periodically reviewed for appropriateness. Shared ownership subsequent tranche proportions are included in fixed assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the services provided net of Value Added Tax (VAT) and customer discounts and incentives.

Operating costs

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

Value Added Tax

Orbit Group Limited is party to a Group Registration for VAT. All amounts disclosed in the financial statements are inclusive of VAT with the exception of those relating to Orbit Homes (2020) Limited, which is separately registered for VAT outside the VAT group and Orbit New Homes Limited, which is no longer registered for VAT.

Liquid resources

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

Development costs

Initial capitalisation of development costs is based on management judgement that the development scheme is likely to proceed. Costs capitalised in this way are regularly reviewed and any costs identified as abortive are charged to the statement of comprehensive income.

Housing properties

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

Housing property components	Depreciation life
Kitchens	20 years
Bathrooms	30 years
Windows and doors	30 years
Boilers	15 years
PV panels	25 years
Roof	30 - 60 years
External wall insulation	36 years
Rewiring	30 years
Structure	100 years

1. Principal accounting policies (continued)

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

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

Donated land is included in cost at its valuation on donation, with the donation treated as a capital grant.

Housing properties are shown at cost less depreciation and impairment provision. Housing properties in the course of construction are stated at cost and not depreciated and are transferred to completed properties when they are ready for letting. When housing properties are to be transferred to another association, the net costs, after grant, are shown within current assets.

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

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

Works to existing housing properties

Expenditure on housing properties which increases the net rental stream over the life of the property is capitalised. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property. All other costs are classified as maintenance and are charged to the statement of comprehensive income in the year in which the work is undertaken. No depreciation charge is made during the year in which a property comes into management, nor in the year of sale.

Government and other grants

Social Housing Grant is receivable from Homes England. This is recognised within income through the amortisation of the grant as are any other grants received for the development of social housing. Grant is amortised even if there are no related depreciation charges.

Social Housing Grant due from Homes England, or received in advance, is included as a current asset or liability within the statement of financial position.

Social Housing Grant can be recycled by the Association under certain circumstances such as if a property is sold, or if another relevant event takes place. In these cases, the grant can be recycled for use on projects approved by Homes England and is held on the statement of financial position as a liability in the Recycled Capital Grant Fund. However, grant may need to be repaid if certain conditions are not met, and in that event, is a subordinated unsecured repayable debt.

Capitalisation of interest and administration costs

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

Investment properties

Market rented properties are treated as investment properties. they are valued annually externally after construction/acquisition by a qualified RICS Chartered Surveyor. Changes in the value of market rented properties are taken to the statement of comprehensive income. Market rented properties under construction are stated at cost and all commitments are included as capital commitments.

1. Principal accounting policies (continued)

Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at historic purchase cost, less accumulated depreciation and capital grants.

Certain Orbit Group Limited offices were valued in February 1997 on the basis of their open market value for existing use. On adoption of Financial Reporting Standard 15 “tangible fixed assets”, the Association has followed the transitional provisions to retain the book value of the offices which were revalued in 1997, but not to adopt a policy of revaluation in the future. This policy has been retained with the adoption of FRS 102.

Depreciation is provided to write off the cost on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

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

Freehold land is not depreciated. The useful economic lives of all tangible fixed assets are reviewed annually.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is charged on a straight line basis of 4-10 years over the expected economic useful life of the asset.

Stock and work in progress

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

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Leased assets

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

Pension costs

Orbit Group Limited participated in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit pension scheme up until 30 September 2019.

From 1 October 2019 Orbit Group Limited established a new defined benefit pension scheme, the Orbit Group Defined Benefit Pension Scheme, administered by The Pensions Trust Retirement Solutions.

More details are given in note 36 to the financial statements.

Orbit Group Limited participated in the defined contribution section of SHPS up until 30 September 2019.

From 1 October 2019 Orbit Group Limited set up a new defined contribution scheme, the Flexible Retirement Plan, a master trust administered by The Pensions Trust Retirement Solutions.

The cost charged to the statement of comprehensive income for the defined benefit schemes represents the Group’s contributions to these schemes in the financial year in which they fall due.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees’ services. The disclosures in the financial statements follow the requirements of FRS 102.

Orbit Housing Association Limited is a member of Kent Local Government Pension Scheme. This scheme is operated by Kent County Council.

1. Principal accounting policies (continued)

The assets of the Kent scheme are held separately from those of the Association in an independently administered fund.

The requirements of FRS102 are fully reflected in the financial statements and associated notes. Note 36 provides more detail. For funding purposes, surpluses or deficits are dealt with as advised by the actuary.

For defined benefit schemes the amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the statement of comprehensive income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs.

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

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method, are recognised in the Association's statement of financial position as a pension scheme liability. Changes in the defined benefit pension scheme liability arising from factors other than cash contribution by the association are charged to the statement of comprehensive income in accordance with FRS 102.

Service charge sinking funds

Service charge sinking funds are disclosed within Creditors.

Property managed by agents

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

Taxation

The charge for the year is based on profits arising on activities that are liable to tax. Taxable members of the Group have adopted the accounting standard for deferred tax (FRS 102, section 29).

Deferred tax is provided in full, at the tax rates expected to apply to the period when the asset is realised or the liability is settled, on any timing differences, although deferred tax assets are only recognised to the extent that it is regarded as more likely than not they will be recovered. Timing differences arising from the revaluation of fixed assets are only recognised where there is a binding agreement to sell the revalued assets.

Deferred tax assets and liabilities are not discounted.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Loan classifications and subsequent valuations are the key areas of judgement applied in the financial statements. Fixed rate and variable loans have been classified as basic instruments. Fixed rate loans are stated at amortised cost using the effective interest rate method. Variable rate loans are disclosed at carrying value due to the short term interest period.

Advice has been sought from external treasury advisors on fair value judgements and estimates.

Derivative financial instruments

Orbit uses derivative financial instruments to reduce exposure to interest rate movements. Orbit does not hold or issue derivative financial instruments for speculative purposes. For an interest rate swap to be treated as a hedge, the instrument must be related to actual assets or liabilities, or a probable commitment, and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

1. Principal accounting policies (continued)

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income.

However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the exposure to a fixed interest risk or foreign exchange risk of a debt instrument measured at amortised cost, or the commodity price risk in a firm commitment or of a commodity held, all changes in the fair value of the derivative are recognised immediately in the statement of comprehensive income. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (and any gains or losses on re-measurement are recognised in the statement of comprehensive income).

If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the statement of comprehensive income using the effective interest method over the remaining life of the hedged item.

Cash flow hedges

Where the hedged risk is the variable interest rate risk in a debt instrument measured at amortised cost; the interest rate risk in a firm commitment or a highly probable forecast transaction, Orbit recognises the effective part of any gain or loss on the derivative financial instrument in other comprehensive income (OCI). Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income.

The hedging gain or loss recognised in OCI is reclassified to the statement of comprehensive income when the hedged item is recognised in the statement of comprehensive income or when the hedging relationship ends.

Orbit Treasury Limited's accounting policy for derivatives is to recognise in the statement of comprehensive income gains and losses on hedges of revenues or operating payments only as they crystallise. The Treasury policy states clearly all transactions will be in sterling or hedged to sterling.

Movement in fair value of financial instruments

Hedge accounting

The principle of hedge accounting applies only to standalone swaps, which have to be fair valued at each period end.

However, RPI swaps and swaps with cancellable options do not meet the criteria of hedging instruments (FRS 102 section12.17C). The movement in fair value is therefore taken directly to the statement of comprehensive income.

For the remaining vanilla interest rate swaps an assessment must be made of the hedge effectiveness. The mark to market (MTM) movement during the accounting period on each vanilla swap is analysed between effective and ineffective, with the effective element posted to the cash flow hedge reserve and the ineffective element charged/credited to the statement of comprehensive income.

Debt instruments (loan portfolio)

External loans also need to be categorised either as basic or other. The basic approach results in a requirement to report interest costs using the Effective Interest Rate (EIR) method. This necessitates modelling on a loan by loan basis averaging (via an EIR calculation) all elements of income and expenditure relating to the loan (margin, including future step-ups, arrangement fees).

The EIR for fixed rate instruments will be calculated as the rate which exactly discounts the instrument's future cash flows to the carrying amount (FRS 102 Section 11.15). Arrangement fee amortisation will be calculated separately and netted off against the carrying value of the debt liability.

Due to the short term of our floating rate instruments, the carrying amount will be set equal to the nominal loan amount less unamortised fee.

Bond finance

Bonds are shown at their redemption value net of discount and issue costs. The discount on issue of the bonds is written off through the statement of comprehensive income on an actuarial basis over the life of the bond.

