
Unity Housing Association Limited

Annual Report and Consolidated Financial Statements

Year Ended 31 March 2024



**Registered by the Financial Conduct Authority under:
Co-operative and Community Benefit Societies registered number: 25616R
Registered by the Regulator of Social Housing No LH3737**

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024*

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UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS*****Board of Management***

Chair	S Bhargava – to 7 October 2023 A Hamied -from 8 October 2023
Other Members	E Cook E Green S Jandu J Jeffries M Haque from 1 September 2023 H Marfoua D Mitchell A Ravat from 1 October 2023 M Pascal -from 1 September 2023 N Qureshi – from 1 April 2023 P Taylor
Independent Members	H Rashid – Audit & Risk Management Committee – from 10 July 2023 D Leone - Operations Committee

Executive Directors

Chief Executive	C Boston
Director of Housing Operations	K Proctor
Regeneration & Development Director	W Noteman
Resources Director/ Company Secretary	AM Matson

Registered office 113-117 Chapeltown Road, Leeds, LS7 3HY

Registered numbers

Registered by the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 No: 25616R

Registered by the Regulator of Social Housing No: LH3737

Auditor

Carston Chartered Accountants & Statutory Auditors
Tudor House, 16 Cathedral Road, Cardiff, CF11 9LJ

Solicitor - Bevan Brittan LLP, Toronto Square, 7th Floor, Toronto Street, Leeds, LS1 2HJ

Banker - Yorkshire Bank PLC, 94-96 Briggate, Leeds, LS1 6NP

REPORT OF THE BOARD

The Board presents its annual report and the Group's audited financial statements for the year ended 31 March 2024, which includes the results of Unity Housing Association Limited (the Association) and its subsidiaries; Unity Property Services Limited (UPS) and Unity Housing Development Services Limited (UHDS), (collectively the Group).

Principal activities

The Group is a Registered Provider administered by a Board of Management. The Group's head office is based in Chapeltown, Leeds and it has properties in Leeds and Kirklees, with the majority of properties being located in Leeds. Our main business is the Association, which is a registered social landlord providing housing services. In addition, it has an employment service that encourages local people into employ, training, and education to improve their life chances. Our subsidiaries are:

- UPS, a subsidiary trading as Unity Enterprise. UPS manages 160 units of business workspace accommodation in Chapeltown and Harehills over 4 sites. It lets out workspace to business start-ups, provides business training and support to fledgeling entrepreneurs and undertakes outreach in the local community to encourage local people to regard creating and running their own business as a career opportunity.
- UHDS, a development company, is a wholly owned subsidiary which was set up to manage development activities providing design and build services to the Association.

The Association and UPS both have charitable status and are registered as Co-operative and Community Benefit Societies. UPS is administered by a separate Board of Management and UHDS is a company registered under the Companies Act 2006 which is administered by a board comprised of Executive Directors and some Association board members. The Association has the right to appoint the members to the Board of UPS and UHDS and thereby exercises control over both organisations.

The Group's principal activities are the development and management of social housing. The Group owns 1,388 units of mainly general needs accommodation of which 1,359 are directly managed, 5 Care home bed spaces and 24 units are supported housing accommodation managed by specialist care providers. In addition, the Group has 10 leasehold units.

The Group's housing association operates three key housing business streams:

- General needs housing for rent to persons who are unable to rent or buy at open market rates, this includes Category 1 housing for people who need additional housing-related support;
- Supported housing;
- Low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their homes with the potential to staircase to outright ownership.

The Group's average employees during the year were 40, 23 of whom were directly involved in the provision of housing and maintenance services.

Business review

Details of the Group's performance for the year and future plans are set out in the Operating and Financial Review on pages 8 to 29 that follows this Report of the Board.

Housing property and fixed assets

Details of changes to the Group's tangible fixed assets are shown in notes 13 and 14 to the financial statements. Housing property values are considered in the Operating and Financial Review.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***REPORT OF THE BOARD (cont.)****Reserves**

The surplus for the year amounted to £760k (2023: £746k). There is a loss of (£246k) through other comprehensive income (2023: (£402k) loss), leading to the total comprehensive income for the year of £514k (2023: £344k). At 31 March 2024 the Group's reserves amounted to £21,622k (2023: £21,108k).

Subsequent events

The Group considers that there have been no events since the year end which have a significant effect on the Group's financial position.

Payment of creditors

In line with government guidance, the Group's policy is to pay purchase invoices within an average of 30 days from receipt, or earlier if agreed with the supplier. Creditor days for 2023/24 are 28 (2023: 28).

Financial instruments

The Group's approach to financial risk management is outlined in the Operating and Financial Review on pages 8 to 29.

Health and safety

The Board is aware of its responsibility on all matters relating to health and safety. The Group continues to monitor its health and safety procedures and provides training and education to staff on health and safety matters through a health and safety consultant.

Board members and executive directors

The Board members and the Executive Directors of the Group are set out on page 1.

The Board members are all shareholders of the Association. These shares provide Board members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up. The Executive Directors hold no interest in Unity's shares and have no legal status as directors although they act as executives within the authority delegated by the Board. The Group has insurance policies that indemnify its Board members and Executive Directors against liabilities when acting for the Group.

The Board

The Board's non-executive members are drawn from a wide background, bringing together professional, commercial and local experience. Up to one third of the Board may be tenant Board members. At every annual general meeting, Board members who have served their fixed term of three years retire from office and are eligible for re-election. Any Board member who has completed nine years' continuous service is not eligible for re-election. More is included on board tenure in the Code of Governance section.

The Board meets four times a year for regular business and annually for a weekend to discuss future strategy and members' training. During the past year meetings have been held remotely but the away day was in person. The Board is responsible for the Group's strategy and policy framework. It delegates the day-to-day management and implementation of that framework to the Chief Executive and other Executive Directors. An Audit and Risk Management Committee, an Operations Committee, a HR and Governance Committee and a Risk Appraisal Panel support the Board. A new Strategic Health and Safety Group has been established.

The Board and its Committees obtain external specialist advice from time to time as necessary.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***REPORT OF THE BOARD (cont.)****Remuneration Policy**

The Board set the Group's remuneration for its employees on an annual basis, agrees the appointment of the Executive Directors and agrees the brief within which the Chief Executive can negotiate staff salaries.

Service contracts

The Executive Directors are employed on the same terms as other staff with the exception that they are entitled to a car allowance equivalent to 10% of gross salary. Their notice periods of three months are the same as newer managers. Details of Executive Directors' salaries are set out in note 12 of the audited financial statements.

Pensions

The Executive Directors are members of the Social Housing Pension Scheme. They are either eligible for the defined benefit pension scheme or the defined contribution scheme. The Executive Directors participate in the scheme on the same basis as all other eligible staff. However, any Interim Director employed through a third party is not eligible to participate. The Group contributes to the scheme on behalf of its employees. With effect from 1 July 2019 the Group moved to a defined benefit Career Average salary scheme. From June 2023 the defined benefit scheme closed to new entrants. All staff are entitled to join the defined contribution scheme which is the auto-enrolment scheme, to which employer contributions are made. Further details are in notes 11 and 12.

Equality Diversity and Inclusion (EDI)

The Board is committed to EDI and has agreed equality and diversity commitments and objectives. The Group proactively works towards achieving these and also in the delivery of projects which lead to sustainable communities for all. A new EDI Policy and Strategy was agreed by the Board in December 2021. These reflect an increased expectation from the Board that the organisation should reflect the diversity of the community it serves at all levels and attain better than average EDI performance. At present this is being achieved. Training on Equality, Diversity and Inclusion (EDI) has been delivered through the Tell Jane programme.

Tenant Involvement

We are committed to involving and engaging with our residents, prioritising and empowering their voices to help improve our communities and services. In 2023 we revamped our customer and community engagement approaches with the creation of new involvement forums to oversee complaints, carryout estate inspections and undertake mystery shopping. We also have a tenant voice on the Association board, UPS board and Operations Committee. In the past twelve months the Scrutiny Panel has also attended the Operations Committee meetings with an open remit to ask any questions of the Executive or Committee members.

Complaints

We have a clear and simple Complaints Policy which is available to tenants. It was reviewed and revised to ensure compliance with the Ombudsman's Complaints Handling Code. After board review, Unity published its self-assessment against the Ombudsman Code on its website. During the year, the Group received 34 new stage 1 complaints (2023: 42).

Register of Assets and Liabilities

The Board can confirm that the Group is compliant with the standard requiring a Register of Assets and Liabilities to be held containing key information in relation to its housing properties and liabilities and other such information pertaining to the business.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***REPORT OF THE BOARD (cont.)****Governance and Financial Viability Standard**

Registered providers are required by the Regulator of Social Housing (RSH) to certify their compliance with the Governance and Financial Viability Standard. The Board received an assessment against the standard and considers that the Group complies with the standard. The Association's governance and viability grading was re-confirmed as G1V1 in March 2022 following an In-depth Assessment by the RSH and later in the year via a Stability Check in November 2022 which was reconfirmed in December 2023.

NHF Code of Governance

The Board has adopted the 2020 NHF Code of Governance. The new code is designed to ensure the highest standards of governance and enhances the requirements of the previous 2015 Code of Governance with which Unity was fully compliant.

The board decided to adopt the new code in September 2021, taking a self-assessment against the new code to the HR & Governance Committee in December 2021 and identifying and implementing actions to be compliant by 31 March 2022. A further self-assessment is undertaken each year enabling the board to consider that it remains compliant with the Code as at 31 March 2024.

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies to the Association and its subsidiaries. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls, which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed.

The process the Board uses for identifying, evaluating and managing the significant risks faced by the Group is on-going up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements throughout each year at its meetings.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include;

- **Identifying and evaluating key risks**

The Group's risk management strategy, sets out the Board's attitude to risk in the achievement of its objectives, it underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks. The Executive Directors and Managers produce quarterly update reports on risk, in addition to the annual full review of risk at Board level. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- **Control environment and internal controls**

The processes to identify and manage key risks to which the Group is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include strategic planning, the recruitment of Executive Directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection, and environmental performance.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***REPORT OF THE BOARD (cont.)****• Information and reporting systems**

Financial reporting procedures include setting detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed, approved and monitored throughout the year by the Board. The Board regularly receives information on key performance indicators (KPIs) to assess progress towards achievement of key business objectives, targets and outcomes.

Monitoring arrangements

Regular management reporting on control procedures provide assurance to management and to the Board. Such reporting is supplemented by regular reviews by internal audit that provide independent assurance to the Board, via its Audit and Risk Management Committee including review of any actions identified to improve control processes. A new Internal Audit Firm commenced in 2022-23. A Fraud Register is maintained and is reviewed by the Audit and Risk Management Committee. The Audit and Risk Management Committee has received the Chief Executive's annual review of the effectiveness of the systems of internal controls for the Association and its subsidiaries as well as the Annual Report of the Internal Auditor and has reported its findings to the Board confirming that there are adequate systems of internal control including an overall assessment of Reasonable Assurance from the Internal Auditors. There is also an ongoing service review programme.

Going concern

The Group has assessed its going concern period as 12 months from approval of the financial statements, being the 12 months ending 30 September 2025. The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review. The Group has in place long-term debt facilities and sufficient liquid capital, which provides adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. During the year loan repayments were made as scheduled and no additional loans were drawn. At the 31 March 2024 £13.5million of secured facilities were available to draw upon.

The Group also has a long-term business plan, which shows that the Group is able to service these debt facilities whilst continuing to comply with lenders' covenants. In considering the Group's going concern position, the Board has considered future risks and uncertainties, which might affect its financial position including budget and business plan assumptions, to include the period to 30 September 2025, before approving the 30-year business plan in March and then subsequently in June 2024. There are undrawn loan facilities available to be drawn down until August 2025 as well as sufficient time to implement any mitigations if required for this not to be a risk in the going concern period. Due to the delays in development activity reported later in the accounts, the Group is in discussion to renegotiate the existing secured facilities to extend the availability period of the £13.5million revolving credit facility beyond the August 2025 date.

The Group has a net current liabilities position as at 31 March 2024, which is the usual position at the end of the year for the Group. Tenant debtors are low and creditor payments depend on the timing of delivery of the maintenance programme. The Group chooses not to draw down available facilities and incur additional interest charges solely to achieve a net current asset position.

The Group has reviewed certain stress test scenarios to test the resilience of the business plan including pension changes; the potential of any GDPR breaches; increases in development costs and in response to the economic uncertainty from the wars in Ukraine and Israel; the potential reintroduction of austerity measures or changes from a new Government: the potential for costs to increase whilst a rent cap is imposed, as well as considering the impact of a potential rent freeze. The biggest impact is clearly from the rent stress tests which would require mitigations to be applied over the life of the 30 year business plan to improve the financial position but not within the going concern period.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***REPORT OF THE BOARD (cont.)**

The Board has also considered the impact of any stress tests on the Group's ability to comply with its loan covenants and is content that it will be able to comply with its loan agreement obligations for the foreseeable future. The Board considers that the Group has sufficient liquid resources and suitable mitigating actions available in the short, medium and long term to manage the possible impact of increased inflation, increased interest rates and a significant decline in the housing market.

Interest in the Enterprise Centre units managed by Unity Property Services has been sustained during the year despite the cost of living challenges for businesses and the refurbishment work at the Leeds Media Centre. Void loss was a lot lower than budgeted and at the year-end there were just four vacancies in the new units which were created and full occupation of the other units as well as a waiting list and this is forecast to continue with new tenant approaches seeking to take advantage of lower rental rates than in the city centre.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, the Group continues to adopt the going concern basis in the financial statements.

Annual general meeting

The annual general meeting will be held on 25 September 2024

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***OPERATING AND FINANCIAL REVIEW****Overview**

The current economic environment in which we operate continues to be an uncertain and challenging one. The UK has faced a sequence of severe and ongoing macroeconomic shocks over the past three years including Brexit, Covid-19 and the inflationary impact on energy prices resulting from Russia's invasion of Ukraine. High inflation, a tight labour market, and the residual impact of the pandemic on supply chains have increased costs for providers. At the same time future income streams were restricted by the Government's Rent cap for 2023/24 being set at 7% when the consumer price index was running at 10.1%. This would ordinarily have resulted in a rent increase of 11.1% which has resulted in an ongoing annual weakening in our finances.