1. Principal accounting policies (continued)

HomeBuy

The Association operates the HomeBuy scheme, lending a percentage of the cost to home purchasers, secured against the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentages of the proceeds are repaid. The loans are financed by an equal amount of SHG.
On repayment:

(a) The SHG is recycled

(b) The SHG is written off, if a loss occurs

(c) The Association keeps any surplus

Mortgage rescue

The Association operates the mortgage rescue equity loan scheme whereby, in a mortgage rescue case, if the occupier has sufficient equity in the product to not require a full mortgage rescue option, the Association can offer an interest only loan for between 25% and 75% of the outstanding mortgage secured on the property, with interest payable at 1.75% on the loan, increasing by RPI + 0.5%. The loan period will be up to 25 years, usually linked to the remaining period on the mortgage.

The equity loans are financed in part by grants of 73% received from Homes England, which are recycled on repayment of the loan.

The loans and associated grants are disclosed as ‘HomeBuy and other equity loans and grants’ in note 16 to the financial statements.

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

Group	2022				
	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on sale of housing £m	Operating surplus/(deficit) £m
Social housing lettings (note 3)	235.9	-	(148.5)	-	87.4
Other social housing activities					
Properties for sale	-	-	-	-	-
Home ownership services	2.8	-	(5.8)	-	(3.0)
First tranche sales	40.9	(34.7)	-	-	6.2
Other	0.8	-	(10.5)	-	(9.7)
Total	**44.5**	**(34.7)**	**(16.3)**	**-**	**(6.5)**
Surplus on sale of housing	-	-	-	37.3	37.3
Loss on sale of property, plant and equipment - other	-	-	-	-	-
Total social housing activities	**280.4**	**(34.7)**	**(164.8)**	**37.3**	**118.2**
Non-social housing activities					
Other	6.9	-	(5.6)	-	1.3
Developments for sale	86.7	(74.8)	-	-	11.9
Total non-social housing activities	93.6	(74.8)	(5.6)	-	13.2
Total social and non-social housing	**374.0**	**(109.5)**	**(170.4)**	**37.3**	**131.4**

Group	2021				
	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on sale of housing £m	Operating surplus/(deficit) £m
Social housing lettings (note 3)	229.2	-	(143.0)	-	86.2
Other social housing activities					
Home ownership services	3.1	-	(6.2)	-	(3.1)
First tranche sales	38.7	(33.4)	-	-	5.3
Other	2.7	-	(11.0)	-	(8.3)
Total	**44.5**	**(33.4)**	**(17.2)**	**-**	**(6.1)**
Surplus on sale of housing	-	-	-	21.9	21.9
Total social housing activities	**273.7**	**(33.4)**	**(160.2)**	**21.9**	**102.0**
Non-social housing activities					
Other	2.2	-	(3.5)	-	(1.3)
Developments for sale	78.7	(67.4)	-	-	11.3
Total non-social housing activities	80.9	(67.4)	(3.5)	-	10.0
Total social and non-social housing	**354.6**	**(100.8)**	**(163.7)**	**21.9**	**112.0**

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

Association	2022				
	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on sale of housing £m	Operating surplus/(deficit) £m
Social housing lettings (note 3)	23.5	-	(10.0)	-	13.5
Other social housing activities					
Services to group members	29.9	-	(29.9)	-	-
Home ownership services	1.0	-	(1.8)	-	(0.8)
First tranche sales	40.9	(34.7)	-	-	6.2
Other	0.4	-	-	-	0.4
Total	**72.2**	**(34.7)**	**(31.7)**	**-**	**5.8**
Surplus on sale of housing	-	-	-	8.2	8.2
Total social housing activities	**95.7**	**(34.7)**	**(41.7)**	**8.2**	**27.5**
Non-social housing activities					
Other	1.0	-	(0.9)	-	0.1
Total non-social housing activities	1.0	-	(0.9)	-	0.1
Total social and non-social housing	**96.7**	**(34.7)**	**(42.6)**	**8.2**	**27.6**

Association	2021				
	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on sale of housing £m	Operating surplus/(deficit) £m
Social housing lettings (note 3)	22.6	-	(9.9)	-	12.7
Other social housing activities					
Services to group members	28.8	-	(28.8)	-	-
Home ownership services	1.2	-	(3.0)	-	(1.8)
First tranche sales	38.7	(33.5)	-	-	5.2
Other	0.4	-	(0.5)	-	(0.1)
Total	**69.1**	**(33.5)**	**(32.3)**	**-**	**3.3**
Surplus on sale of housing	-	-	-	13.4	13.4
Total social housing activities	**91.7**	**(33.5)**	**(42.2)**	**13.4**	**29.4**
Non-social housing activities					
Other	-	-	-	-	-
Total non-social housing activities	-	-	-	-	-
Total social and non-social housing	**91.7**	**(33.5)**	**(42.2)**	**13.4**	**29.4**

3. Income and expenditure from social housing lettings

Group	General needs housing £m	Supported housing and housing for older people £m	Low cost home ownership £m	2022 £m	2021 £m
Income					
Rent receivable net of service charges	166.5	14.9	18.5	**199.9**	193.1
Service charge income	11.1	8.8	3.2	**23.1**	23.1
Amortisation of social housing and other capital grants	9.8	1.6	0.8	**12.2**	12.3
Other income from lettings	-	0.2	0.5	**0.7**	0.7
	187.4	25.5	23.0	**235.9**	229.2
Expenditure					
Management	(25.4)	(4.7)	(3.6)	**(33.7)**	(29.5)
Service charge costs	(12.0)	(9.5)	(3.3)	**(24.8)**	(25.3)
Routine maintenance	(27.5)	(4.8)	-	**(32.3)**	(27.9)
Planned maintenance	(14.5)	(1.6)	-	**(16.1)**	(20.9)
Bad debts	(0.3)	(0.3)	-	**(0.6)**	(1.2)
Depreciation of housing properties	(34.1)	(4.0)	(2.8)	**(40.9)**	(38.2)
Other costs	-	(0.1)	-	**(0.1)**	-
Operating costs on social housing lettings	(113.8)	(25.0)	(9.7)	**(148.5)**	(143.0)
Surplus on social housing lettings	73.6	0.5	13.3	**87.4**	86.2
Void losses	(3.4)	(1.8)	(0.1)	**(5.3)**	(5.5)

3. Income and expenditure from social housing lettings (continued)

Association	General needs housing £m	Supported housing and housing for older people £m	Low cost home ownership £m	2022 £m	2021 £m
Income					
Rent receivable net of service charges	0.7	-	18.4	**19.1**	18.1
Service charge income	0.1	-	3.0	**3.1**	3.0
Amortisation of social housing and other capital grants	-	-	0.8	**0.8**	0.8
Other income from lettings	-	-	0.5	**0.5**	0.7
	0.8	**-**	22.7	**23.5**	22.6
Expenditure					
Management	(0.1)	-	(3.6)	**(3.7)**	(3.1)
Service charge costs	(0.1)	-	(3.2)	**(3.3)**	(3.5)
Routine maintenance	-	-	-	**-**	(0.2)
Planned maintenance	-	-	-	**-**	(0.1)
Bad debts	-	-	-	**-**	(0.1)
Depreciation of housing properties	(0.3)	-	(2.7)	**(3.0)**	(2.9)
Operating costs on social housing lettings	0.5		9.5	**(10.0)**	(9.9)
Surplus on social housing lettings	0.3	-	13.2	**13.5**	12.7
Void losses	(0.1)	**-**	**(0.1)**	**(0.2)**	(0.1)

4. Staff costs

	Group and Association	
	2022 Number	2021 Number
Average number employed		
Office staff	**1,104**	1,048
Scheme staff	**164**	164
	1,268	1,212
Full time	**1,136**	1,106
Part time	**132**	106
	1,268	1,212
Full time equivalents	**1,220**	1,210

	Group and Association	
	2022 £m	2021 £m
Staff costs for the above		
Wages and salaries	**50.2**	45.3
Social security costs	**5.2**	4.5
Other pension costs	**2.8**	2.7
	58.2	52.5

	Group and Association	
	2022 Number	2021 Number
Number employed at 31 March		
Office staff	**1,093**	1,046
Scheme staff	**151**	168
	1,244	1,214

4. Staff costs (continued)

Directors and key management personnel emoluments

The full time equivalent number of staff whose remunerations paid in the year was in excess of £60,000 (including pension):