Against this backdrop, Unity like other providers is looking to undertake substantial investment in existing stock to deliver against quality, building safety, and decarbonisation commitments, while continuing to invest in much needed new housing supply and service delivery challenges as we strive to deliver services in line with customer expectations. The need for the sector to prioritise investment in existing stock has been highlighted further following scrutiny of the services delivered by several housing providers and the Housing Ombudsman Report into the tragic death of Awaab Ishak in Rochdale.

Despite these challenges Unity's Business Plan remains resilient and current performance is favourable when compared to the sector, particularly in relation to the Tenant Satisfaction Measures introduced by RSH last year. At the same time, we turbo charged our VFM strategy to mitigate the damage caused to our operating margin by the rent cap that resulted in savings, allowing us to focus on the service areas that matter most to tenants.

Review of the year – Strategy, objectives, and targets

We work to the corporate plan strategy and three sets of objectives and targets to assess our performance in the year.

The five-and-a half-year corporate plan commenced in June 2021 and completes on 31st March 2027, so we are halfway through. Over the next two and a half years the organisation will continue to focus on its 5 strategic themes which are:

1. Providing excellent customer service and sustaining meaningful tenant engagement
2. Growing and protecting the organisation
3. Raising operational performance to best in class
4. Developing and enhancing our social purpose
5. Strengthening the resilience and harnessing the innovative potential of our people

The board agrees an Annual Plan every year that sets targets and objectives to deliver the next tranche of the corporate plan. This maintains "a golden thread" and ensures we deliver continuous service improvement. The Annual plan along with KPIs used by senior management and the Board are monitored regularly to assess the achievement of the Group's objectives.

Alongside the plan we have a VFM strategy. This is an essential component for Unity because we are a small organisation with big ambitions and operating efficiently is imperative to bridge the gap.

Lastly, we have a dashboard of 40 business health indicators used to assess how the business is doing at any one time.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***OPERATING AND FINANCIAL REVIEW (cont.)****Corporate plan summary**

This was the second full year of Unity's five-year Corporate Plan. Over the life of the plan so far, there have been some significant achievements. Among the most notable are our partnerships with other organisations to deliver better services; success in attracting over £180k of external funding that have enabled us to provide new services to disadvantaged local people: the growth of our development consortium to six partners, not only earning Unity fee income but enabling smaller associations to use their development capacity to build new homes; our ability to maintain strong tenant satisfaction across a range of metrics evidenced by the Tenant Satisfaction Measures, especially significant in a time when satisfactions levels in the sector have fallen dramatically; winning several national awards for our services and being shortlisted for many more; retaining our top rating for both financial management and governance.

This year sixteen of the 30 targets were met; substantial progress was made with another nine. However, due to the context changing 5 targets were not met. In year progress included introducing a first class online system for accurate and comprehensive recording, monitoring and reporting of building compliance for the first time; establishing a new joint reception service (residential and business tenants) that is working well in the LMC; introducing an outreach service to find and encourage potential entrepreneurs in the local community; retaining G1/V1 rating for governance and financial viability; considerable improvements in void turnaround; and introduction of a skills matrix giving us a solid framework to train and develop staff cost-effectively in future.

Operational performance

Of the business health indicators 18/40 (45%) are green, 11/39 (27.5%) are yellow which means they are improving. Among these there was sector leading performance in building compliance, void management, and most of the customer satisfaction measures. There was continued improvement in complaints handling, resolving customer enquiries first time, arrears management, tenant engagement, dealing with ASB, the percentage of properties meeting the Decent Homes Standard, the EPC rating of our properties and the average number of days lost to absence per colleague.

There are 11/40 red indicators where we still need to see improvement. Six of these relate to the repairs service and estate cleaning and grounds maintenance, two key areas for the customers and the business. However, we have analysed our performance in the areas with red indicators and are confident, that in the year we put in place sufficient measures to ensure there is improvement in 2024/25. These measures include the letting of new contracts, the control of expenditure, better VFM and more robust contract management.

Financial performance

In 2023/24 Unity Housing Association generated turnover of £8.27million and a surplus of £0.84m before actuarial pension loss. Clearly, the economic environment in which we operate remains uncertain and this has adversely affected delivery of our Corporate Plan. However despite the rent cap, we have retained our strong financial position and resilience to manage the financial risks arising from the current operating environment. Our good financial performance is evidenced through retaining G1/V1, our detailed business plan stress testing and performance on our Value for Money Metrics. We are also in a strong place to meet new challenges facing us, such as the revamped consumer standards, enhanced regulation and improving the quality of homes notably through enhanced energy efficiency and a proposed new regulatory decency standard.

Stock condition

We have just completed a stock condition survey (SCS) of our properties. Surveys were completed between February and May 2024. As at 31 March 2024, 348 properties had been surveyed with only 8 failing the Decent Homes Standard. 4 were identified as failing in the previous year. During 2023/24, 5 were remediated. Properties surveyed representing 34.2% of LCRA owned by UHA. Added to the 707 surveys completed in 2020, UHA has representative stock data on 91% of its stock. The remaining properties are planned to be surveyed in 2024/2025.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)

As at 31st March only 0.5% of Unity dwellings do not meet the Decent Homes Standard. The SCS identified minimal HHSRS category 1 hazards. At the year end the make-up of the 7 failures was as follows, action having been taken already on 5 properties.

Criterion A - It meets the current statutory minimum standard for housing	Criterion B - It is in a reasonable state of repair	Criterion C - It has reasonably modern facilities and services	Criterion D - It provides a reasonable degree of thermal comfort	Total units failing one or more criteria
1	7	0	1	7

In this survey, communal components were also included. The next stage is to model the outcomes against the Business Plan but initial indications are that they are not significantly different to those already assumed. In summary our properties are being reasonably well maintained and their maintenance needs are within our financial capacity.

Investment

This past year was challenging for everyone, including Unity and our residents, due to the emergence of fuel and food inflation, and a cost-of-living crisis not experienced for many years. Despite these national and international issues, we have found ways to continue delivering services and investing in our homes, spending £3.16 million on responsive and capital repairs, maintenance, and improvements. This included installing 97 new boilers, replacing 14 kitchens, 19 bathrooms and improving insulation levels as part of our long-term strategy to make our homes as energy efficient as possible. Additionally, we have focused on building safety in line with new legislation and on eliminating cases of damp and mould.

The percentage of customers satisfied with the overall quality of their home and that their home is safe is 74.5 and 84.3%, which is respectively median and upper quartile for sector. In addition, we are 100% compliant in gas and electric safety, the management of water and asbestos, and fire safety. We responded to the Carbon Monoxide (Amendment) Regulations 2022 (effective from 1st October 2022) and are 100% compliant with this measure at year end.

Following the increased focus on damp, mould and condensation (DMC) by the Department of Levelling Up, Housing and Communities (DLUHC) we have undertaken a thorough review of our approach to identifying, responding to and resolving cases of DMC. Our review has focussed on carrying out a comprehensive assessment of our stock, reviewing our policies, procedures, and processes, agreeing with staff how we should respond to cases of DMC, communicating with and supporting our customers; and raising the awareness of managers and staff to manage and mitigate this risk. The SCS found fifteen properties with mould and damp to the fabric of the building, and these are being dealt with.

Development

We aim to fully use our development capacity subject only to the need to invest to maintain our existing stock. Over the period of our corporate plan, 2021-27 we remain on track to own or manage a stock of 1410. We have a potential pipeline of 52 units. Notwithstanding that 2023/24 has been a very difficult year for new build development for the sector, mainly due to cost increases and the financial vulnerability of contractors. For these reasons we have failed to get either of our two schemes on site. Despite a huge amount of effort, we are not sure either scheme will go ahead in 2024/5 but recognising the potential for more delays we are working to renegotiate the availability period of the current funding facility.

UNITY HOUSING ASSOCIATION LIMITED
 Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)

Investment in technology

This year was noted for the rise in cyber-attacks in the sector which has handicapped some organisations. Hence our main emphasis this year was to strengthen the existing system against external attack. Among other things we have upgraded our firewall to give us greater protection, after tests confirmed the existing system was old and running out of product support. To ensure staff are always aware and vigilant against attempts to infiltrate our system we introduced Boxphish data protection training, and extended training to Board members. This is ensuring that everyone in the organisation is up to date on their data protection training and we are more secure in the future as a result. We implemented the recommendations from the penetration test undertaken last year, which included for instance enabling LAPS (Local Administrator Password Solution) on all Windows machines (Laptop and desktop computers). This enabled us to remotely control the local Administrator accounts and make them more password secure.

Other changes were to improve service delivery such as better video conferencing facilities, upgrading to windows 11, and creating new customer mailboxes to help us respond first time and speedily responses to customer queries.

Investment in HR and OD

We have been playing catch-up having lost time between the previous HR business partner leaving in February 2023 and the new one being appointed in July. This was the reason we withdrew our application to retain IIP Silver before undergoing the assessment. We wanted to be better prepared and accepted being downgraded to Standard pending a proper assessment next year. Since then, we have been making rapid progress. A new action plan was produced, and we have already completed many of the key actions such as actioning the close of the flexitime consultation and updating the staff handbook as well as delivery of training for Managers.

During the year we have focussed on colleague wellbeing, introducing various initiatives to support colleagues mental, physical and financial wellbeing. These included supporting staff with paid counselling and coaching, adjusting working pattern and upgrading screens to aid eyesight. As a result, we have seen staff sickness absence improve in comparison with the previous year.

We recognise the benefits of having a highly skilled and motivated team, and have invested in training colleagues this year on key areas such as Damp, Mould and Condensation, Safeguarding, Health and Safety, Equality and Diversity and performance management We are keen to work with others to procure cost-effective training and an example of this was partnering with 54 North Homes, Connect Housing and Leeds Beckett university to access Institute of Leadership and Management training courses and webinar workshops for women. We more than doubled the target of 1.5 training opportunities per person. The introduction of a skills matrix will help to target training more efficiently and effectively next year. Moreover, we continue to offer short term opportunities to local people and school children for work experience and apprenticeships.

We are proud to be a Living Wage employer and we recognise the benefits of appropriate pay and benefits.

The Board remains suitably skilled and effective. We have completed an annual Board appraisal exercise and our subsidiary Board and Standing Committees have undertaken an annual assessment of their effectiveness. No significant issues have arisen because of these reviews, although we continue to strive to improve Board effectiveness. Working together with the Senior Management Team we updated key policies including sickness, disciplinary, capability and grievance to give managers better tools to manage.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***OPERATING AND FINANCIAL REVIEW (cont.)**

Our quest to be a creative and innovative organisation got a shot in the arm when we won two national awards and reached the short list for various others across a range of disciplines.

Unity is a BME organisation and amongst other things we want all tiers to reflect the diversity of the local community we serve. Hence, we are proud to show that 49% of Staff, 67% of UHA Board and 75% of UE board are BME. Moreover 50% of UHA board and Senior Management Team are women.

Work in the community**Tenant involvement and community engagement**

Our corporate plan aim is to involve and engage more tenants and local residents by increasing both the range and depth of opportunities to participate. In the year we held twenty different events with 322 participants. This was up on last year, albeit just falling short of the targets. Nonetheless we introduced new communication channels, set up four new tenant groups and held several focus groups on a variety of Unity Services.

We involved more tenants and more often in service design with a view to improving our service offer. This included reviewing the website, revising the repairs policy, reviewing building safety compliance policies and procedures, the internal audit process, and the development of the Asset management strategy. Our weakness that will be an area for improvement next year is for events to be more regular and less intermittent. For instance, the section, training and implementation of Estate Inspectors and a mystery shopping regime was successful, but it was not sustained. A more robust regime will commence in 2024/25.

The focal point of our various community projects is to support and enable local people to improve their economic prospects. Over the year we supported 178 people into employment and encouraged 274 to take up training to improve their career prospects.

Our unique selling point is supporting and enabling BME People to set up their own business. This initiative started in the late 90's when Unity acquired the Unity Business Centre and began renting out low-cost business units to people intending to start a business. We now have 143 units and 66% of the entrepreneurs who rent from us are BME. In addition to good quality low rented units, we also provide a wide package of support and assistance to help tenants whose businesses are struggling, to get back on their feet. Many of our BME tenants have overcome barriers to get to a position where they can rent a unit. We also ran several Steps to Business courses in conjunction with People Plus, most notably to ten inmates at HMP Wealstun. We ran a total of 3 Steps to Business workshops over a condensed 4-day course, with 45 cohorts attending. We facilitated a woman's business course called Be Unstoppable. We developed and successfully applied for funding via WYCA to run the Breaking Barriers pilot course to empower marginalised female entrepreneurs in digital media and marketing.

Given the parlous effects of the cost-of-living increases on our customers we set up a Community Fund to support individuals facing a crisis and get back into work. We are also keen to support the wellbeing of residents. For instance, we acquired and installed in the local community three defibrillators so that they are accessible when needed. We continued to support our partners to deliver services which benefit our customers and communities. For example, we have provided new and improved accommodation for St Giles pantry to provide food and clothing packages for people who need them.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)

Customer Complaints and Compliments

We are committed to providing the best possible service to all our customers, but we know we are not perfect and sometimes we might get things wrong. Even so our complaints are relatively low. In the last year we received 39 complaints, with approximately 65% of these being upheld or partially upheld. Many of these complaints have resulted in changes to our procedures or working practices, as well as additional training for our colleagues. In the last year, we also received 74 compliments about the services we provide and the people who work for us. UE received the most compliments, with business tenants praising the high-quality customer care.

Service to Customers

Overall satisfaction with our services has ended the year strongly with nearly 74.5% of customers satisfied with the service provided by us. This is upper median for the sector. In addition, we are top quartile for customer satisfaction with how we listen and take tenant views into account (69.4%), keeping tenants informed (82.9%) and treating tenants fairly and with respect (84.5%). Our satisfaction levels are adversely affected by the performance of the repairs service, which is significantly below expectations due largely to the current contractor.

To increase satisfaction in the year ahead: we will concentrate on continuing to improve our repairs and maintenance performance, building on the last year in which it improved significantly, and in delivering our planned programmes of work which had been delayed and required re-assessing and rolling out to tenants. Another area of low satisfaction is with service charges and a review is already underway with the aim of ensuring customers are getting the services they require and have realistic expectations of the service.

The grounds maintenance and cleaning contractors are being managed better and are working well with the neighbourhood teams. We will also target low satisfaction estates for concerted action.

Future Prospects

Following a review of performance during the year and an assessment of the impact of the current operating environment on our service delivery we have refined and clarified our measures of success in the revised dashboard for 2024/25. We will look to respond effectively to the current high inflation macro-economic environment and embed the service delivery changes arising from focus groups with tenants. We will also look to learn from the recent failings in the Sector to help improve the service we provide and consider ways to improve satisfaction across the business by continuing to listen to our tenants' views, particularly recent transactional surveys and the annual perception survey to be carried out during 2024/25. A key priority is an updated Asset Management Strategy based on the latest stock condition information. We are making very good progress to have this in place by September 2024. As part of this we will continue to develop our long-term strategic direction in relation to improving the energy efficiency of our homes and subsequently how we achieve the 2050 carbon neutral requirement.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)**Risks and uncertainties**Risk Management work of the Board

The main risks that may prevent the Group achieving its objectives are considered and continuously reviewed by the senior management team and Board as part of the corporate planning processes and regularly throughout the year. Major risks, presenting the greatest threats to the Group, are reported to the Board together with action taken to manage the risks and the expected outcome of the action. These risk reports include assessments of key controls used to manage the risks.

The Board reviewed its Risk Appetite in December 2021 creating a new statement and integrating the Risk Appetite into the Risk Register. This was revisited in 2023 and remains appropriate. The Risk Management Strategy sets out the approach to risk, responsibilities for risk, reporting of risk and scoring of risk and incorporates the Risk Appetite Statement. Existing and potential emerging risks associated with the current and planned activities of the Group are identified and documented using a Risk Register identifying whether each risk is a Group or Entity Risk.

The Board received an annual assessment of the Group Risk Register against the Sector Risk Profile which is produced by the Regulator of Social Housing to identify if there were any areas which had not been considered. The Board also enhanced its stress testing, mapping the stress tests to the risks and increasing the numbers of scenarios tested, in particular reflecting the current economic uncertainty.

Principle and Emerging risks

At each Audit and Risk Management Committee there is a review of the Risk Register as well as a report and discussion on emerging risks. The risks are recorded, assessed and scored in terms of their impact and probability both before and after the application of internal controls.

The current principle risks and uncertainties faced by the Group are:

- Ensuring Regulatory compliance
- Economic and political uncertainty and maintaining financial viability and maximising financial capacity
- Managing and maintaining housing stock and business centres
- Managing health and safety risks
- Managing procurement and contract risks
- Managing Development risks
- Managing IT system risks and ensuring GDPR compliance
- Managing Staffing risks and overall business continuity

The areas of risk that carry a high-risk score after risk controls are implemented are considered below.

Key risk	Controls/action to manage or mitigate the risk
Failure to manage development contractor performance resulting in delays, overspends or poor quality of work. Poor quality of work may result in potential health and safety risk.	Robust procurement processes and procedures, regular and robust contractor monitoring and site meetings, use of consultants where required and review of gas installation: quality control and audit processes.
Risk of service impact from the expiry of the current main maintenance contractor and determination of extension/reprocurement. Risk of reduced levels of service, increased costs and a lack of VFM resulting from contactors not being contract with Unity	Contract management via regular meetings to include any customer feedback on dissatisfaction with service standards, Sample of post inspections

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)

Risks and uncertainties

Key risk	Controls/action to manage or mitigate the risk
Poor procurement and contract management across the Group resulting in poor customer satisfaction and inefficient operations. Risk increased due to uncertainties around cost creep in current economic climate and the strength of the current contractors. Risk of claim against Unity.	<p>Maintain emphasis on VFM when selecting Contractors. Procurement questions ask about previous service delivery & request references.</p> <p>Maintenance Manager & SMT review contractor selection & tender evaluation results, Periodic review of major contracts</p> <p>Work issued on schedule of rates or fixed price contracts. Variation requests monitored for appropriateness and effect on maintenance budgets. Minimise upfront payments to contractors / undertaking appropriate checks on all work undertaken to minimise exposure to failing contractors. Regular liaison between maintenance and finance departments to identify and control and cost creep.</p> <p>Close management of process and existing performance issues via monthly review meetings. Contracts contain clear clauses re when Unity can exit</p> <p>Delivery of service improvement plan</p>
Key person risk resulting in loss of knowledge of the business centre operations and activity resulting in difficulty sustaining the business centres	<p>Monthly management accounts review including detailed rent plan with Finance Manager.</p> <p>Business continuity plan for UPS</p> <p>Move of compliance reporting to c365</p> <p>All Internal Audit scopes include consideration of key person risk</p>

During the year there has been a specific focus on addressing actions arising from the Fire Risk Assessments (FRAs) to our 61 blocks following the report in last year's accounts that many of the remedial actions arising from the FRAs had not been expedited and finalised within a reasonable time and a large number were still outstanding. While none of them constituted a serious risk to the life and safety of our residents, we put the highest priority on thoroughly and speedily pulling together a remedial plan to resolve all the actions. Where actions could be addressed immediately, they were whereas some required multiple tasks to be completed before they could be closed, for instance policy changes, consultations with stakeholders, or third-party review have as previously acknowledged taken up to a year to put in place.

We operate an immediate evacuation strategy in the event of a fire and because of the measures associated with this we are satisfied there are sufficient mitigating measures in place to keep residents safe while we complete the actions.

We reported last year that we had recognised that this was an area where we needed to improve our data management, monitoring and reporting of compliance. We invested in the most highly regarded compliance management system, 'C365', and started implementation with the FRA module live and in use from 1 April 2024. The system is now capable of capturing all compliance data such that the Group can monitor and report performance for all compliance areas.

For assurance we also carried out a "deep dive" review of all other areas of compliance, (gas, water, electric, asbestos, lift maintenance, smoke, and carbon monoxide alarms) and are compliant. In addition, we have had an Internal Audit in this area to ensure that business critical controls were operating.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***OPERATING AND FINANCIAL REVIEW (cont.)****VALUE FOR MONEY (“VFM”)**

The Regulator introduced a new Value for Money Standard in April 2018. Unity is compliant with the standard as demonstrated below.

VFM is important to Unity. We owe it to our tenants and customers to strike the right balance between cost and quality, taking into account the views of those who pay for services out of their own pockets and those that don't. But VFM is not just about reducing costs and being the cheapest. In providing effective, meaningful services to some of vulnerable, disadvantaged and low income households we often have to pay a higher input cost to make services equitable, accessible, and appropriate for them.

VFM is also central to all five of the key themes in the Corporate Plan:

- ✚ To be one of the best performing and most well-regarded social landlords in the country
- ✚ To have a financially strong, viable and growing business with a prolonged shelf-life
- ✚ To have a reputation as a community anchor, dedicated to serving and engaging with the community and working in partnership with other agencies to improve the lives of its people.
- ✚ To be known for the breadth and depth of our social purpose activities and the overwhelmingly beneficial impact these have had on the lives of many people, for tackling inequality and being a beacon for others to follow.
- ✚ To be a great organisation to work for, making our people proud and enhancing their potential

The board approved a new VFM Strategy in December 2021 underlining our drive to provide a high-quality professional service to residents that is value for money (VFM) for us and them. The Strategy was reviewed, refreshed and approved by the Board in June 2024. At the same time they received an outturn position on the delivery of the 2023/24 targets and approved the new targets for 2024/25.

The starting point is that we are a small Housing Association with big ambitions to do a lot more for the people we serve. Hence in delivering all of our corporate plan objectives the approach agreed by the Board is that:

- a. VFM is a cross cutting theme, an aspiration in everything we do
- b. Where possible we will seek partnerships to do more, do it better and reduce risks
- c. We will take advantage of opportunities to secure external funding whether from private or public sectors, to support our activities
- d. We will consider a range of possible alternatives to address an identified problem or meet a particular objective before recommending a specific proposal.

Unity aims to be a Value for Money (VFM) organisation because it wants to:

1. Maximise funds to invest more in our social purpose.
2. Provide tenants with good value for the rents and service charges they pay.
3. Be one of the most efficient and effective housing organisations in the region.
4. Do more for people. We are a small organisation with an ambitious Corporate Plan.

VFM helps us to support more of the objectives in our corporate plan.

For us VFM is about securing the best possible outcomes from both the expenditures we make and the resources we use. VFM includes:

- Raising performance and productivity.
- Improving the quality of services and outcomes for people
- Saving or reducing costs to customers
- Saving or reducing the organisation's cost and resources
- Generating a greater level of social value from our operational activities.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

Hence, we see VFM as a long-term strategic objective. While it is predicated on producing VFM gains year after year, our strategy focuses on developing Unity into an efficient and effective organisation over time and having the resilience to sustain it. We have considered how achieving VFM contributes to our social purpose, the Housing Association's Mission and Vision, and the long-term goals in our Corporate Plan. So one of the aims of the revised strategy is to be fully aligned with Unity's current priorities as contained in the annual plans.

Delivering this Corporate Plan is important to us, so it is regularly monitored and reviewed through a succession of Annual Plans. These contain the targets and objectives in the Corporate Plan that must be achieved in a particular year. Progress on the Annual Plan will be reported to the Board quarterly. In addition, the Board will review the Corporate Plan at the end of each calendar year to, amongst other things, determine what must be achieved in next year's Annual Plan to remain on track.

There are 23 objectives in the current VFM strategy. Performance in 2023/24 was adversely affected by the additional work and resources required to comply with Fire Risk requirements in our properties. This consumed both staff and managements time in ways that were not anticipated when the action plan was put in place. Nevertheless, the end of year results were:

- Eleven of the targets (47%) were achieved
- Five (23%) were not completed with very little or no progress being made
- Seven (30%) were partially completed

For each of the five Strategic themes to deliver the Vision, the table below identifies which key indicators are used against each objective.

Strategic Theme	Performance/ VFM measure		
1. Excelling at Customer Service and Resident Engagement	Customer Service Excellence accreditation Maintenance satisfaction (%) Complaints - number received Complaints responded on time (%)		
2. Grow and Protect the organisation	<table border="0"> <tr> <td style="vertical-align: top;"> <p><u>RSH VFM metrics</u></p> <p>1. Reinvestment %</p> <p>2a. New supply delivered - social housing (%)</p> <p>2b. New supply delivered - non-social housing (%)</p> <p>3. Gearing at cost (%)</p> <p>4. EBITDA (Interest cover)(%)</p> <p>5. Headline Social Housing cost per unit (£)</p> <p>6a. Operating Margin - social housing lettings (%)</p> <p>6b. Operating Margin - overall (%)</p> <p>7. ROCE (%)</p> </td> <td style="vertical-align: top;"> <p><u>Health & Safety</u></p> <p>Properties with live Gas service certificate (%)</p> <p>Properties with live Electrical service certificate (%)</p> <p><u>Development</u></p> <p>No. New home starts</p> <p>No. New home completions</p> </td> </tr> </table>	<p><u>RSH VFM metrics</u></p> <p>1. Reinvestment %</p> <p>2a. New supply delivered - social housing (%)</p> <p>2b. New supply delivered - non-social housing (%)</p> <p>3. Gearing at cost (%)</p> <p>4. EBITDA (Interest cover)(%)</p> <p>5. Headline Social Housing cost per unit (£)</p> <p>6a. Operating Margin - social housing lettings (%)</p> <p>6b. Operating Margin - overall (%)</p> <p>7. ROCE (%)</p>	<p><u>Health & Safety</u></p> <p>Properties with live Gas service certificate (%)</p> <p>Properties with live Electrical service certificate (%)</p> <p><u>Development</u></p> <p>No. New home starts</p> <p>No. New home completions</p>
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3. Operational Performance	<table border="0"> <tr> <td style="vertical-align: top;"> <p><u>Repairs</u></p> <p>Emergency repairs responded on time (%)</p> <p>Urgent repairs responded on time (%)</p> <p>Routine repairs responded on time (%)</p> <p>Repairs Appointments kept</p> <p>Repairs first time fix</p> <p>Average SAP rating (an energy rating performance)</p> </td> <td style="vertical-align: top;"> <p><u>Housing Income Management</u></p> <p>Rent arrears (%) - best benefit week</p> <p>Rent arrears (£'s)</p> <p>Income collection (%)</p> <p><u>Housing - Voids and Lettings</u></p> <p>General Needs Relet times (days)</p> <p>General needs Void loss (%)</p> </td> </tr> </table>	<p><u>Repairs</u></p> <p>Emergency repairs responded on time (%)</p> <p>Urgent repairs responded on time (%)</p> <p>Routine repairs responded on time (%)</p> <p>Repairs Appointments kept</p> <p>Repairs first time fix</p> <p>Average SAP rating (an energy rating performance)</p>	<p><u>Housing Income Management</u></p> <p>Rent arrears (%) - best benefit week</p> <p>Rent arrears (£'s)</p> <p>Income collection (%)</p> <p><u>Housing - Voids and Lettings</u></p> <p>General Needs Relet times (days)</p> <p>General needs Void loss (%)</p>
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4. Developing and investing in our social purpose	<table border="0"> <tr> <td style="vertical-align: top;"> <p><u>Unity Enterprise</u></p> <p>Unity Enterprise Void loss (%)</p> </td> <td style="vertical-align: top;"> <p><u>Employment Services</u></p> <p>No. people supported into employment</p> <p>No. people given training</p> <p>No. people helped into volunteering positions</p> </td> </tr> </table>	<p><u>Unity Enterprise</u></p> <p>Unity Enterprise Void loss (%)</p>	<p><u>Employment Services</u></p> <p>No. people supported into employment</p> <p>No. people given training</p> <p>No. people helped into volunteering positions</p>
<p><u>Unity Enterprise</u></p> <p>Unity Enterprise Void loss (%)</p>	<p><u>Employment Services</u></p> <p>No. people supported into employment</p> <p>No. people given training</p> <p>No. people helped into volunteering positions</p>		
5. Building resilience through Organisational	Investors in People accreditation Sickness per full time equivalent (fte) - days		

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

RSH VFM Metrics

The charts below set out each VFM metric, the comparison between the Group and selected groups of providers for the year ended 31 March 2024. This includes the actual performance against the budgeted performance for the 2023/24 year and the performance for the prior year against the RSH 2023 Global Accounts (GA2023) which have been published. A 4-year actual trend is shown for the Group as well as the target for 2024/25.