Salary banding	Group	
	2022 Number	2021 Number
£60,001 - £70,000	**-**	1
£70,001 - £80,000	**1**	-
£80,001 - £90,000	**-**	2
£90,001 - £100,000	**-**	2
£100,001 - £110,000	**3**	6
£110,001 - £120,000	**4**	8
£120,001 - £130,000	**6**	2
£130,001 - £140,000	**1**	1
£140,001 - £150,000	**4**	-
£150,001 - £160,000	**1**	-
£160,001 - £170,000	**-**	2
£170,001 - £180,000	**-**	2
£180,001 - £190,000	**-**	2
£190,001 - £200,000	**2**	1
£200,001 - £210,000	**2**	-
£210,001 - £220,000	**-**	1
£220,001 - £230,000	**1**	-
£240,001 - £250,000	**1**	-
£260,001 - £270,000	**1**	-
£310,001 - £320,000	**-**	1
£380,001 - £390,000	**1**	-
Total	**28**	31

5. Operating surplus

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Operating surplus is arrived at after charging/(crediting)				
Depreciation of housing properties	**40.9**	37.5	3.0	2.8
Depreciation of other fixed assets	**1.5**	1.5	1.1	1.2
Depreciation of intangible fixed assets	**2.1**	1.1	2.1	1.1
Amortisation of social housing grant	**(12.2)**	(12.3)	(0.8)	(0.8)
Impairment of other tangible fixed assets	**-**	-	-	-
Operating lease rentals	**0.5**	0.7	0.3	0.2
Auditors' remuneration (excluding VAT)				
Fees payable to the Association's auditors for the audit of the financial statements	**0.2**	0.1	-	-
Non-audit services				
Fees payable to the Association's auditors for other services	**-**	0.1	-	-
Total non-audit services	**-**	0.1	-	-

The audit fee for the year ended 31 March 2022 was £175,000 (2021: £105,108) excluding VAT

6. Directors emoluments

The Directors of the Association are its Board Members and the Group Chief Executive.

Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria and other benefits:

	Group		Association	
Group Board Members (non-executive)	**2022 £000**	**2021 £000**	**2022 £000**	**2021 £000**
The Rt Hon. Baroness Blackstone (retired 1 February 2022)	**26**	30	**26**	30
S Brown (retired 28 February 2021)	**-**	11	**-**	11
D Weaver (appointed Chair 1 February 2022)	**20**	17	**20**	17
D Young	**-**	5	**-**	5
S Howlett	**16**	16	**16**	16
H Gillett	**12**	10	**12**	10
S Stone	**16**	16	**16**	16
S Smith	**16**	2	**16**	2
M Larizadeh	**11**	1	**11**	1
Total	**117**	108	**117**	108

	Group		Association	
	2022 £000	**2021 £000**	**2022 £000**	**2021 £000**
Aggregate emoluments (including pension contributions) paid to or received by directors who are executive staff members including salaries, honoraria and other benefits	**1,775**	1,407	**1,775**	1,407
Aggregate emoluments of the highest paid director excluding pension contributions / payments in lieu of pension included in aggregate emoluments of directors who are executive staff members	**364**	293	**364**	293

The Group Chief Executive was a member of the Orbit Group Retirement plan. He was a member on the same terms as all other staff that are also members, no enhanced or special terms apply. During 2020/21 and in response to the pandemic, the Board agreed, as a precautionary measure, not to make incentive payments under the employee incentive scheme. The scheme was reintroduced for 2021/22 and a payment is included within the Chief Executive's emoluments and is also reflected in the emoluments of staff and executive directors alongside an annual review.

Expenses paid during the year on behalf of Board Members amounted to £43,000 (2021:£28,000)

7. Surplus on sale of fixed assets - housing properties

Group	2022			2021			
	Letting £m	Shared equity £m	Total £m	Letting £m	VRTB £m	Shared equity £m	Total £m
Disposal proceeds	59.0	22.4	**81.4**	17.7	1.7	26.8	46.2
Carrying value of fixed assets	(52.3)	(16.9)	**(69.2)**	(11.0)	(1.2)	(16.4)	(28.6)
	6.7	5.5	**12.2**	6.7	0.5	10.4	17.6
Capital grant recycled	1.8	1.7	**3.5**	2.3	0.2	0.9	3.4
Grant abated	21.3	1.0	**22.3**	-	-	2.1	2.1
Right To Buy Clawback	(0.7)	-	**(0.7)**	(1.2)	-	-	(1.2)
Surplus on disposal	29.1	8.2	**37.3**	7.8	0.7	13.4	21.9

This balance includes a surplus of £21.5 million from the sales of properties under our stock densification programme.

Association	2022		2021	
	Shared equity £m	Total £m	Shared equity £m	Total £m
Disposal proceeds	22.4	**22.4**	26.8	26.8
Carrying value of fixed assets	(16.9)	**(16.9)**	(16.4)	(16.4)
	5.5	**5.5**	10.4	10.4
Capital grant recycled	1.7	**1.7**	0.9	0.9
Grant abated	1.0	**1.0**	2.1	2.1
Surplus on disposal	8.2	**8.2**	13.4	13.4

8. Interest receivable and other income

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Interest receivable and other income	**0.7**	0.8	**2.3**	2.3

9. Interest payable

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Loans and bank overdrafts	**57.8**	58.8	**11.0**	12.7
Interest payable capitalised on housing properties under construction	**(8.4)**	(7.0)	**(2.0)**	(2.1)
	49.4	51.8	**9.0**	10.6
Capitalisation rate used to determine the finance costs capitalised during the period	**3.71%**	4.06%	**3.71%**	4.06%
Other financing costs				
Loan arrangement fees	**2.3**	2.8	**-**	-
Defined benefit pension charge	**0.4**	0.3	**0.3**	0.2
Finance restructure costs	**0.9**	2.1	**0.3**	4.0
	3.6	5.2	**0.6**	4.2

10. Tax on surplus on ordinary activities

The only members of the Group liable to a tax charge or credit throughout the year ended 31 March 2021 were Orbit Homes (2020) Limited, Orbit Treasury Limited and Orbit Capital plc. Orbit Group Limited obtained charitable status with effect from 3 April 2006. From that point, its principal sources of income and gains have been exempt from corporation tax and accordingly, no deferred tax assets have been recognised in the statement of financial position of the Association at either 31 March 2021 or 31 March 2020.

No deferred tax asset has been provided in respect of trading losses carried forward due to the uncertainty as to when the benefit of this asset would be obtained.

The charge for the year is based on the surpluses/deficits arising on activities that are liable to tax.

		Group		Association
	2022	2021	2022	2021
	£m	£m	£m	£m
(a) Analysis of (credit)/charge in year:				
Current tax:				
UK corporation tax on profits of the year	**1.0**	0.9	**-**	-

The current tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 19% (2021: 19%).
The differences are explained below:

		Group		Association
	2022	2021	2022	2021
	£m	£m	£m	£m
(b) Factors affecting tax charge for current year:				
Surplus on ordinary activities before taxation	**82.4**	62.8	**22.0**	18.6
Tax charge at 19% (2021: 19%) thereon	**15.7**	12.0	**4.2**	3.5
Non taxable (surpluses) (primarily charitable exemptions)	**(15.0)**	(11.5)	**(4.2)**	(3.5)
Capital allowances less than depreciation	**0.3**	0.3	**-**	-
Deferred tax	**-**	0.1	-	-
Adjustment to tax charge in respect of previous year	**-**	-	**-**	-
Current tax charge/(credit) for the year	**1.0**	0.9	**-**	-

(c) Factors that may affect future tax charges:

At Budget 2021, the Government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2022 would remain at 19% and increase to 25% in 2023.

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

		Group		Association
	2022	2021	2022	2021
	£m	£m	£m	£m
	Assets	Assets	Assets	Assets
Total (assets) as at 1 April and 31 March	**(0.2)**	(0.2)	**-**	-

The adoption of FRS 102 has resulted in certain costs relating to the third party borrowing being recognised using an effective interest rate method rather than on a straight line basis as previously. As a result, the difference between the carrying values at 31 March 2015 using old GAAP accounting and the carrying values at that date as restated applying FRS 102 have been brought into account as a taxable transitional adjustment, spread over a 10 year period.

None of the borrowing which gave rise to the transitional adjustments was fully repaid by 31 March 2016 therefore 10% of the adjustments will be taxed each year starting with the period to 31 March 2016; a loss of £2,882,000 resulting in a deduction of £288,200 per year.

Deferred tax should be recognised in respect of the taxable transitional adjustments.

The deferred tax asset relates to a 10 year transitional adjustment that arose on adoption of FRS102 in Orbit Treasury Limited.
The timing difference giving rise to this deferred tax asset will continue to reverse evenly over the next four accounting periods.