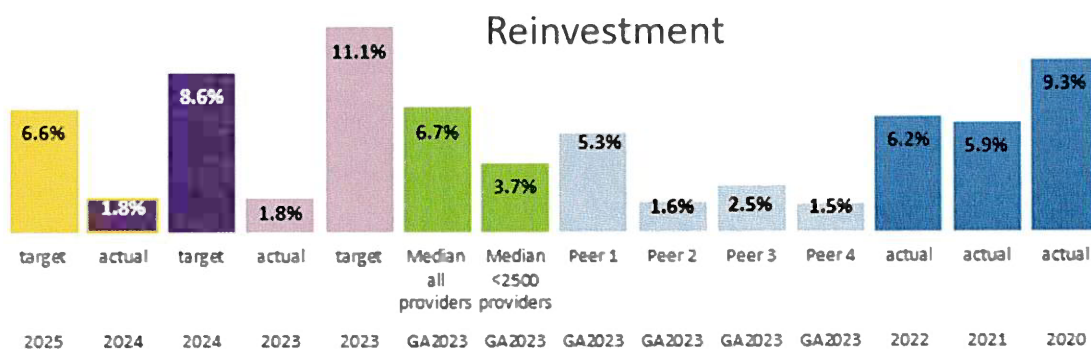
Part of the requirement of the standard is to benchmark performance against peers. Unity board wanted to see the comparison against the median of all organisations but recognising that costs can often be linked to size, the Group has selected the Median of the subset of organisations with less than 2500 units as well as the Median of all providers for comparison. To find peers, the subset has been further refined to recognise organisations with at least 90% general needs and those with stock predominately located in Yorkshire, the North West, North East.

This brings a total of 4 organisations to benchmark with, 2 of which were previously included:

- Peer 1 - Arches
- Peer 2 – Durham Aged Mineworkers
- Peer 3 – Eden Housing
- Peer 4 – Manningham

Please also note since benchmarking information for 2024 are not scheduled for release until much later in the year, VFM comparisons can only be made for 2023, or between our 2024 outturn and other organisations performance in 2023.

1. Reinvestment %



The Reinvestment metric looks at the investment in new and existing properties as a percentage of the value of total properties held. Our reinvestment levels in 2024 and 2023 have been affected by delays in delivery of the development programme but still reflect investment in existing homes via the planned maintenance programme as well as the fire remediation work in 2024. A significant change is that we will be investing proportionately more in the maintenance of our stock than in new supply over the next few years after the planned development schemes have been delivered. This is to ensure we continue to maintain property standards and remain in line with decarbonisation timescales.

Unity's actual performance for 2023 was below both the median of all providers and the median for <2500 unit organisations, but above 2 of the regional peers. Manningham is starting back up its development programme with support from Unity's development team and hence only major repairs expenditure is included in its figures.

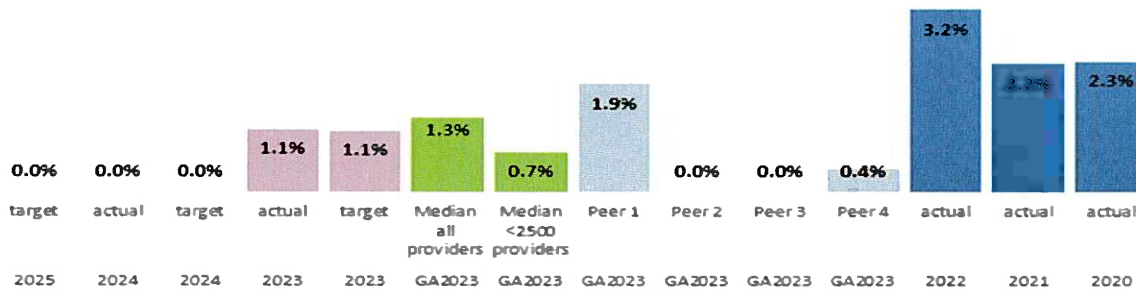
UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

2a) New Supply delivered (social housing)

New supply delivered (social housing)

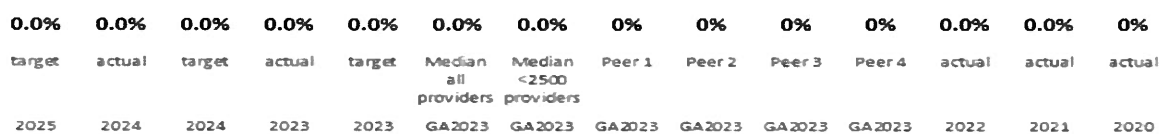


No units were handed over in the 2024. This metric has been affected across the whole sector by both increases in the costs of development and also reduced capacity as housing providers increase the investment in existing stock. There are currently no units planned to handover in the 2024/25 year as it is assumed that for both of the current schemes in the pipeline that delivery would fall into the 2025/26 year.

The actual for 2023 is below the median of all properties but above those organisations <2500 units and was higher than the delivery of peers 2, 3 and 4. It reflects the changes in the timing of the delivery of units due to a development stalling on site. The timing of the current programme results in the target for reinvestment for 2025 being high but the actual handovers in this metric for 2025 being 0% as an 18 month build is assumed.

2b) New Supply delivered (non-social housing)

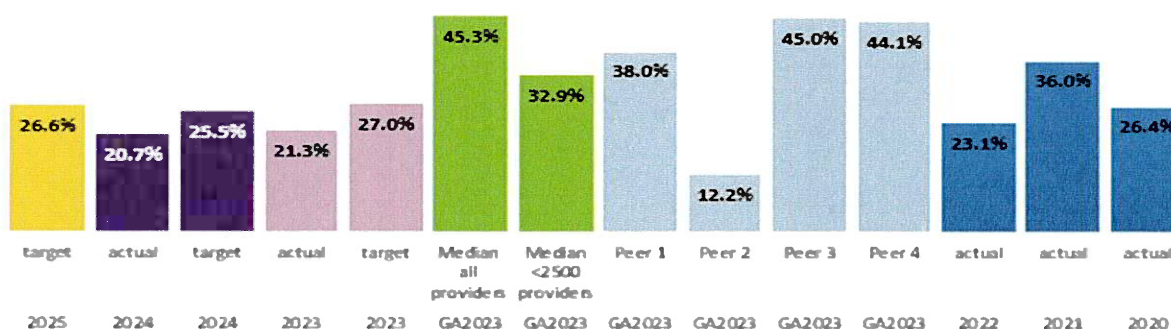
New supply delivered (non-social housing)



This reflects the Board decision not to invest currently in non- social housing, so both targets and actuals are nil for this VFM metric. This was the same for our peers in the last year and also the median of less than 2500unit providers.

3.Gearing at cost %

Gearing at cost



UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

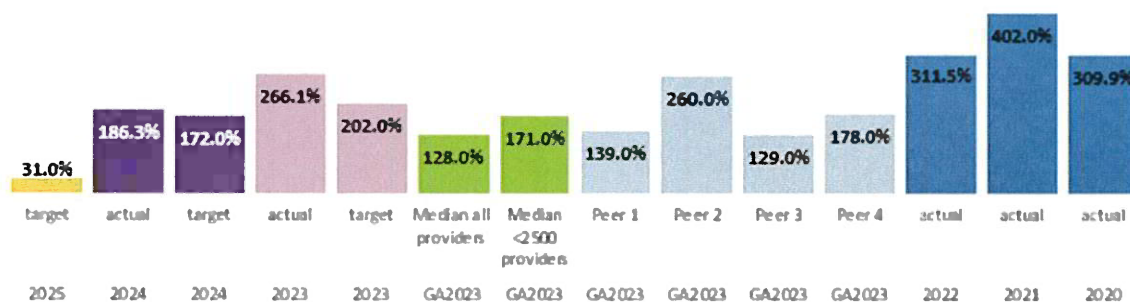
OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

Gearing indicates the level of dependence on debt finance. Unity’s levels have come down in recent years mainly as the revolving facility has not been needed as development activity has stalled.

We are forecasting that this will rise as we complete planned developments, undertake fire remediation work and continue the planned maintenance programme. Unity has gearing which is lower than the median of all providers and the <2500 providers and its peers with the exception of Peer 2 Durham Aged Miners. A combination of planning delays and issues on site have contributed to this position for Unity.

4. EBITDA MRI Interest Cover %

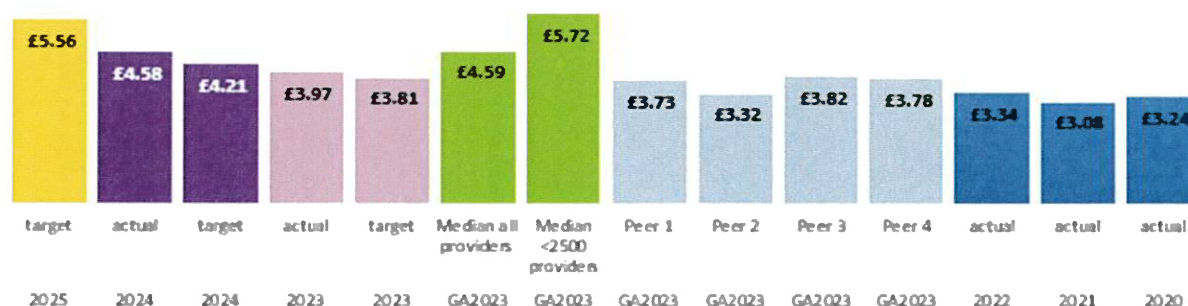
EBITDA MRI Interest Cover %



EBITDA MRI is a key indicator of the ability to cover finance costs from operating activities. It includes major repairs spend too. The median position for all providers has dropped significantly reflecting the economic impact of rising interest rates in recent years as well as major repairs work such as fire remediation or decarbonisation. Whilst Unity originally benefitted from a higher than average variable rate loans when interest rates were lower, the increase in rates has had an impact on surplus levels in the past year and the interest paid. This impact has been lessened due to the lower drawdown of funds than anticipated as development activity has slowed. The target reflects the assumption that we complete all of the fire remediation work and pay the accrued invoices from the year end as well as spending on the planned maintenance programme.

5. Headline Social Housing Cost per Unit

Headline Social Housing cost per unit



UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

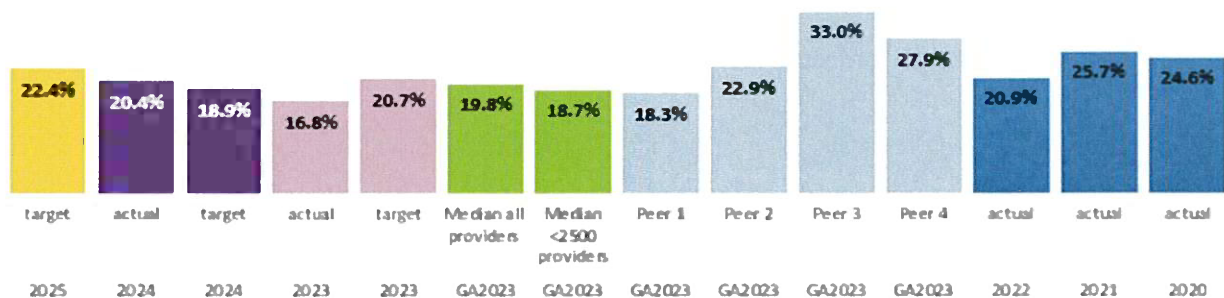
Our **Social Housing cost per unit** has increased significantly in recent years and is higher for 2023 than all of the 4 peers selected but is very slightly lower in comparison to the sector median of all providers and significantly lower than the media of those <2500 as some are specialist providers with high staffing costs.

The 2024 actual cost per unit reflects the slowdown in development activity and hence higher development staff costs as a result of less capitalisation of costs. It reflects the increase in the staffing costs of the new Compliance Team as well as the additional resource brought in to assist with completing the set-up of the c365 compliance system. Peer 4 Manningham is just gearing up to have a development programme so has fewer development staff and utilises support from Unity.

Unity had forecast to increase its cost per unit as a direct result of the Board's decision to invest more in major repairs to benefit service delivery. However, during the 2023 year, there were some delays filling vacancies and some overheads were not incurred. The 2024 target reflected the intention to invest more in response to pressures to improve service delivery. There was an intention that whilst cost will go up significantly so will quality, and we intended to keep costs below the median for similar size Housing Associations. However in 2024 the actual exceeded the budget as repairs spend exceeded budget and the target for 2025 assumes that this higher spend will remain as well as including the additional costs of the Compliance Team.

6a. Operating Margin - social housing lettings%

Operating Margin - social housing lettings%



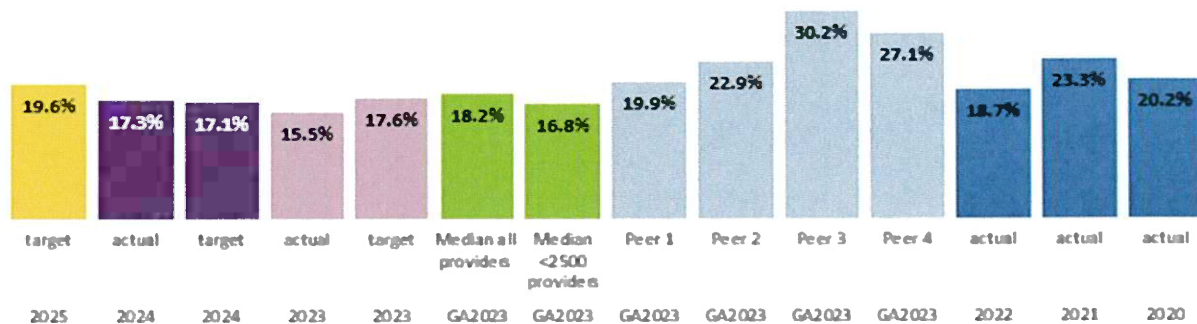
The operating margin for 2023 was set expecting to be lower than the 2022 budget recognising that maintenance costs and staffing costs were higher. However, repairs spend as referred to previously outstripped the budget as a result of both cost pressures and volume of jobs. This was a continued trend from 2022 where the operating margin was lower than in 2021 – due to higher sickness levels and increased responsive repairs costs but overheads were lower so the actual outturn exceeded the target. This trend of increased costs had been expected to continue in 2024 albeit at a slightly lower level as posts are filled on a permanent basis. Whilst a number of posts were recruited to housing in 2024, rents also increased and there were fewer overheads than budgeted so the target was exceeded. The higher target for 2025 reflects CPI+1% rent increase but a lower increase in management costs.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)6b. Operating Margin –overall %

Operating Margin - overall %

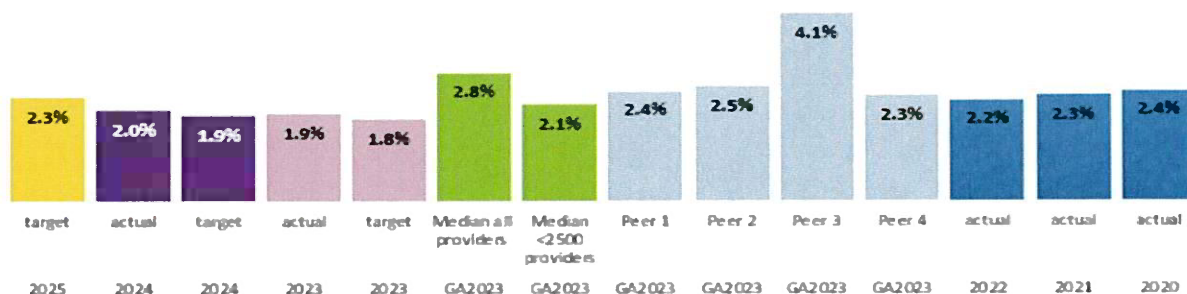


To fulfil its social purpose Unity provides several additional services to benefit people in the community compared to other providers. This includes an employment and training service. This means that Unity incurs additional costs and is expected therefore to have a lower operating margin, than its peers. Our emphasis on VFM is to ensure the gap is as narrow as possible.

For 2023, the reduced target and actual reflected the impact of the ERDF refurbishment project at Leeds Media Centre. The ERDF bid brought in external funding of £1.3m. There are however some costs which sit outside of the project and have an impact on the Unity Enterprise surplus for 2023 including voids incurred during the refurbishment. This was seen as a short-term loss to enable a long-term gain in both the condition of the building and the additional space generated. The project spanned over two years and completed in June 2023. The target set for 2024 was an improving one reflecting the additional revenue which should be generated post the completion of the refurbishment and new business units being brought on stream. The increased target for 2025 reflects the business growing again post refurbishment and in particular lower assumptions on voids. Additional income is also assumed from the development consortium on committed schemes and as referred to in the metric 6a, the impact of rents being CPI+1% and the increase in management costs being lower.

7. Return on Capital Employed %

Return on capital employed (ROCE)



This measure tracks the movement in operating surplus including any gain or loss from disposal of fixed assets against the value of total and current fixed assets which Unity measures at cost. We are below the median for this measure against Organisations <2500 units, the sector as a whole and our peers. The overall operating surplus for 2022 included right to acquire and staircasing sales during the year which are not budgeted for as they cannot be relied upon. 2023 included a lower surplus from sales and 2024 had no sales but included more consortium income. Being lower than our peers is due to Unity contributing to additional services such as employment as explained in the overall margin. We are recognising this by calculating the social value of such activities.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

Key Performance Indicators (KPIs)

Tracking the following Performance Indicators is a clear VFM focus. We have updated a number of tables to reflect the Tenant Satisfaction Measures.

Excelling at Customer Service	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
Complaints -Number received*	info	34	info	42	info	39	40	19
Complaints responded on time % - metric changed to be Housing Ombudsman Handling Code timescales but TSM excludes low cost home ownership	100%	94.1% stage 1, 87.5% stage 2 complaints on time	85.0% stage 1 complaints on time	82.75% stage 1 complaints on time	100.0%	60.2%	51.2%	100.0%
Maintenance satisfaction (satisfaction with overall repairs service) if received a repair in 12 month % - 2024 based on TSM measure	80.0%	67.9%	95%	91.4%	95.0%	95.3%	94.6%	95.1%
Overall Customer satisfaction % - 2024 based on TSM calculation	81.0%	74.5%	81.0%	79.2%	83.7%			

The majority of complaints are about repairs and maintenance (R&M), so it was pleasing to see a small reduction in the number of complaints since as explained earlier R&M performance was down in the year. Although our contractor's performance was significantly impaired by rising costs and a shortage of labour and supplies, we were also concerned about their motivation, quality of work and efficiency. We were pleased to see response rates improve and 2024 reflects the LCRA reporting for complaints from the TSMs. However, the board would like to see 100% answered on time and hence the target is unaltered.

Health & Safety	Tenant Satisfaction Measure	2024 Actual	2024 Target	
Gas checks completed %	BS01	100.0%	100.0%	We have established a new team for building compliance and invested in computer software to improve data collection, management, and storage. We also worked with residents in developing new policies and procedures to ensure our systems for keeping tenants safe are appropriate and easily understood. As a result, our performance for 2023/24 was excellent.
Electrical Service certificate %		100.0%	100.0%	
Required Fire Risk Assessments completed %	BS02	100.0%	100.0%	
Asbestos management checks completed where required %	BS03	100.0%	100.0%	
Legionella risk assessments completed where required %	BS04	100.0%	100.0%	
Passenger lifts safety checks completed where required %	BS05	100.0%	100.0%	

		LCRA	
RP01	Proportion of homes that do not meet the Decent Homes Standard.	0.5	Repairs performance was not good enough in routine or emergency repairs during the year. Tenants were consulted following which we have started piloting from quarter 4 moving away from routine, urgent and emergency to just the two measures as shown and reported in the Tenant Satisfaction Measures. We are also involving customers in the determination of service provision going forward.
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	74.9	
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale.	92.0	

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

Development	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
No. New developments start on site	30	0	30	0	27	30	15	14
No. new development units completed	0	0	0	15	15	44	30	30

In 2023/24, there was a target of 30 completions. A contractor had restarted planning conditions on a previously stalled site in February 2024 after the previous contractor went into administration only for the contractor to pull out of the contract award. It is a complicated site after contamination was found but it was also disappointing that a planned restart was again delayed. The board is committed to removing the contamination on the site.

The second scheme is where Unity is seeking to rescue it by stepping into the shoes of a community organisation. However, the tri-partite discussions between Unity, the group and the council has proved more protracted than anticipated.

Unity primarily chooses to build homes to slightly better space standards than usual because we recognise this is what our tenants want and need. We often do not get to build on the largest and best sites because this is very competitive, and we are a relatively small organisation. For this reason, we sometimes get the sites larger providers do not want, and they tend to be sites where the development is not straightforward.

We have Investment Partner Status with Homes England and notwithstanding the lack of our own developments we have been using this to good effect and generating new income. The development team support other organisations to restart their development ambitions.

Income Management	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
Rent arrears % *	4.0%	4.60%	4.55%	4.84%	4.55%	4.85%	4.60%	4.18%
Income collection	101.00%	99.60%	101.00%	100.52%	100.50%	103.65%	100.42%	101.46%

The board was pleased to see a slight reduction in the rent arrears percentage for the year against a backdrop of significant cost of living increases for all tenants that meant we had to balance the conflict between supporting tenants facing financial difficulties and collecting the rent. However, it is still our objective to reduce arrears below 2.5% and achieve Housemark 1st quartile for the region.

Whilst actions arising from the income management service review were being implemented, the new Housing Operations Director has also been reviewing the service delivery. The Income management team leader was successful in achieving a promotion outside of the business and at the year-end there was not a team leader in post but an experienced Housing Officer had been seconded to keep the focus on the performance.

Lettings and Voids	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
GN Re-let times - excl. new develop	30 days	36.65 days	30 days	35.62 days	24 days	56.1 days	36.3 days	28.8 days
Rent loss from voids - General Needs	0.96%	0.65%	0.96%	0.50%	0.70%	0.98%	0.83%	0.56%

Unity Enterprise Void loss %	5.45%	3.28%	14.67%	0.90%	11.20%	2.95%	5.20%	0.56%
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Re-let times are still much higher than target mainly due to the time taken for maintenance work as the letting side when properties were ready was improved. Both are now tracked separately alongside the overall number of days. A few properties have significantly distorted the relet average. The performance of the maintenance contractor has also contributed to delays.

Void loss was slightly worse than in 2023 but below target – properties requiring significant investment to bring back into management were taken off charge. The internal UHA budget was also set higher than the management target, at 1%.

Unity Enterprise performance was better than forecast. Despite the commencement of the LMC refurbishment and a budget that reflected this, demand for units remained high and disruption to existing tenants was minimised to enable their retention.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)

Resilience through OD &HR development	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
Investors in People Accreditation	Standard	Standard	Silver	year extension	Silver	Silver	Silver	Silver
Sickness per FTE (days)	5.5	4.3	5.5	8.5	4.0	11.9	6.4	

Sickness was lower than target despite a number of long term sickness episodes due to operations and additional occupational health referrals. It was however lower than the previous year reflecting the recovery from the pandemic sickness levels.

As referred to earlier in the report, a standard IIP accreditation was awarded and a number of actions are in place currently to look at the culture and behaviours of the organisation's staff and to initiate a managers programme to build team working as there have been a number of changes and also to improve skills across the business.

Employment Services	2025 Target	2024 Actual	2024 Target	2023 Actual	2023 Target	2022 Actual	2021 Actual	2020 Actual
No. people supported into employment	193	178 (11)	175	198 (11)	160	148	161 (82)	117 (28)
No. people given training	307	274 (19)	280	256 (21)	254	233	185 (66)	251 (70)
No. people helped into volunteering positions	31	22 (3)	29	15 (4)	27	15	8 (3)	20 (4)

Note () = number of Unity HA tenants.

The Group is committed to delivering social value via services that complement housing management and development. The team have provided IT support to We are Group, a project run by the Home Office, successfully bidding for SIM cards to distribute to the most in need to assist with job applications and being contactable. They have run the Job Club, delivered IT classes through UK Online and attended work fayres. Due to a shortage of ESOL (English Speaking as another Language) providers, fewer sessions were run in the past year.



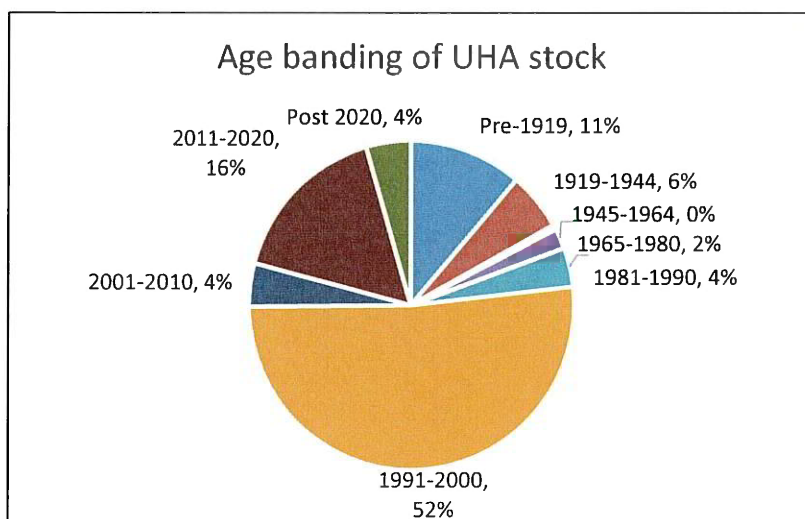
We also undertook some research to calculate the social value of the work of UES. For an annual £112k investment our findings suggest that UES generated £1.43m (2023: £2.81m) in social value based on clients finding full-time or part-time employment, voluntary work or a parent not in work finding a paid job. Note for 2023-24 the value generated is only based on quarter 1 and 2 as the calculation tool changed. We are in the process of acquiring new software to be able to generate this in future for Employment Services and also Enterprise activity.

Return on Assets/ Knowing our assets**Age of stock**

As part of the ongoing improvements in understanding the Association's stock, the age profile is shown in the chart. Such analysis helps understand future repair obligations in conjunction with the stock condition analysis work and as a reason for understanding why the Associations repair costs may be different to other organisations.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)**Subsidiary assets:**

For Unity Enterprise, there are 4 main assets. Each is described below with any action to be taken.

	Current condition *	Ownership	Action identified
Leeds Media Centre (LMC)	Mixture of ERDF and Leeds City Council (LCC) Grants to refurbish the shell and communal areas completed June 2023. EPC B post refurbishment.	15 year lease signed November 2023 with LCC.	On-going refurbishment and maintenance plan
Unity Business Centre 1	ERDF grant used to refurbish the communal areas – a few units need some modernisation as they change tenant.	Building owned	On-going refurbishment and maintenance plan Increase Insulation within the roof void
Unity Business Centre 2	The building has had extensive modernisation work over the last 5 years – funded via cash reserves – this includes – New windows and doors, new WC's and Kitchens, New boilers and flooring – along with lighting controls.	Building owned	On-going refurbishment and maintenance plan Increase Insulation within the roof void
Chapelton Enterprise Centre	ERDF grant used to refurbish communal areas. The building is leased from Leeds City Council and currently has a rating of EPC D. Whether the building will qualify under the exceptions on the 7-year payback is being investigated.	Building 'owned' via a 99 year lease from LCC	On-going refurbishment and maintenance plan

*As assessed by the Enterprise Manager (traffic lights where red = poor, amber is ok and green = good)

Leeds Media Centre was refurbished via an ERDF bid, a digital media grant and a loan from Leeds City Council. The loan from the Council is linked to the lease terms to ensure there is minimal risk to the Group as a whole thereby protecting the social housing assets.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW – Value for Money (cont.)**Performance against VFM targets.**

Performance against the targets we set for 2023/24 are summarised below. In addition, the VFM strategy identifies a number of areas within operational activity which can be improved upon within the life of the Corporate Plan.