12. Housing properties

Group	Housing properties for letting		Supported housing	Low cost home ownership		Non-social housing	
	Complete	In development	Complete	Complete	In development	Complete	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
At 1 April 2021	2,507.6	137.6	71.2	319.2	108.8	2.6	3,147.0
Additions	48.0	83.5	7.7	46.4	78.4	0.7	264.7
Transfer on completion	59.5	(59.5)	-	46.0	(46.0)	-	0.0
Transfer to stock/WIP	-	-	-	-	(25.2)	-	(25.2)
Disposals	(46.5)	-	(6.0)	(15.5)	-	-	(68.0)
At 31 March 2022	2,568.6	161.6	72.9	396.1	116.0	3.3	3,318.5
Less: accumulated depreciation							
At 1 April 2021	(319.1)	-	(20.9)	(21.9)	-	(0.2)	(362.1)
Eliminated on disposal	9.7	-	1.6	1.0	-	-	12.3
Depreciation	(33.2)	-	(3.9)	(2.8)	-	-	(39.9)
At 31 March 2022	(342.6)	0.0	(23.2)	(23.7)	0.0	(0.2)	(389.7)
Less: provisions for impairment							
At 1 April 2021	(3.2)	-	-	(0.1)	(0.9)	-	(4.2)
At 31 March 2022	(3.2)	0.0	0.0	(0.1)	(0.9)	0.0	(4.2)
Net book amount							
At 31 March 2022	**2,222.8**	**161.6**	**49.7**	**372.3**	**115.1**	**3.1**	**2,924.6**
At 31 March 2021	2,185.3	137.6	50.3	297.2	107.9	2.4	2,780.7

Additions to properties during the year include capitalised interest and finance costs of £8.4 million (2021: £7.0 million) and development administration costs/project management fees of £3.7 million (2021: £5.5 million). The Group reviewed its properties for impairment and there was a charge of £Nil (2021: £Nil) to the statement of comprehensive income. During the year the total expenditure on works to existing properties was £81.5 million (2021: £64.8 million) of which £41.5 million (2021: £26.5 million) has been capitalised.

12. Housing properties (continued)

Association	Housing properties for letting	Low cost home ownership		
	Complete £m	Complete £m	In development £m	Total £m
Cost				
At 1 April 2021	16.3	314.6	108.7	439.6
Additions	0.8	46.4	78.4	125.6
Transfer on completion	-	46.0	(46.0)	0.0
Transfer to other group members	-	2.9	-	2.9
Transfer to stock/WIP	-	-	(25.2)	(25.2)
Disposals	(0.1)	(15.5)	-	(15.6)
At 31 March 2022	17.0	394.4	115.9	527.3
Less: accumulated depreciation				
At 1 April 2021	(1.7)	(21.6)	-	(23.3)
Eliminated on disposal	-	1.0	-	1.0
Depreciation	(0.2)	(2.7)	-	(2.9)
At 31 March 2021	(1.9)	(23.3)	-	(25.2)
Less: provisions for impairment				
At 1 April 2021	-	(0.1)	(1.0)	(1.1)
At 31 March 2022	-	(0.1)	(1.0)	(1.1)
Net book amount				
At 31 March 2022	**15.1**	**371.0**	**114.9**	**501.0**
At 31 March 2021	14.6	292.9	107.7	415.2

Additions to properties during the year include capitalised interest and finance costs of £2 million (2021: £2.1 million) and development administration costs/project management fees of £1 million (2021: £1.3 million). The Association reviewed its properties for impairment and there was a charge of £Nil to statement of comprehensive income for 2022 (2021: £Nil).

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
The net book value of housing and other properties comprises:				
Freehold land and buildings	**2,920.1**	2,775.4	**498.1**	411.4
Long leasehold land and buildings	**9.4**	9.8	**7.8**	8.2
	2.929.5	2,785.2	**505.9**	419.6

13. Investments

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Monies deposited with Affordable Housing Finance Plc	**2.7**	2.6	**-**	-
Investment in preference shares of Orbit Homes (2020) Limited	**-**	-	**34.0**	34.0
Investment in ordinary shares of Orbit Homes (2020) Limited	**-**	-	**10.0**	10.0
Investment in ordinary shares of Orbit Capital plc*	**-**	-	**-**	-
Investment in Community Impact Partnership CIC**	**-**	-	**-**	-
	2.7	2.6	**44.0**	44.0

The directors believe that the carrying value of the investments is supported by their underlying net assets.

*Investment in ordinary shares of Orbit Capital plc by the Association was £13,000 (2021: £13,000).

**Investment in 1 share of Community Impact Partnership CIC by Orbit Gateway Limited £1 (2021: £1).

The investment in 1 share of Community Impact Partnership CIC by Orbit Gateway Limited was surrendered on the 22 March 2022 (2021: £1)

14. Intangible assets

	Group	Association
Cost	**£m**	**£m**
At 1 April 2021	21.1	21.1
Additions	3.4	3.4
Disposals	-	-
Reclassification	(0.5)	(0.5)
At 31 March 2022	24.0	24.0
Amortisation		
At 1 April 2021	(2.7)	(2.7)
Charge for the year	(2.1)	(2.1)
Eliminated on disposal	-	-
At 31 March 2022	(4.8)	(4.8)
Net book amount		
At 31 March 2022	**19.2**	**19.2**
At 31 March 2021	18.4	18.4

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

Group	2022 £m	2021 £m
At 1 April	**37.9**	15.0
Increase in value	**1.5**	-
Additions	**3.1**	22.9
At 31 March	**42.5**	37.9

The Group has investment properties at Fordham House in Stratford-Upon-Avon and at St Anne's Quarter in Norwich. During the year the remaining properties at St Anne's were added to the portfolio

Valuations of both portfolios were undertaken at 31 March 2022 by independent professional valuers. The full valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation – Global Standards effective 31 January 2020 and is compliant with the requirements of FRS 102. The assets have been valued using the comparable methods of valuation. The market for the properties were investigated; sales evidence was collated and adjusted to take account of the situation, layout and specification of the properties.

16. HomeBuy and other equity loans

Group and Association

	2022			2021		
	HomeBuy loans £m	Other equity loans £m	Total £m	HomeBuy loans £m	Other equity loans £m	Total £m
Loan advanced to borrowers at April	7.6	2.9	**10.5**	8.0	3.0	11.0
Interest receivable	-	-	**-**	-	-	-
Repaid during the year	(0.9)	-	**(0.9)**	(0.4)	(0.1)	(0.5)
Loan advanced to borrowers at 31 March	6.7	2.9	**9.6**	7.6	2.9	10.5

17. Other fixed assets

Group	Freehold offices £m	Leasehold offices £m	Commercial premises £m	Furniture, fixtures & equipment £m	Total £m
Cost					
At 1 April 2021	1.3	12.8	0.5	9.6	24.2
Additions	-	-	-	0.4	0.4
Disposals	-	(0.1)	-	-	(0.1)
Reclassified to intangible assets	-	-	-	0.5	0.5
Write offs	-	-	-	-	-
At 31 March 2022	1.3	12.7	0.5	10.5	25.0
Less: accumulated depreciation					
At 1 April 2021	(0.5)	(6.9)	(0.2)	(7.7)	(15.3)
Charge for year	-	(0.5)	-	(1.0)	(1.5)
Disposals	-	-	-	-	-
Write offs	-	-	-	-	-
At 31 March 2022	(0.5)	(7.4)	(0.2)	(8.7)	(16.8)
Less: provisions for impairment					
At 1 April 2021	-	(1.5)	-	-	(1.5)
Charge for year	-	-	-	-	-
At 31 March 2022	0.0	(1.5)	0.0	0.0	(1.5)
Net book amount					
At 31 March 2022	**0.8**	**3.8**	**0.3**	**1.8**	**6.7**
At 31 March 2021	0.8	4.4	0.3	1.9	7.4

17. Other fixed assets (continued)

Association

	Freehold offices £m	Leasehold offices £m	Furniture, fixtures & equipment £m	Total £m
Cost				
At 1 April 2021	0.3	8.5	5.1	13.9
Additions	-	-	0.4	0.4
Disposals	-	-	-	-
Reclassified to intangible assets	-	-	0.5	0.5
Write offs	-	-	-	-
At 31 March 2022	0.3	8.5	6.0	14.8
Less: accumulated depreciation				
At 1 April 2021	(0.1)	(4.1)	(2.9)	(7.1)
Charge for year	-	(0.3)	(0.8)	(1.1)
Disposals	-	-	-	-
Write offs	-	-	-	-
At 31 March 2022	(0.1)	(4.4)	(3.7)	(8.2)
Less: provisions for impairment				
At 1 April 2021	-	(0.5)	-	(0.5)
Charge for year	-	-	-	-
At 31 March 2022	-	(0.5)	-	0.5
Net book amount				
At 31 March 2022	**0.2**	**3.6**	**2.3**	**6.1**
At 31 March 2021	0.2	3.9	2.2	6.3

18. Properties for sale

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Housing properties for sale	**0.1**	-	**-**	-
Housing properties for sale under construction	**0.7**	-	**-**	-
Shared ownership - completed properties	**5.5**	5.8	**5.5**	5.8
Shared ownership - under construction	**43.9**	46.9	**43.9**	46.8
Market sale - completed properties	**10.5**	27.5	**-**	-
Market sale - under construction	**107.8**	91.9	**-**	-
	168.5	172.1	**49.4**	52.6

The above figure includes capitalised interest of £0.5m (2021: £0.2m) for the Group and the Association

19. Debtors

	Group		Association	
Due within one year:	2022 £m	2021 £m	2022 £m	2021 £m
Rental debtors	**6.4**	6.7	**0.8**	0.7
Less: provision for doubtful debts	**(2.3)**	(2.6)	**(0.3)**	(0.3)
	4.1	4.1	**0.5**	0.4
Amounts due from subsidiaries	**-**	-	**65.6**	58.7
Prepayments and accrued Income	**9.5**	9.4	**3.4**	5.5
Taxation and social security	**2.2**	2.0	**-**	-
Other debtors	**44.2**	10.5	**38.7**	0.3
	60.0	26.0	**108.2**	64.9
Due after more than one year:				
Other debtors	**2.9**	3.0	**-**	-
Amounts due from subsidiaries	**-**	-	**92.4**	35.6
	2.9	3.0	**92.4**	35.6

Loans have been made to partner companies to enable the construction and sale of homes at certain sites. The loans are repaid out of the sales receipts and are appropriately secured.

20. Creditors: amounts falling due within one year

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Housing loans (note 25)	**12.8**	62.7	**1.4**	7.1
Trade creditors	**25.8**	24.5	**4.4**	4.8
Amounts due to group undertakings	**-**	-	**170.9**	92.5
Other creditors including taxation and social security	**21.9**	16.1	**8.3**	7.0
Accruals and deferred income	**12.7**	14.4	**0.1**	-
Rents received in advance	**8.1**	7.5	**1.0**	0.7
Grants received in advance	**68.3**	56.1	**68.3**	55.0
RCGF within one year (note 24)	**0.8**	20.5	**0.5**	15.1
HomeBuy and other equity grants	**-**	0.4	**-**	0.4
Deferred capital grant (note 22)	**12.1**	12.3	**0.8**	0.8
Total	**162.5**	214.5	**255.7**	183.4

Association: within amounts due to group undertakings shown above there is an inter-company creditor with Orbit Housing Association Limited (OHA) of £123.2 million which is repayable on demand. Since Orbit Group Limited (the Association) is in a net current liability position the Directors of OHA have confirmed their intention that payment will not be requested within 12 months if insufficient funds are available.

21. Other creditors: amounts falling due after more than one year

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Housing loans (note 25)	**561.1**	641.3	**166.8**	337.0
Derivatives financial liabilities	**57.7**	85.3	**-**	-
Deferred capital grant (note 22)	**666.3**	688.7	**83.5**	84.4
Deferred income for renewals and maintenance contributions	**15.2**	13.6	**5.1**	4.1
HomeBuy and other equity grants	**8.8**	9.3	**8.8**	9.3
Bond finance (note 25)	**986.1**	985.5	**-**	-
Other creditors	**6.2**	8.9	**-**	0.1
RCGF more than one year (note 24)	**35.4**	12.7	**20.8**	4.1
Loan premium Affordable Homes Plc	**7.4**	7.8	**-**	-
Total	**2,344.2**	2,453.1	**285.0**	439.0

Housing loans shown above are net of £4.4 million loan arrangement fees carried forward (2021: £4.5 million) and finance restructure costs of £4 million (2021: £4.3 million).

Bond finance shown above is net of £4.8 million arrangement fees carried forward (2021: £5.1 million), discount costs of £12.3 million (2021: £12.8 million) and issue price premium of £3.2 million (2021: £3.3 million).

22. Deferred capital grant

	Group 2022 £m	Group 2021 £m	Association 2022 £m	Association 2021 £m
At 1 April	**701.0**	676.4	**85.3**	69.2
Grant received in the year	**9.5**	40.9	**1.8**	19.1
Transfer to RCGF (note 24)	**(3.6)**	(5.4)	**(1.7)**	(0.9)
Transfer from intercompany	**-**	-	**0.3**	-
Elimination on the disposal of assets	**6.0**	1.3	**0.4**	0.7
Grant abated	**(22.3)**	-	**(1.0)**	(2.1)
Released to income in the year	**(12.2)**	(12.2)	**(0.8)**	(0.8)
At 31 March	**678.4**	701.0	**84.3**	85.2

Analysed as:

	Group 2022 £m	Group 2021 £m	Association 2022 £m	Association 2021 £m
Amounts to be released within 1 year	**12.1**	12.3	**0.8**	0.8
Amounts to be released in more than 1 year	**666.3**	688.7	**83.5**	84.4
Total	**678.4**	701.0	**84.3**	85.2

23. Provisions for liabilities

Group	1 April 2021 £m	Provided in year £m	Released in year £m	31 March 2022 £m
Dilapidations and renewals	-	-	-	**-**
Water rates	0.4	-	-	**0.4**
Total	0.4	-	-	**0.4**

Analysed as:	Group 2022 £m	Group 2021 £m	Association 2022 £m	Association 2021 £m
Amounts to be released within 1 year	**-**	-	**-**	-
Amounts to be released in more than 1 year	**0.4**	0.4	**-**	-
	0.4	0.4	**-**	-

The water rates provision relates to costs arising from a historic contractual arrangement and will be utilised as required.

24. Recycled capital grant funds (RCGF)

Group	RCGF £m
At 1 April 2021	33.2
Grants recycled	4.2
Interest accrued	-
Utilised in the year	(1.2)
At 31 March 2022	**36.2**

Analysed as:

Group	RCGF £m
Within one year	0.8
After more than one year	35.4
At 31 March 2022	**36.2**

Association	RCGF £m
At 1 April 2021	19.2
Grants recycled	2.4
Interest accrued	-
Repayment of grant	(0.3)
At 31 March 2022	**21.3**

Analysed as:

Association	RCGF £m
Within one year	0.5
After more than one year	20.8
At 31 March 2022	**21.3**

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

25. Housing loans and bond finance

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Due within one year				
Orbit Treasury Limited	**-**	-	**0.3**	6.1
Greenwich NatWest	**1.1**	1.0	**1.1**	1.0
Bank/building society loans	**11.7**	61.7	**-**	-
	12.8	62.7	**1.4**	7.1
Due after more than one year				
Orbit Treasury Limited	**-**	-	**7.8**	176.9
Orbit Capital plc	**-**	-	**153.3**	153.3
Bond finance	**1,000.0**	1,000.0	**-**	-
Bank/building society loans	**463.7**	543.3	**-**	-
Affordable Homes Plc	**100.0**	100.0	**-**	-
Greenwich NatWest	**5.7**	6.8	**5.7**	6.8
	1,569.4	1,650.1	**166.8**	337.0
	1,582.2	1,712.8	**168.2**	344.1

All loans are in sterling. Non-bond finance in the Group is routed through a separate treasury vehicle, Orbit Treasury Limited. All registered providers in the Group have entered into a fully cross-collateralised structure. Orbit Treasury Limited borrows money on behalf of the Group and on-lends these to the individual Associations as required. The benefits of setting up the treasury vehicle include streamlined and efficient treasury procedures and strategy.

Orbit Capital plc was set up during 2014-15 as a funding vehicle for the issue of a £250 million bond and the bond finance is on-lent to the Associations. The entity has subsequently issued a bond for £450 million in 2018 and a further £300 million in 2020.

25. Housing loans and bond finance (continued)

Note (a)

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

	Group		Association	
	2022 £m	**2021 £m**	**2022 £m**	**2021 £m**
In one year or less, on demand	**12.8**	62.7	**1.4**	7.1
Repayable by instalments:				
- more than one year but not more than two years	**12.9**	19.9	**1.5**	7.2
- in more than two years but not more than five years	**184.9**	137.9	**8.3**	25.6
- in more than five years	**161.6**	207.3	**157.0**	304.2
	359.4	365.1	**166.8**	337.0
Repayable other than by instalments:				
- in one year or less	**-**	-	**-**	-
- in more than one year but not more than two years	**-**	-	**-**	-
- in more than two years but not more than five years	**15.0**	90.0	**-**	-
- in more than five years	**1,195.0**	1,195.0	**-**	-
	1,210.0	1,285.0	**-**	-
	1,582.2	1,712.8	**168.2**	344.1

All loans are secured by fixed charges on individual properties.