Targets	Activity in the year	Outcomes
KPI targets	Targets set have been aligned to the new Corporate Plan. A renewed Organisation wide focus on performance delivery will be launched. Quarterly reporting to Operations Committee as well as management to keep a focus on the performance.	KPI performance against targets reported quarterly to the Board, identifying those which have been met and those which were not achieved and action to address. New dashboard of metrics proposed for 2024/25
Service reviews	To examine in detail a major area of operational activity to ensure best use is made of resources and value for money is obtained in performance outcomes – the focus was on Compliance and Repairs activity.	A new Compliance Team was introduced to oversee all compliance related activity and work was undertaken on that and the repairs policies and timings in conjunction with tenants, the aim being to achieve quality improvement and cost efficiency.
Expand our social return on investment model	To apply social return on investment model to capture the social value of the most repeated social purpose activities which are outside of housing delivery	Assessment of a new model in progress to be able to expand the reporting in this area to Enterprise as well as Employment activity.
Know your assets – Leeds Media Centre ERDF refurbishment	Completion of the refurbishment of Leeds Media Centre in June 2023. EPC assessment of the 3 other buildings	LMC now EPC B rated. Undertaking assessment of costs to increase rating of other buildings
VFM Strategy targets	Targets set and captured as part of the annual plan and reported biannually to the board.	Eleven of the targets (48%) were achieved Five (22%) were not completed with very little or no progress being made Seven (30%) were partially completed

The Group considers this a robust review of its approach to meeting the Value for Money regulatory standard as it has set out:

- Clearly articulated strategic objectives
- The boards approach to Value for Money in meeting these objectives and demonstration of delivery of VFM to stakeholders.
- The strategic objectives include a specific objective to protect and grow the business that enables delivery of homes that meet a range of needs
- How it will ensure optimal benefit from resources and assets to optimise economy, efficiency and effectiveness in the delivery of the objectives
- A robust approach to decision making and rigorous appraisal of potential options for improving performance
- Consideration by the board of options for potential VFM gains and alternative delivery structures
- Consideration of VFM across the whole business and where there is non-social housing activity, consideration of returns and risk
- Targets for measuring performance in achieving VFM in delivery of strategic objectives and regular monitoring and reporting
- Performance against the Groups own VFM targets and the regulator metrics and how performance compares to peers.
- Plans to address any underperformance.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***OPERATING AND FINANCIAL REVIEW (cont.)****Financial position**

The Association's Statement of Comprehensive Income and Statement of Financial Position are summarised in Table 1 on page 29 and the following paragraphs highlight key features of the Group's financial position at 31 March 2024.

The Group's financial result for the year ended 31 March 2024 is a Total Comprehensive Surplus of £514k compared to a Total Comprehensive Surplus of £344k in 2022-23. The surplus for the year was £760k before the actuarial loss in respect of the pension scheme was included. The Group incurred higher operating costs due to additional fire remediation works and increased staffing costs.

Planned maintenance and improvements

Major repairs of £1,187k were capitalised, compared to £840k in 2022-23.

Housing properties and other fixed assets

The Group spent some £778k (2023: £1,332k) on the development and purchase of housing properties during the year. Total grants received in the year were £1,191k (2023: £2000k), the Group's housing asset base at net book value has decreased from £73.9m to £73.7m.

Cash flow and liquidity

The net cash outflow for the Group amounted to £333k (2023: £3,298k outflow) and is shown in the consolidated statement of cash flows on page 40. The Group had cash resources of £877k as at 31 March 2024.

Treasury management

Treasury management is actioned within a policy approved by the Board. The Group's existing loans, covenant compliance and future borrowing requirements are reviewed by the Board on a quarterly basis. Investments are made only with counterparties on an approved list.

The Group has funding in place at the year-end to cover cash flow requirements for the next financial year and beyond.

Statement of compliance

In preparing this Operating and Financial Review, the Board has followed the principles set out in the Housing SORP 2018, the provisions of FRS 102 and the Accounting Direction 2022.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

OPERATING AND FINANCIAL REVIEW (cont.)

Table 1 – Association only highlights, five-year summary

For the year ended 31 March

	2024	2023	2022	2021	2020
Statement of Comprehensive Income (£'000)					
Total turnover	8,270	8,158	7,578	7,247	6,794
Income from Social Housing Lettings	8,116	8,009	7,453	7,156	6,709
Operating surplus	1,595	1,360	1,661	1,990	1,761
Interest Payable	(852)	(746)	(678)	(592)	(596)
Surplus for the year	841	710	998	1,417	1,189
Total Comprehensive Income/ (deficit) for the year	595	308	1,531	481	2,175
Statement of Financial Position (£'000)					
Tangible Fixed Assets (excl. long term debtors)	75,233	75,495	76,647	74,127	71,557
Net current (liabilities)/ assets	(1,966)	(1,948)	(3,164)	9,414	(1,258)
Total Loans	15,976	16,971	22,232	28,621	20,621
Revenue Reserves	21,523	20,928	20,620	19,089	18,608
Total	21,523	20,928	20,620	19,089	18,608
Accommodation figures					
Total housing stock (No of units) incl. 3 leased to third party from 2024, previously excluded	1,398	1,395	1,382	1,341	1,313
Statistics					
Surplus for the year as % of turnover Comprehensive Income for the year as % of turnover	10.20%	8.70%	13.20%	19.60%	17.80%
Surplus for the year as % of social housing lettings	10.40%	8.90%	13.40%	19.80%	18.00%
Voids as a % of social housing lettings	0.67%	0.49%	0.96%	0.72%	0.57%
Bad debts as a % of social housing lettings	0.31%	0.08%	0.85%	0.32%	0.16%
Operating surplus per unit housing stock	£1,141	£975	£1,202	£1,484	£1,357
Total Reserves per unit housing stock	£15,396	£15,002	£14,920	£14,235	£14,172
Interest Cover (surplus before interest payable divided by interest payable)	1.87	1.82	2.45	3.36	2.99
Liquidity (Current assets divided by current liabilities)	0.40	0.46	0.67	3.43	0.73
Gearing (total loans as a % of SHG plus reserves)	30.27%	32.10%	40.87%	55.18%	40.28%

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***STATEMENT OF RESPONSIBILITIES OF THE BOARD**

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2022, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (2022). It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

At the date of making this report each of the Group's Board members, as set out on page 1, confirm the following:

- so far as each Board member is aware, there is no relevant audit information which the Group's auditors are unaware, and
- each Board member has taken all the steps that he ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Group's auditors to establish that the Group's auditors are aware of that information.

External Auditors

The auditor, Carston Accountants, is willing to continue in office. A resolution to reappoint Carston Accountants as auditor of the Society will be proposed at the forthcoming Annual General Meeting.

The report of the Board and Operating and Financial Review was approved by the Board on 4 September 2024 and signed on its behalf by:



EMMA GREEN

Board Member

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION****Opinion**

We have audited the financial statements of Unity Housing Association Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, Association Statement of Comprehensive Income, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Reserves, Consolidated Statement of Financial Position, the Association Statement of Financial Position, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent society's affairs as at 31 March 2024 and of the group's and the parent society's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION
(cont.)****Other information**

The board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the board for the financial statements

As explained more fully in the Statement of Board's Responsibilities set out on page 26, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION
(cont.)**

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent society, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Housing SORP 2018, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the Accounting Direction for Private Registered Providers of Social Housing 2019), the Co-Operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, Social Housing Regulatory Standards, and the NHF Code of Governance 2020. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We understood how the group and parent society is complying with those legal and regulatory frameworks by, making inquiries of management and those responsible for legal and compliance procedures. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit and Risk Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, we obtained an understanding of:
 - The group and parent society's operations, including the nature of its revenue sources, expected financial statements disclosures and business risks that may result in a risk of material misstatement; and
 - The group and parent society's control environment including the adequacy of procedures for authorisation of transactions.
- We assessed the susceptibility of the group and parent society's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION
(cont.)**

- Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates, revenue and journals entries deemed to relate to unusual transactions;
 - Challenging assumptions and judgement made by management in its significant accounting estimates;
 - The recognition of development and maintenance expenditure in the correct period;
 - The rationale for any major fund flows during the period;
 - The potential of rent fraud arising as a result of collusion between the asset and housing teams;
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
 - We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the client operates in, and its practical experience through training and participation with audit engagements of a similar nature.

Use of our report

This report is made solely to the society's members, as a body, in accordance with regulations made under Sections 87 and 98(7) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carston

Carston Chartered Accountants & Statutory Auditor,
1st Floor, Tudor House,
16 Cathedral Road
Cardiff CF11 9LJ

12 September 2024

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover			
Operating income	3	8,984	8,798
Operating costs	3	(7,429)	(7,390)
Operating surplus		<u>1,555</u>	<u>1,408</u>
Interest receivable	7	83	84
Interest and financing costs	8	(878)	(746)
Surplus on ordinary activities before taxation		<u>760</u>	<u>746</u>
Tax on surplus on ordinary activities	9	-	-
Surplus for the year		<u>760</u>	<u>746</u>
Actuarial (loss)/ gain in respect of pension scheme	11	(246)	(402)
Total comprehensive income for the year		<u><u>514</u></u>	<u><u>344</u></u>

The accompanying notes of pages 41 to 70 form part of the financial statements

There were no gains and losses of the Group other than those included in the Statement of Comprehensive Income. The consolidated results relate wholly to continuing activities.

The financial statements were approved by the Board on 4 September 2024 and signed on its behalf by;



Board Member

EMMA GREEN



Board Member

MAHARA HAQUE


Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover			
Operating income	3	8,270	8,158
Operating costs	3	(6,675)	(6,798)
Operating surplus		<u>1,595</u>	<u>1,360</u>
Interest receivable	7	98	96
Interest and financing costs	8	(852)	(746)
Surplus on ordinary activities before taxation		<u>841</u>	<u>710</u>
Tax on surplus on ordinary activities	9	-	-
Surplus for the year		<u>841</u>	<u>710</u>
Actuarial (loss)/ gain in respect of pension scheme	11	(246)	(402)
Total comprehensive income for the year		<u><u>595</u></u>	<u><u>308</u></u>

The accompanying notes on pages 41 to 70 form part of the financial statements.

There were no gains and losses of the Association other than those included in the Statement of Comprehensive Income. The Association's results relate wholly to continuing activities.

The financial statements were approved by the Board on 4 September 2024 and signed on its behalf by;



Board Member

EMMA GREEN



Board Member

MAHARA HAQUE



Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
 Year ended 31 March 2024

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2024

	Income and expenditure reserve	Total
	£'000	£'000
Balance as at 1 April 2022	20,764	20,764
Total comprehensive income for the year	344	344
Balance at 31 March 2023	<u>21,108</u>	<u>21,108</u>
Total comprehensive income for the year	514	514
Balance at 31 March 2024	<u><u>21,622</u></u>	<u><u>21,622</u></u>

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2024

	Income and expenditure reserve	Total
	£'000	£'000
Balance as at 1 April 2022	20,620	20,620
Total comprehensive income for the year	308	308
Balance at 31 March 2023	<u>20,928</u>	<u>20,928</u>
Total comprehensive income for the year	595	595
Balance at 31 March 2024	<u><u>21,523</u></u>	<u><u>21,523</u></u>

The accompanying notes on pages 41 to 70 form part of the financial statements.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	13	73,679	73,923
Non-housing freehold properties	14	4,181	3,410
Other tangible fixed assets	14	155	128
Fixed asset investment	15	530	523
		<u>78,545</u>	<u>77,984</u>
Current assets			
Debtors due within one year	17	424	917
Cash at bank and in hand		877	1,210
		<u>1,301</u>	<u>2,127</u>
Creditors: Amounts falling due within one year	19	(3,651)	(4,377)
Net current liabilities		<u>(2,350)</u>	<u>(2,250)</u>
Total assets less current liabilities		<u>76,195</u>	<u>75,734</u>
Creditors: Amounts falling due after more than one year	20	(53,370)	(53,433)
Defined Benefit Pension liability	11	(1,203)	(1,193)
Net assets		<u>21,622</u>	<u>21,108</u>
Reserves			
Non-equity share capital	23	-	-
Income and expenditure reserve		21,622	21,108
Total reserves		<u>21,622</u>	<u>21,108</u>

The accompanying notes on pages 41 to 70 form part of the financial statements.

The financial statements were approved by the Board on 4 September 2024 and signed on its behalf by;



Board Member

EMMA GREEN



Board Member

MAHARA HAGLUE



Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

ASSOCIATION STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	13	74,112	74,355
Non-housing freehold properties	14	568	587
Other tangible fixed assets	14	23	30
Fixed asset investment	15	530	523
Investment in subsidiaries	16	-	-
Long term debtors	18	143	155
		<u>75,376</u>	<u>75,650</u>
Current assets			
Debtors due within one year	17	463	622
Cash at bank and in hand		845	1,060
		<u>1,308</u>	<u>1,682</u>
Creditors: Amounts falling due within one year	19	<u>(3,274)</u>	<u>(3,631)</u>
Net current liabilities		<u>(1,966)</u>	<u>(1,949)</u>
Total assets less current liabilities		<u>73,410</u>	<u>73,701</u>
Creditors: Amounts falling due after more than one year	20	(50,684)	(51,580)
Defined Benefit Pension liability	11	(1,203)	(1,193)
Net assets		<u>21,523</u>	<u>20,928</u>
Reserves			
Non-equity share capital	23	-	-
Income and expenditure reserve		21,523	20,928
Total reserves		<u>21,523</u>	<u>20,928</u>

The accompanying notes on pages 41 to 70 form part of these financial statements.

The financial statements were approved by the Board on 4 September 2024 and signed on its behalf by:




Board Member

EMMA GREEN



Board Member

MAHARA HAQUE



Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash generated from operating activities	26	2,427	2,246
Cash flow from investing activities			
Purchase, construction and improvement of housing properties		(778)	(1,332)
Other fixed asset additions		(1,401)	(607)
Social housing grant – received		1,191	2,000
Fixed asset investment		-	(132)
Proceeds from disposal of Right to Acquire/ Shared Ownership properties		-	254
Interest received		76	87
Net cash inflow/(outflow) from investing activities		<u>(912)</u>	<u>270</u>
Cash flow from financing activities			
Interest paid		(977)	(902)
Loan drawdowns		150	1,850
Bond premium drawdown		-	-
Housing loans repaid		(1,012)	(6,762)
Loan issue costs		(9)	-
Net cash (outflow)/inflow from financing activities		<u>(1,848)</u>	<u>(5,814)</u>
Net change in cash and cash equivalents		(333)	(3,298)
Cash and cash equivalents at the beginning of the year		1,210	4,508
Cash and cash equivalents at the end of the year		<u>877</u>	<u>1,210</u>

The accompanying notes on pages 41 to 70 form part of these financial statements.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024****1 Legal status**

The Association and its subsidiary, Unity Property Services Limited, are registered under the Co-operative and Community Benefit Societies Act 2014, incorporated in England and Wales. Only the Association is registered with the Regulator of Social Housing as a social landlord. The subsidiary, Unity Housing Development Services Limited is registered under the Companies Act 2006.