25. Housing loans and bond finance (continued)

The interest rate profile at 31 March 2022 was:

	Total £m	Variable rate £m	Fixed rate £m	Weighted average rate over term %	Weighted average term until maturity Years
Group					
Instalment loans	**416.8**	20.4	396.4	3.97%	13
Non-instalment loans	**1,165.4**	-	1,165.4	3.01%	21
	1,582.2	20.4	1,561.8	3.26%	19
Association					
Instalment loans	**168.2**	8.1	160.1	3.41%	22

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March were as follows:

	Group 2022 £m
Expiring in less than one year	**-**
Expiring in more than one year but not more than two years	**-**
Expiring in more than two years	**439.5**
Undrawn committed facilities	**439.5**

Hedge Accounting (Group)

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models in Group not in Association.

	2022					
	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to < 2 years £m	2 < 5 years £m	5 years and over £m
Interest rate swaps:						
Assets	-	49.3	3.1	5.9	14.4	25.9
Liabilities	57.7	(114.2)	(9.4)	(9.3)	(28.0)	(67.5)
	57.7	(64.9)	(6.3)	(3.4)	(13.6)	(41.6)

	2021					
	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to < 2 years £m	2 < 5 years £m	5 years and over £m
Interest rate swaps:						
Assets	-	23.4	0.2	0.5	4.4	18.4
Liabilities	57.7	(96.8)	(7.6)	(7.6)	(22.9)	(58.7)
	57.7	(73.4)	(7.4)	(7.1)	(18.5)	(40.3)

25. Housing loans and bond finance (continued)

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to affect the statement of comprehensive income. Note: The interest rate swaps that were not eligible for hedge accounting up to March 2021, due to having options callable by banks, have now been restructured with the banks options removed. Therefore, these interest rate swaps are now hedge accounted leading to no future cashflows through the profit or loss, therefore there is no comparable table disclosing cashflows for 2022.

	2021					
	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to < 2 years £m	2 < 5 years £m	5 years and over £m
Interest rate swaps:						
Assets	-	7.0	-	0.1	1.0	5.8
Liabilities	27.6	(26.7)	(1.7)	(1.7)	(5.2)	(18.1)
	27.6	(19.7)	(1.7)	(1.6)	(4.2)	(12.3)

Fair values

The fair values of all financial assets and financial liabilities by category together with their carrying amounts shown in the statement of financial position are as follows:

	2022		2021	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Loan	**304.4**	**428.7**	434.0	539.9
Bond	**1,151.8**	**1,200.2**	1,152.8	1,308.7
Embedded swap	**126.0**	**33.3**	126.0	49.3
	1,582.2	**1,662.2**	1,712.8	1,897.9

Orbit Treasury Limited has twenty cash flow hedges. The hedge relationships of all twenty meet each condition for hedge accounting, which are consistent with the entity's risk management objectives for undertaking hedges.

Orbit Treasury Limited considers that an economic relationship exists between the hedging instrument (interest rate swap) and the hedged item (floating rate loan) in that the values of the hedged item and hedging instrument move in opposite directions in response to movements in SONIA, the hedged risk, over the life of the hedge.

The objective of the hedge is to mitigate the changes in the future cashflows stemming from the floating rate interest payments related to the floating rate loan entered into by Orbit Treasury Limited.

25. Housing loans and bond finance (continued)

In accordance with chapter 12 of FRS 102, hedge accounting has been applied to the following swap contracts.

	2022 £m	2021 £m
Swap notional value £234m (2021: £194m)	**57.7**	66.9

The following swap contracts do not qualify for hedge accounting.

	2022 £m	2021 £m
Swap notional value £0m (2021: £40m)	**-**	18.4
Total fair value of derivatives	**57.7**	85.3

	2022 £m	2021 £m
Analysis of fair value movements		
Movement in fair value of derivatives not qualifying for hedge accounting recognised through statement of comprehensive income (SOCI)	**3.1**	6.3
Movement in ineffective portion of derivatives that qualify for hedge accounting through SOCI	**0.5**	0.9
Release of inception of fair value accounting shown in interest payable	**(0.3)**	(0.2)
Movement through SOCI	**3.3**	7.0
Movement in effective portion of derivatives that qualify for hedge accounting through SOCI	**24.6**	19.0
Release of inception of fair value accounting shown in interest payable (as above)	**0.3**	0.2
Release of cashflow hedge reserve of previously broken swaps in interest payable	**(1.4)**	-
Settlement of financial liability due to buying out of counterparty options	**0.8**	-
Settlement of financial liability due to cancelling of 6 swaps that were hedge accounted	**-**	5.6
Settlement of financial liability due to cancelling of 2 swaps that were not hedge accounted	**-**	8.1
Total fair value movement in derivatives	**27.6**	39.9

Financial risk management

The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company and Group by monitoring levels of debt finance and related finance costs. The key risks are as follows:

Interest rate risk

At 31 March 2022, 99% of the Group's debt was fixed or hedged. The Group has £20 million of variable debt funding, of which £20 million is held in Orbit Treasury Limited, which could be exposed to rises in SONIA rates. If SONIA was to increase by 0.50%, then the impact would be additional interest costs of £100,000 to the statement of comprehensive income. Any such costs can be recovered from the Associations.

Liquidity risk

Orbit Treasury Limited actively lends the full amount of the loans it has itself borrowed, thus the entity has assets to fully offset its liabilities and interest receivable to offset its interest payable.

Credit risk

The liabilities to funders are secured by a legal charge over property assets owned by the Associations with a value in excess of total borrowings. This includes mark to market liabilities resulting from interest rate hedging instruments. The Associations have entered into a guarantee with Orbit Treasury Limited over future interest payments, including payments due under interest rate hedging instruments and the property security. The carrying amount of the funding liabilities represents the maximum value exposed to credit risk. At the end of the financial year the credit rating of A3 stable from Moody's remained in place.

Intercompany funding arrangements

Orbit Group Limited along with Orbit Housing Association Limited within the Group, has entered into an intra group loan agreement with Orbit Treasury Limited. The Associations provide security for the loans entered into by Orbit Treasury Limited on their behalf in the form of their social housing assets. The Associations, as part of this arrangement, also agree to cover all costs associated with the funding including any associated hedging arrangements such as interest rate swaps.

26. Called up share capital

	Group		Association	
	2022 £	2021 £	2022 £	2021 £
Issued and fully paid shares of £1 each				
At 1 April 2021	**8.0**	8.0	**8.0**	8.0
Issued	**-**	-	**-**	-
Surrendered	**(1.0)**	-	**(1.0)**	-
At 31 March 2022	**7.0**	8.0	**7.0**	8.0

The share capital of Orbit Group Limited, which was formed in 1997, is raised by the issue of shares with a nominal value of £1 each. The Association's Co-operative and Community Benefit Society status means the maximum shareholding permitted per member is 1 share. There is no authorised share capital and the Orbit Board may issue as many £1 shares as it wishes. However, the Board operates a restricted shareholding policy with all shares currently held by serving, or former Orbit board members only. The Association's shares carry no right to interest, dividend or incentive scheme. Shares are not capable of being withdrawn or transferred and cannot be held jointly. Shareholders have the right to attend (or to vote by proxy) at any general, special general or extraordinary general meeting of the Association.

27. Capital commitments

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Capital expenditure which has been contracted for but has not been provided for in the financial statements	**612.4**	602.8	**179.4**	154.9
Capital expenditure which has been authorised under authority from the Orbit board but has yet to be contracted for	**257.5**	276.2	**93.9**	88.4
	869.9	879.0	**273.3**	243.3

Orbit expects these commitments to be financed with:

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Social Housing Grant	**84.6**	46.3	**32.8**	10.1
Surpluses and borrowings	**785.3**	832.7	**240.5**	233.2
	869.9	879.0	**273.3**	243.3

28. Contingent liabilities

As at 31 March 2022, there were £48 million contingent liabilities within either the Group or the Association (2021: £36 million).

Stock acquisitions previously undertaken include original government grant funding of £48 million (2021: £36 million) which has an obligation to be recycled in accordance with the original grant funding terms and conditions.

Contingent liabilities for grant fund recycling have increased during the year from stock acquisition's with Midland Heart Housing Group (£2.9 million) and Swan Housing Group (£9.2 million).

Orbit Group Ltd is responsible for the recycling of the grant in the event of the housing properties being disposed.

29. Cash flow from operating activities

	Group	
	2022 £m	**2021 £m**
Surplus for the year	**81.4**	61.9
Adjustments for non cash items:		
Depreciation & amortisation	**32.4**	28.5
Adjustments for investing or financing activities:		
Gain on sale of fixed assets	**(37.3)**	(21.9)
Change in value of investment property	**(1.5)**	-
Interest payable	**49.4**	51.8
Interest receivable	**(0.7)**	(0.8)
Movement in fair value of financial instruments	**(3.3)**	(7.0)
Adjustment for pension funding	**(11.1)**	(3.0)
Other financing cost	**3.6**	5.2
Add back tax	**1.0**	0.9
	0.1	25.2
Adjustments for working capital movement:		
Movement in provisions	**(0.2)**	(0.6)
Decrease in stocks	**3.5**	43.5
(Increase) / Decrease in debtors	**(33.5)**	9.9
Increase / (decrease) in creditors	**1.5**	(5.6)
	(28.7)	47.2
Tax paid	**(1.1)**	(0.2)
Net cash inflow from operating activities	**84.1**	162.6

30. Reconciliation of net cash flow to movement in net debt

	Group	
	2022 £m	2021 £m
Decrease)/increase in cash in the year	**(243.8)**	225.9
Increase in bank deposits (with a maturity in excess of 24 hours)	**0.1**	(3.8)
Other changes	**(1.1)**	(0.5)
Loans and bond finance received	**-**	(359.9)
Loans repaid	**130.6**	125.0
Loan arrangement fees	**0.7**	4.7
Change in net debt	**(113.5)**	(8.6)
Net debt at 1 April	**(1,386.3)**	(1,377.7)
Net debt at 31 March	**(1,499.8)**	(1,386.3)

31. Analysis of changes in net debt

Group	Restated 1 April 2021 £m	**Cash flows £m**	**Other changes £m**	**31 March 2022 £m**
Cash at bank and in hand	-	-	-	**-**
Bank deposits less than 24 hours	313.8	(243.8)	-	**70.0**
	313.8	(243.8)	-	**70.0**
Bank deposits in excess of 7 days	2.6	0.1	-	**2.7**
Housing loans due within one year	(62.7)	49.9	-	**(12.8)**
Housing loans due after one year	(650.1)	80.7	-	**(569.4)**
Bond finance	(1,000.0)	-	-	**(1,000.0)**
Bond arrangement fees, discount & price premium	14.5	-	(0.6)	**13.9**
Loan arrangement fees and loan premium	(4.4)	0.7	(0.5)	**(4.2)**
	(1,386.3)	(112.4)	(1.1)	**(1,499.8)**

32. Financial commitments

Operating leases

At 31 March 2022 Orbit was committed to making total minimum future repayments of leases in respect of operating leases other than land and buildings:

	Group		Association	
	2022 £m	**2021 £m**	**2022 £m**	**2021 £m**
Leases which expire				
Within 1 year	**0.8**	0.6	**0.3**	0.2
Within 2 - 5 years	**1.8**	1.6	**1.2**	1.2
After 5 years	**0.4**	0.6	**0.5**	0.5
Total	**3.0**	2.8	**2.0**	1.9

33. Number of units under development at 31 March 2022

	Group		Association	
	Total 2022 No.	**Total 2021 No.**	**Total 2022 No.**	**Total 2021 No.**
General needs	**1,502**	1,766	**-**	-
Low cost home ownership	**1,390**	1,379	**1,390**	1,379
Private rent	**-**	27	**-**	
Properties for market sale	**173**	145	**-**	-
Total housing units	**3,065**	3,317	**1,390**	1,379

34. Property portfolio

	Group		Association	
	2022	2021	2022	2021
	Units	Units	Units	Units
Social				
Social Rent General needs	**24,199**	24,457	**125**	125
Affordable rent	**6,016**	5,805	**-**	-
Supported Housing				
- Social Rent Supported Housing	**3,329**	3,514	**-**	-
- Affordable Rent Supported Housing	**167**	116	**-**	-
- Care Homes	**14**	18	**-**	-
Low cost home ownership (shared ownership properties)	**6,083**	5,482	**5,837**	5,241
Total Social Housing Units (excluding Leasehold)	**39,808**	39,392	**5,962**	5,366
Leasehold	**2,312**	2,127	**651**	520
Total Social Housing Units	**42,120**	41,519	**6,613**	5,886
Non-Social				
Market rent	**194**	191	**-**	-
Private retirement schemes	**1,110**	1,110	**-**	-
Non-social Leasehold	**378**	323	**279**	271
Retained Freehold	**2,715**	2,548	**1,069**	1,024
Commercial units	**12**	11	**-**	-
Total non-social housing units	**4,409**	4,183	**1,348**	1,295
Total Social and Non-Social Housing Units	**46,529**	45,702	**7,961**	7,181

Disclosure note:				
Units owned and/or managed	**46,529**	45,702	**7,961**	7,181
Units managed by others	**2,257**	1,905	**-**	-

35. Subsidiary organisations, associates and related party transactions

The following comprise the subsidiary organisations for incorporation into consolidated financial statements for the Group in accordance with the Co-operative and Community Benefit Societies Act 2014 and Financial Reporting Standard 2 - Accounting for Subsidiary Undertakings.

On 31 March 2021, two of the group subsidiaries, both registered under the Co-operative and Community Benefit Society Act 2014, Heart of England Housing Association and Orbit South Housing Association merged. The newly merged entity has been renamed Orbit Housing Association Limited, as disclosed below.

Organisation	Status	Principal activity	Country of incorporation	Basis of control by parent undertaking
Registered under the Co-operative and Community Benefit Societies Act 2014				
Orbit Housing Association Limited	Registered Housing Association and a Registered Society under the Co-operative and Community Benefit Societies Act 2014	Provision of rented housing	England and Wales	Control of membership of the board plus nominal shareholding
Incorporated under the Companies Act 2006				
Orbit Treasury Limited	Private Limited Company	Group treasury vehicle	England and Wales	Ownership of all issued share capital
Orbit New Homes Limited	Private Limited Company	Development of housing for sale	England and Wales	Ownership of all issued share capital
Orbit Gateway Limited	Private Limited Company	Buying and selling of real estate	England and Wales	Ownership of all issued share capital
Orbit Homes (2020) Limited	Private Limited Company	Design and build company and development of housing for sale	England and Wales	Ownership of all issued share capital
Orbit Capital plc	Private Limited Company	Group bond finance vehicle	England and Wales	Ownership of all issued share capital

35. Subsidiary organisations and related party transactions (continued)

Non-controlling interests

On the 22 March 2022 Orbit Gateway exited from a 25% interest in Community Impact Partnership CIC, a community interest company set up with a consortium of other housing associations; Peabody, Clarion Group and L and Q.

Transactions with non-regulated Group members

During the year the Association has transacted with three fellow group subsidiaries not regulated by the Regulator of Social Housing, Orbit Homes (2020) Ltd, Orbit Treasury Ltd and Orbit Capital plc. Orbit Homes (2020) Ltd provides design and build services to the Group. During the year the Association made payments totalling £19 million (2021: £22.1 million) to Orbit Homes (2020) Ltd for the purchase of housing property assets and has an outstanding creditor balance with Orbit Homes (2020) Ltd of £13.7 million (2021: £11.5 million) and outstanding debtors of £36.2 million (2021: £36.0 million).

Orbit Group Limited also transacted with the new Community Impact Partnership (CIP) incurring expenditure of £76,364 (2021: £3,613) on its behalf and donated £Nil (2021: £Nil) to the entity.

Orbit Treasury Ltd and Orbit Capital plc provide a funding on lending service to Group members. During the year the Association paid interest costs to Orbit Treasury plc totalling £5.1 million (2021: £7.9 million) and fees of £0.5 million (2021: £1.1 million). The Association also paid interest costs of £4.6 million (2021: £3.1 million) to Orbit Capital plc and fees of £0.1m (2021:£0.1 million). The allocation of these costs is based upon the level of debt required and secured by the housing properties held by the Association.

Related party transactions

The Orbit Housing Association board includes a member who is employed by We Are Digital Ltd, which is contracted to deliver digital training to Orbit residents in their homes or at Orbit offices. During the year Orbit made payments of £172,000 (2021: £168,000) to this supplier. At 31 March 2022 the outstanding balance was £nil (2021: £63,00).

The Orbit Treasury Limited and Orbit Capital Plc Boards include a member who is an employee of Accord Housing Group. During the year Orbit received payments of £23,000 from Accord (2021: £36,000). An amount outstanding at 31 March 2022 of £18,000 is shown in trade debtors (2021: £3,500).

A number of the Board members are tenants/leaseholders of the Association or Group. Their tenancies/leases are on normal commercial terms and the members cannot use their position to their advantage. In the current year payments in aggregate to Orbit totalled £20,000 (2021: £22,000). The outstanding amount owed at 31 March 2022 was £nil (2021: £1,000).