The principal activities are the development and management of social housing. Unity Housing Association Limited is a public benefit entity as defined by FRS 102.

2 Accounting policies**Basis of accounting**

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are presented in Sterling (£'000).

Disclosure exemptions

FRS 102 allows a qualifying entity certain disclosures exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the society's shareholders.

The parent association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

The Group has assessed its going concern period as 12 months from approval of the financial statements, being the 12 months ending 30 September 2025. The group's business activities, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review. The group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes along with the group's day to day operations. The group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

As at 31 March 2024, the Group had net current liabilities of £2,350K (2023: net current liabilities of £2,250k) after making a comprehensive income of £514K (2023: surplus £344K) in the year then ended. However, the overall Net asset position was £21,622K (2023 - £21,108K).

On this basis, the Board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. The Group has sufficient liquid resources and suitable mitigating actions available in the short, medium and long term to manage the impact of increased inflation, increased interest rates and a significant decline in the housing market. For this reason, it continues to adopt the going concern basis in the financial statements.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024****2 Accounting policies (continued)****Basis of consolidation**

The group accounts consolidate the accounts of the Association and its subsidiaries at 31 March using the purchase method.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Association and its wholly owned subsidiaries.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Turnover and income recognition

Turnover comprises rental income receivable in the year and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable or amortised in the year.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. For grant income see Government grants section.

Taxation

As charitable entities, neither Unity Housing Association Limited nor Unity Property Services Limited, are liable to tax. The subsidiary Unity Housing Development Services Limited is liable to taxation, however due to a deed of covenant in place gift aid relief is available against this charge and therefore the charge processed in these financial statements is nil.

Value added tax

The Group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue & Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- b) interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024****2 Accounting policies (continued)****Pensions**

The Group participates in a funded multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS-DB). In addition, the Group contributes to a money purchase scheme (Social Housing Pension Scheme (SHPS-DC), the Auto Enrolment option for staff) for those employees who are not members of the defined benefit scheme and the charge to the financial statements is based on contributions paid.

The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position. The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account.

Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Housing properties

Housing properties for rent are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties which replace a component are treated separately for depreciation purposes along with those works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only directly attributable development administration costs associated with new developments or improvements are capitalised.

Shared ownership properties are split proportionally 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 included in turnover and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Government grants due or received in advance are included as current assets or liabilities. Those received for housing properties are subordinated to the repayment of loans by agreement with HE.

UNITY HOUSING ASSOCIATION LIMITED
 Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

2 Accounting policies (continued)

Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which is allocated to the component is released to income and expenditure. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant that does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Depreciation of housing properties

Freehold land is not depreciated. The Group separately identifies the major components which comprise its housing properties for rent and charges depreciation so as to write-down the cost of each component on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties over their estimated useful lives as follows:

Structure	80 years (revised 2023-24)
Roofs	50 years
Boiler, Electric & Gas Fires	15 years
Doors	20 years
Kitchens	25 years
Solar Panels	25 years
Bathrooms, Central Heating & Electrical Systems	30 years
Windows	40 years

The board considers these annually and during 2023-24 on the recommendation of the new Maintenance Manager in post and new Housing Operations Director have determined that the useful life of Structure and associated grants should be revised to 80 years rather than the existing 50-60 years. This is in line with Decent Homes guidance.

The impact of this change is a reduction in depreciation of £661k (from £1,451k to £790k) and a reduction in grant amortisation of £459k (from £958k to £500k). This has increased the Group surplus by £202k from £558k to £760k in the 2023/24 financial year. The impact will be similar for the subsequent year.

UNITY HOUSING ASSOCIATION LIMITED
 Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

2 Accounting policies (continued)

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Operating leases

Operating lease annual rents are charged to the Statement of Comprehensive Income on a straight line basis over the life of the lease.

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

The principal annual depreciation rates used for other assets are:

Freehold buildings	2%
Leasehold buildings	4%
Furniture, equipment, plant & machinery	20%
Office equipment	20%
Computers	35%

Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Investments

Investments are valued at the lower of cost and net realisable value.

Financial Instruments

Financial assets

Short-term debtors are measured at transaction price, less any impairment.

Financial liabilities

Short-term trade and other creditors are measured at the transaction price.

Bank loans are initially measured at fair value (net of transaction costs) and are subsequently held at amortised cost.

Loan premium

Premium arising from the THFC loan drawdown is recognised as a separate component of borrowing and shown within the Statement of Financial Position as creditors. The premium is released over the term of the loan to the Statement of Comprehensive Income within loan interest.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**2 Accounting policies (continued)****Sinking fund**

Sinking fund contributions are collected and included in a sinking fund creditor account at cost and released when expenditure is incurred.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Judgements**Capitalisation of property development costs**

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs, which are a percentage of salaries directly attributable to these developments, requires judgement, ensuring amounts are only capitalised when it is more than likely than not that a particular scheme is to continue. After capitalisation, management monitors the asset and considers whether changes indicate that impairment is required. No impairment is needed for the current year.

Estimates**Pensions**

Management and Board review annually the pension assumptions which are provided by the scheme administration, reviewing their basis and whether they are applicable to the Group or require adjusting. See note 11.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. 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 frequent replacement of key components. See note 13 and 14.

Rental and other trade receivables.

The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. The bad debt provision as at 31 March 2024 is £260k (2023: £288k). See note 17.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

3 Turnover, cost of sales, operating costs and operating surplus

GROUP – continuing activities

	Turnover	<u>2024</u> Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,116	(6,463)	1,653
Letting of workspace units	758	(748)	10
Administrative expenses	(11)	(5)	(16)
Other social housing activities			
Management services	4	-	4
Community Regeneration	7	(112)	(105)
Development	110	(100)	10
Gain on disposal of housing properties and other fixed assets	-	(1)	(1)
	<u>8,984</u>	<u>(7,429)</u>	<u>1,555</u>
	Turnover	<u>2023</u> Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,009	(6,660)	1,349
Letting of workspace units	674	(583)	91
Administrative expenses	-	(7)	(7)
Other social housing activities			
Management services	3	-	3
Community Regeneration	33	(112)	(79)
Development	79	(74)	5
Gain on disposal of housing properties and other fixed assets	-	46	46
	<u>8,798</u>	<u>(7,390)</u>	<u>1,408</u>

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**3 Turnover, cost of sales, operating costs and operating surplus (continued)****ASSOCIATION – continuing activities**

		<u>2024</u>	
	Turnover	Operating costs	Operating surplus
Social housing activities	£'000	£'000	£'000
Income & expenditure from lettings	8,116	(6,463)	1,653
	<hr/>	<hr/>	<hr/>
Other social housing activities			
Management services	37	-	37
Community Regeneration	7	(112)	(105)
Development	110	(100)	10
Gain on disposal of housing properties and other fixed assets	-	-	-
	<hr/>	<hr/>	<hr/>
	8,270	(6,675)	1,595
	<hr/>	<hr/>	<hr/>
Activities other than social housing			
Gift aid	-	-	-
	<hr/>	<hr/>	<hr/>
	8,270	(6,675)	1,595
	<hr/>	<hr/>	<hr/>
		<u>2023</u>	
	Turnover	Operating costs	Operating surplus
Social housing activities	£'000	£'000	£'000
Income & expenditure from lettings	8,009	(6,660)	1,349
	<hr/>	<hr/>	<hr/>
Other social housing activities			
Management services	37	-	37
Community Regeneration	33	(112)	(79)
Development	79	(74)	5
Gain on disposal of housing properties and other fixed assets	-	48	48
	<hr/>	<hr/>	<hr/>
	8,158	(6,798)	1,360
	<hr/>	<hr/>	<hr/>
Activities other than social housing			
Gift aid	-	-	-
	<hr/>	<hr/>	<hr/>
	8,158	(6,798)	1,360
	<hr/>	<hr/>	<hr/>

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**3 Turnover, cost of sales, operating costs and operating surplus (continued)****Particulars of income and expenditure from social housing lettings****GROUP**

	2024			Total £'000	2023 Total £'000
	General needs housing £'000	Supported Housing £'000	Low cost home ownership £'000		
Income from social housing					
Rent receivable, net of identifiable service charges & voids	6,986	73	53	7,112	6,606
Service charges receivable net of voids	468	11	29	508	452
Amortisation of grant	496	-	-	496	941
Revenue grant	-	-	-	-	10
Total income from social housing	7,950	84	82	8,116	8,009
Expenditure on social housing					
Services	(434)	(9)	(18)	(461)	(418)
Management	(2,493)	-	-	(2,493)	(2,424)
Routine maintenance	(1,427)	(32)	-	(1,459)	(905)
Planned maintenance & Property Improvements	(358)	(5)	-	(363)	(553)
Major repairs	(157)	-	-	(157)	(121)
Changes in bad debt provision and bad debt expense	(25)	-	-	(25)	3
Depreciation of housing properties	(1,466)	-	-	(1,466)	(2,200)
Depreciation of other fixed assets	(39)	-	-	(39)	(42)
Operating costs on social housing lettings	(6,399)	(46)	(18)	(6,463)	(6,660)
Operating surplus on social housing lettings	1,551	38	64	1,653	1,349
Void losses	48	-	-	48	32

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**3 Turnover, cost of sales, operating costs and operating surplus (continued)****Particulars of income and expenditure from social housing lettings****ASSOCIATION**

	2024			Total £'000	2023 Total £'000
	General needs housing £'000	Supported Housing £'000	Low cost home ownership £'000		
Income from social housing					
Rent receivable, net of identifiable service charges & voids	6,986	73	53	7,112	6,606
Service charges receivable net of voids	468	11	29	508	452
Amortisation of grant	496	-	-	496	941
	-	-	-	-	10
Total income from social housing	<u>7,950</u>	<u>84</u>	<u>82</u>	<u>8,116</u>	<u>8,009</u>
Expenditure on social housing					
Services	(434)	(9)	(18)	(461)	(418)
Management	(2,493)	-	-	(2,493)	(2,424)
Routine maintenance	(1,427)	(32)	-	(1,459)	(905)
Planned maintenance & Property Improvements	(358)	(5)	-	(363)	(553)
Major repairs	(157)	-	-	(157)	(121)
Changes in bad debt provision and bad debt expense	(25)	-	-	(25)	3
Depreciation of housing properties	(1,466)	-	-	(1,466)	(2,200)
Depreciation of other fixed assets	(39)	-	-	(39)	(42)
Operating costs on social housing lettings	<u>(6,399)</u>	<u>(46)</u>	<u>(18)</u>	<u>(6,463)</u>	<u>(6,660)</u>
Operating surplus on social housing lettings	<u>1,551</u>	<u>38</u>	<u>64</u>	<u>1,653</u>	<u>1,349</u>
Void losses	<u>48</u>	<u>-</u>	<u>-</u>	<u>48</u>	<u>32</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

4 Accommodation in management– Group and Association

At the end of the year, accommodation in management for each class of accommodation was as follows:

	2024	2023
	No.	No.
Social housing		
General needs housing:		
Social rent	1,156	1,158
Affordable rent	143	143
Housing for Older People	-	-
Low cost home ownership	60	60
	<u>1,359</u>	<u>1,361</u>
Managed by others:		
Care Home	5	5
Agency managed supported (includes 3 units where leases expired; now current stock)	24	19
	<u>29</u>	<u>24</u>
Total owned and managed by others	<u>29</u>	<u>24</u>
Total owned Social Housing	<u>1,388</u>	<u>1,385</u>
Not owned but managed for others – General needs	5	-
Total social housing units owned and managed for others	<u>1,393</u>	<u>1,385</u>
Leasehold units (owned 6 (2023: 6), managed 4 (2023:4))	10	10

5 Operating surplus

This is arrived at after charging:

	Group		Association	
	2024	Restated 2023	2024	Restated 2023
	£'000	£'000	£'000	£'000
Depreciation of housing properties	1,434	2,119	1,434	2,119
Loss on disposal of components*	32	81	32	81
Depreciation of other tangible fixed assets	215	120	39	42
Surplus on disposal of property and other tangible fixed assets	(1)	46	-	48
Auditors' remuneration - Association	40	40	40	40
Auditors' remuneration – Subsidiary entities	24	24	-	-
Auditors' remuneration – non-audit fees (tax compliance)	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

*restated to change description from Accelerated depreciation to Loss on disposal of components

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**6 Surplus on sale of fixed assets – housing properties & other**

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Disposal proceeds	-	254	-	254
Carrying value of fixed assets	(1)	(146)	-	(144)
Capital grant recycled (note 25)	-	(62)	-	(62)
	<u>(1)</u>	<u>46</u>	<u>-</u>	<u>48</u>

7 Interest receivable and other income

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest receivable and similar income	83	84	98	96
	<u>83</u>	<u>84</u>	<u>98</u>	<u>96</u>

8 Interest payable and similar charges

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest on loans and overdraft facilities	(825)	(717)	(798)	(717)
Pension interest	(52)	(25)	(52)	(25)
RCGF Interest	(2)	(4)	(2)	(4)
	<u>(878)</u>	<u>(746)</u>	<u>(852)</u>	<u>(746)</u>

9 Tax

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current tax on surplus on ordinary activities	-	-	-	-
Factors affecting tax charge for the year				
The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:				
Surplus on ordinary activities before tax	760	746	841	709
Adjustment in respect of charitable activities	(760)	(746)	(841)	(709)
Surplus on ordinary activities subject to tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total tax charge for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**10 Employees**

	Group		Association	
	2024 No.	2023 No.	2024 No.	2023 No.
Average monthly number of employees				
Administration	12	13	9	10
Development	5	5	5	5
Housing management & maintenance	23	22	22	21
	<u>40</u>	<u>40</u>	<u>36</u>	<u>36</u>
	<u><u>40</u></u>	<u><u>40</u></u>	<u><u>36</u></u>	<u><u>36</u></u>
	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Staff costs				
Wages and salaries	1,667	1,493	1,525	1,368
Social security costs	147	139	135	127
Other pension costs	87	91	80	85
	<u>1,901</u>	<u>1,723</u>	<u>1,740</u>	<u>1,580</u>
	<u><u>1,901</u></u>	<u><u>1,723</u></u>	<u><u>1,740</u></u>	<u><u>1,580</u></u>

The average number of employees is calculated based on a working week of 35 hours. Any employee working less than 35 hours is included on a pro-rata basis.