The Association is exempt from the requirements of Financial Reporting Standard FRS 102 ‘Related Party Disclosures’ to disclose transactions between Group undertakings as all companies are under the control of the board of the parent company. Included with debtors (note 19) and creditors (note 21) are the amounts owed to and owed by other group members.

The Pension Trust, as administrator of the Orbit Defined Benefit Pension Scheme and Kent County Council as administrators of the Local Government Pension Scheme, are considered to be related parties. Transactions with these entities are as set out in note 36.

36. Pension costs

Movement in pension cost liabilities during the year

	Group		Association	
	2022 £m	2021 £m	2022 £m	2021 £m
Net deficit at 1 April LGPS	**(2.1)**	(2.2)	**-**	-
Net deficit at 1 April Orbit Defined Benefit Pension Scheme	**(20.4)**	(11.7)	**(20.4)**	(11.7)
Contributions	**11.2**	3.2	**11.2**	3.2
Expenses	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Other financing costs	**(0.4)**	(0.3)	**(0.3)**	(0.2)
Net return on assets less interest on pension scheme liabilities	**0.6**	7.3	**0.5**	5.1
Actuarial (loss)/gain	**4.9**	(18.7)	**4.5**	(16.7)
Deficit in pension scheme at 31 March	**(6.3)**	(22.5)	**(4.6)**	(20.4)

Orbit Group Defined Benefit Pension Scheme

From 1 October 2019 the company operated a defined benefit scheme in the UK. This is a separate trustee administered fund set up on 1 October 2019 following the transfer of assets and obligations from the Social Housing Pension Scheme (SHPS). The scheme holds the pension scheme assets to meet long term pension liabilities. Scheme liabilities have been based on data provided by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. These assumptions take account of the ongoing reform of the RPI, resulting in a change of estimate this year in setting the CPI assumption relative to the RPI.

The Pensions Trust Retirement Solutions is undertaking a review of historic scheme benefit changes. The figures shown below do not reflect the potential outcome of that review.

Present values of Orbit defined benefit obligation, fair value of assets and defined benefit asset (liability) (Group and Association)

	31 March 2022 £m	31 March 2021 £m
Fair value of plan assets	**108.9**	96.9
Present value of defined benefit obligation	**(113.5)**	(117.3)
Defined benefit liability to be recognised	**(4.6)**	(20.4)

36. Pension costs (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2022 £m
Defined benefit obligation at the start of the year	117.3
Interest expense	2.4
Actuarial gains due to changes in financial assumptions	(1.5)
Benefits paid and expenses	(4.7)
Defined benefit obligation at the end of the year	113.5

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

	31 March 2022 £m
Fair value of plan assets at the start of the year	96.9
Interest income	2.0
Actuarial gains due to changes in financial assumptions	3.5
Contributions by the employer	11.2
Benefits paid and expenses	(4.7)
Fair value of plan assets at the end of the year	108.9

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2021 was £6,012,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	31 March 2022 £m
Net interest expense	0.4

36. Pension costs (continued)

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2022 £m	31 March 2021 £m
Experience on plan assets (excluding amounts included in net interest cost)-gain	**3.6**	3.9
Experience gains and losses arising on the plan liabilities	**(3.0)**	1.3
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	**4.4**	(16.7)
Total amount recognised in other comprehensive income – (loss)/gain	**5.0**	(11.5)

Assets

	31 March 2022 £m	31 March 2021 £m
Equity	**12.3**	9.5
Bonds	**16.7**	25.0
Property	**7.2**	5.6
Cash	**9.2**	1.8
Other	**29.4**	28.0
Liability Driven Investments	**34.1**	27.0
Total assets	**108.9**	96.9

36. Pension costs (continued)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2022 % per annum	31 March 2021 % per annum
Discount Rate	**2.8**	2.1
Inflation (RPI)	**3.5**	3.2
Inflation (CPI)	**3.0**	2.6
Salary Growth*	**-**	-
Allowance for commutation of pension for cash at retirement	**90% of maximum allowance**	90% of maximum allowance

*No salary growth assumptions as scheme is closed

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2022	21.6
Female retiring in 2022	23,8
Male retiring in 2042	22.8
Female retiring in 2042	24.9

36. Pension costs (continued)

Other pension schemes operated by Orbit South Housing Association Limited

Local Government Pension Scheme – Kent County Council and Bexley London Borough

The Association participates in The Local Government Pension Scheme (LGPS defined benefit statutory scheme) which is administered by Kent County Council (KCC). These figures have been prepared in accordance with Financial Reporting Standard 102 (FRS102). Total employer contributions paid to the scheme for the year were £10,000 (2021: £22,000). The estimated impact of the recent McCloud judgement has been recognised as a past service cost. The impact on the total liabilities as at 31 March 2021 from this judgement is estimated to be £24,000 (or 0.2% as a percent of total liabilities).

The Association also participated in the Local Government Pension Scheme (LGPS defined benefit statutory scheme) administered by the London Borough of Bexley. The Association withdrew from this scheme at 31 March 2019 following the settlement of all current and future liabilities.

Triennial actuarial valuation

Triennial actuarial valuations of the LGPS are performed by an independent, professionally qualified actuary. The most recent valuation of KCC's scheme was completed as at 31 March 2019. This actuarial valuation was certified on 18 December 2019 and used financial assumptions that comply with FRS102. The Association has a funding surplus of £1,136,000 at 31 March 2019 compared to a funding surplus of £400,000 at 31 March 2016.

Actuarial assumptions used for the Kent County Council LGPS scheme

The major financial assumptions used by the actuary in the FRS 102 valuation as at 31 March 2022 are:

	2022	2021
Rate of increase in salaries	**4.30**	3.85
Rate of increase in pensions in payment and deferred pensions	**3.30**	2.85
Discount rate applied to scheme liabilities	**2.60**	2.00
Inflation assumption - CPI	**3.30**	2.85
Inflation assumption - RPI	**N/A**	3.25

The estimate of the duration of the employer liabilities is 18 years.

36. Pension costs (continued)

Life Expectancy from age 65 (years)

		2022 Number	2021 Number
Retiring today	Males	**21.6**	21.6
	Females	**23.7**	23.6
Retiring in 20 years	Males	**23.0**	22.9
	Females	**25.1**	25.1

Scheme Assets

	31 March 2022 £m	31 March 2021 £m
Equities	**6.5**	6.5
Other bonds	**1.4**	1.3
Property	**1.2**	1.1
Other – cash	**0.2**	0.5
Absolute return fund	**0.7**	0.7
Total fair value of assets	**10.0**	10.1
Present value of scheme liabilities	**(11.8)**	(12.2)
Net pension liability	**(1.8)**	(2.1)

36. Pension costs (continued)

Statement of financial position as at 31 March 2022

	31 March 2022 £m	31 March 2021 £m
Present value of the defined benefit obligation	**11.8**	12.2
Fair value of fund assets (bid value)	**(10.0)**	(10.1)
Net defined benefit liability	**1.8**	2.1

Scheme liabilities

	2022 £m
Opening defined benefit obligation	12.2
Interest cost	0.3
Change in financial assumptions	(0.4)
Change in demographic assumptions	-
Estimated benefits paid net of transfers in	(0.3)
Closing defined benefit obligation	11.8

Reconciliation of opening and closing balances of fair value scheme assets

	2022 £m
Opening fair value of scheme assets	10.1
Interest on assets	0.2
Return on assets less interest	-
Estimated benefits paid net of transfers in and including unfunded	(0.3)
Fair value of scheme assets at the end of the year	10.0

36. Pension costs (continued)

Analysis of amounts charged to income and expenditure

	2022 £m	2021 £m
Amounts charged to operating costs	**-**	-
Net interest on the defined liability	**0.1**	0.1

Movement in deficit during the year

	2022 £m	2021 £m
Deficit in pension scheme at 1 April 2021	**(2.1)**	(2.3)
Contributions	**-**	-
Net interest	**(0.1)**	-
Net return on assets less interest on pension scheme liabilities	**-**	2.2
Actuarial gains	**0.4**	(2.0)
Deficit in pension scheme at 31 March 2022	**(1.8)**	(2.1)

37. Non-consolidated management arrangements

Across the Group, associations have entered into arrangements with a number of other organisations in connection with the management of some of the properties. The financial transactions affecting those managing agents are not consolidated where the risk rests with these agents.

38. Post balance sheet events

Orbit Group has entered into a Grouping Agreement with Swan Housing Association with the proposed aim of Swan joining the Orbit Group as a subsidiary later in 2022.

One of our Orbit employees volunteering to help the Wildlife Trusts in improving our green spaces and biodiversity orbitgroup.org.uk

Orbit Group

@OrbitGroup

orbit building communities

Think before you print!
Go paperless - consider whether printing is necessary