11 Social Housing Pension Scheme

The Group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed formal triennial actuarial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. These schemes are classified as 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

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

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

A contingent liability has been added in respect of the scheme at Note 31.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

11 Social Housing Pension Scheme (continued)

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	2024 £'000	2023 £'000
Fair value of plan assets	5,101	5,266
Present value of defined benefit obligation	6,304	6,459
Defined benefit (liability) to be recognised	(1,203)	(1,193)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Defined benefit obligation at start of period	6,459	8,929
Current service cost	54	58
Expenses	6	6
Interest expense	305	248
Member contributions	-	18
Actuarial losses (gains) due to scheme experience	44	33
Actuarial (gains)/ losses due to changes in demographic assumptions	(61)	(13)
Actuarial (gains)/ losses due to changes in financial assumptions	(32)	(2,679)
Benefits paid and expenses	(471)	(141)
Defined benefit obligation at end of period	6,304	6,459

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Fair value of plan assets at start of period	5,266	7,876
Interest income	253	223
Experience on plan assets (excluding amounts included in interest income) – (loss)/ gain	(295)	(3,061)
Employer contributions	348	351
Member contributions	-	18
Benefits paid and expenses	(471)	(141)
Fair value of plan assets at end of period	5,101	5,266

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£42,000).

Note that the contributions by the employer and the contributions by plan participants are cash payments into the scheme.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

11 Social Housing Pension Scheme (continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period from 31 March 2023 to 31 March 2024 £'000	Period from 31 March 2022 to 31 March 2023 £'000
Current service cost	54	58
Expenses	6	6
Net interest expense	52	25
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	112	89

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/ gain	(295)	(3,061)
Experience gains and losses arising on the plan liabilities – (loss)	(44)	(33)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	61	13
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	32	2,679
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss) /gain	(246)	(402)
Total amount recognised in Other Comprehensive income – (loss)/ gain	(246)	(402)

ASSETS

	31 March 2024 £'000	31 March 2023 £'000
Absolute Return	199	57
Alternative Risk Premia	162	10
Cash	101	38
Corporate Bond Fund	-	-
Currency Hedging	(2)	10
Credit Relative Value	167	199
Distressed Opportunities	180	159
Emerging Markets Debt	66	28
Fund of Hedge Funds	-	-
Global Equity	508	98
Infrastructure	515	602
Insurance-Linked Securities	26	133
Liability Driven Investment	2,076	2,426
Liquid Credit	-	-
Long Lease Property	33	159
Net Current Assets	9	13
Opportunistic Illiquid Credit	199	225
Opportunistic Credit	-	-
High Yield	1	18
Private Debt	201	234
Private Equity	4	-
Property	205	227
Risk Sharing	299	388
Secured Income	152	242
Total assets	5,101	5,266

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

11 Social Housing Pension Scheme (continued)

KEY ASSUMPTIONS

	31 March 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.90	4.86
Inflation (RPI)	3.15	3.19
Inflation (CPI)	2.78	2.77
Salary Growth	2.78	2.77
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

12 Board members and executive directors

The aggregate emoluments of the Executive Directors amounted to:

	Remuneration £'000	Benefits in kind £'000	Pension contributions £'000	2024 Total £'000	2023 £'000
Chief Executive	97	10	8	115	111
Operations Director & Deputy CEO	-	-	-	-	32
Regeneration & Development Director	73	7	6	86	87
Interim Housing Services Director	-	-	-	-	101
Housing Operations Director	55	6	2	63	-
Resources Director	76	8	6	90	88
				354	418

The emoluments of the highest paid executive officer, the Chief Executive, excluding pension contributions were; £107,000 (2023: £102,000). The payment for the services of the Interim Housing Services Director in 2023 were made to a third party company.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

12 Board members and executive directors (continued)

Board members received the following emoluments and expenses in the year:

	2024	2023
	£'000	£'000
Board member payments	56	43
Expenses Paid	2	1
	<u>58</u>	<u>44</u>

Emoluments paid to Unity Housing Association Board members, including the Chair were:

	2024	2023
	£'000	£'000
S Bhargava (Chair to October 2023)	4.0	6.6
A Hamied (Chair from October 2023)	5.3	3.1
E Cook (Committee Chair)	4.0	3.5
E Green (Board member/Subsidiary Chair)	3.1	3.4
M Haque	1.9	-
J Jeffries	3.1	3.1
D Leone (Independent Committee member)	1.3	0.4
B Letham (Independent Committee member)	-	0.4
H Marfoua	3.1	3.1
D Mitchell	3.2	3.1
M Pascal	1.9	-
N Qureshi	3.1	-
A Rashid (Independent Committee member)	-	0.6
H Rashid	0.8	-
A Ravat	2.4	-
D Richmond (Committee Chair)	-	3.5
P Taylor (Vice Chair & Committee Chair)	4.4	3.6
M Toutountzi (Independent Committee member)	0.6	0.4
	<u>42.2</u>	<u>34.8</u>

Emoluments paid to Unity Property Services Limited Board members were

	2024	2023
	£'000	£'000
R Clarke	1.9	1.4
M Hussain	1.0	-
K Iqbal	1.9	1.4
J Jagger	1.0	-
S Jandu (Chair)	4.0	1.0
W Jennings	0.7	1.4
C Powell	1.9	1.4
A Ravat	0.7	1.4
A Shann	1.0	-
A Walsh	1.9	1.4
	<u>16.0</u>	<u>9.5</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

12 Board members and executive directors (continued)

Key management personnel

The aggregate remuneration for key management personnel, which includes the executive officers and board members, charged in the year is:

	2024	2023
	£'000	£'000
Remuneration	358	408
Holiday buy back	-	7
Benefits in kind	30	24
Employers NIC	37	36
Pension contributions	22	24
	<u>447</u>	<u>499</u>

The Chief Executive was a member of the Social Housing Pension Scheme. He was an ordinary member of the pension scheme and no enhanced or special terms applied. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2023: £30k).

Staff whose remuneration fell within the following bands as their employee package (excluding employer pension contributions), are Executive Directors of the Association along with one interim position, part of the remuneration being paid to a third party

	2024	2023
	No	No
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1
£80,001 to £90,000	2	1
£90,001 to £100,000	-	-
£100,001 to £110,000	1	2

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

13 Tangible fixed assets – properties

GROUP	Social housing properties held for letting	Completed shared ownership housing properties	Social housing properties under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	99,994	2,213	438	102,645
Retention reduction	(75)	-	(9)	(84)
Additions	-	-	116	116
Major works to existing properties	1,187	-	-	1,187
Transfers	-	-	-	-
Disposal of components	(291)	-	-	(291)
Disposal of properties	-	-	-	-
At 31 March 2024	100,815	2,213	545	103,573
Depreciation				
At 1 April 2023	28,356	366	-	28,722
Charged in Year	1,434	-	-	1,434
Disposals	(262)	-	-	(262)
At 31 March 2024	29,528	366	-	29,894
Net book value				
At 31 March 2024	71,287	1,847	545	73,679
At 31 March 2023	71,638	1,847	438	73,923
ASSOCIATION				
	Social housing properties held for letting	Completed shared ownership housing properties	Social housing properties under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	100,423	2,213	441	103,077
Retention reduction	(75)	-	(9)	(84)
Additions	-	-	117	117
Major works to existing properties	1,187	-	-	1,187
Transfers	-	-	-	-
Disposal of components	(291)	-	-	(291)
Disposal of properties	-	-	-	-
At 31 March 2024	101,244	2,213	549	104,006
Depreciation				
At 1 April 2023	28,356	366	-	28,722
Charged in Year	1,434	-	-	1,434
Disposals	(262)	-	-	(262)
At 31 March 2024	29,528	366	-	29,894
Net book value				
At 31 March 2024	71,716	1,847	549	74,112
At 31 March 2023	72,067	1,847	441	74,355

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**13 Tangible fixed assets – properties (continued)**

Social Housing Grants	Group & Association	
	2024	2023
	£'000	£'000
Opening balance 1 April	33,028	33,780
Additions	311	244
Released to income in the year	(496)	(941)
Disposals	-	(55)
Closing balance 31 March	32,843	33,028

The only entity in the group that receives Social Housing Grant is the Association.

Expenditure on works to existing properties

	Group and Association	
	2024	2023
	£'000	£'000
Amounts capitalised	1,187	840
Amounts charged to income and expenditure account	157	121
Total	1,344	961

There are no finance costs included in the cost of housing properties.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024**14 Tangible fixed assets – other****GROUP**

	Group Non- housing properties for letting £'000	Group Freehold offices £'000	Group Total Non housing £'000	Group Furniture & Equipment £'000	Group Computer Equipment £'000	Total Other fixed assets £'000
Cost						
At 1 April 2023	3,396	963	4,359	431	694	1,125
Additions	937	-	937	45	31	76
Disposals	-	-	-	(4)	(11)	(15)
At 31 March 2024	<u>4,333</u>	<u>963</u>	<u>5,296</u>	<u>472</u>	<u>714</u>	<u>1,186</u>
Depreciation						
At 1 April 2023	573	376	949	334	663	997
Charged in year	147	19	166	23	26	49
Disposals	-	-	-	(4)	(11)	(15)
At 31 March 2024	<u>720</u>	<u>395</u>	<u>1,115</u>	<u>353</u>	<u>678</u>	<u>1,031</u>
Net book value						
At 31 March 2024	<u>3,613</u>	<u>568</u>	<u>4,181</u>	<u>119</u>	<u>36</u>	<u>155</u>
At 31 March 2023	<u>2,823</u>	<u>587</u>	<u>3,410</u>	<u>97</u>	<u>31</u>	<u>128</u>

ASSOCIATION

	Freehold offices £'000	Total Non housing £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total Other fixed assets £'000
Cost					
At 1 April 2023	963	963	173	605	778
Additions	-	-	-	13	13
Disposals	-	-	-	-	-
At 31 March 2024	<u>963</u>	<u>963</u>	<u>173</u>	<u>618</u>	<u>791</u>
Depreciation					
At 1 April 2023	376	376	172	576	748
Charged in year	19	19	1	19	20
Disposals	-	-	-	-	-
At 31 March 2024	<u>395</u>	<u>395</u>	<u>173</u>	<u>595</u>	<u>768</u>
Net book value					
At 31 March 2024	<u>568</u>	<u>568</u>	<u>-</u>	<u>23</u>	<u>23</u>
At 31 March 2023	<u>587</u>	<u>587</u>	<u>1</u>	<u>29</u>	<u>30</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

15 Fixed asset investment

	Group and Association	
	2024	2023
	£'000	£'000
THFC ISRF restricted access account	390	390
THFC designated sinking fund account	<u>140</u>	<u>133</u>
Total	<u>530</u>	<u>523</u>

The THFC loan agreement requires a minimum of £390,000 to be held in an Interest Service Reserve Fund (ISRF) and as a result the investment has restricted access. Interest is accumulated on the account and may be drawn upon request assuming that £390,000 remains.

Where properties that are held as part of the THFC security portfolio are disposed of there is an obligation to transfer the security value of the property into a designated sinking fund account. £132,000 had been transferred into this account during 2022/23. Interest is accumulated on the account resulting in a year-end balance of £140k.

16 Investment in subsidiaries

The financial statements consolidate the results of Unity Property Services Limited and Unity Housing Development Services Limited, which are wholly owned subsidiaries of the Association at the end of the year. The Association has the right to appoint members to the Board of the subsidiaries and thereby exercise control over them. Unity Housing Association Limited is the ultimate parent undertaking.

Fixed Asset Investments - Association

	2024	2023
	£	£
Shares in subsidiary and undertakings	<u>101</u>	<u>101</u>

Subsidiary Undertaking	Country of Incorporation	Class of Share Capital Held	Proportion Held by Association	Nature of the Business
Unity Property Services Limited	England and Wales	Non equity £1	100%	Low cost commercial office and workshop lettings
Unity Housing Development Services Limited	England and Wales	Ordinary Shares £100	100%	Development Company

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

17 Debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due within one year				
Arrears of rent and service charges	429	446	422	443
Less: Provision for bad debts	(261)	(288)	(260)	(288)
	<u>168</u>	<u>158</u>	<u>162</u>	<u>155</u>
Prepayments & accrued income	219	226	197	198
Grants receivable	-	-	-	-
Other debtors	32	373	32	36
Other taxation & social security	5	160	-	-
Amounts due from subsidiaries	-	-	72	233
	<u>424</u>	<u>917</u>	<u>463</u>	<u>622</u>

Of the amounts due from subsidiaries £40k (2023: £201k) is interest free and repayable on demand, £32k (2023: £32k) is the amount due within one year of the total loan provided to Unity Property Services Limited. The balance due in greater than one year is included in long term debtors.

18 Long term debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts due from subsidiary UPS	-	-	123	155
Amounts due from subsidiary UHDS	-	-	20	-
	<u>-</u>	<u>-</u>	<u>143</u>	<u>155</u>

The amount due from Unity Property Services Limited is a loan which carries interest at 4% above base rate and is payable monthly. The amount due from Unity Housing Development Services Limited is a loan which carries interest at 4% above base rate and is payable monthly.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

19 Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (note 22)	1,030	1,020	997	1,003
Grant due in one year (note 21)	633	1,019	496	958
Trade creditors	294	707	243	197
Rent & service charges received in advance	170	169	170	169
Interest accrued on loans	10	30	10	30
Other taxation and social security	58	42	58	42
Accruals and deferred income	1,263	1,032	898	748
THFC premium	191	191	191	191
Other creditors	2	162	2	51
Provisions	-	5	-	5
Amount due to subsidiary	-	-	209	237
	3,651	4,377	3,274	3,631
	3,651	4,377	3,274	3,631

20 Creditors: amounts falling due after more than one year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (note 22)	15,429	16,301	14,979	15,968
Loan issue costs:				
At 1 April	(349)	(382)	(349)	(382)
Additions	(9)	-	(9)	-
Amortised during the year	33	33	33	33
	15,104	15,952	14,654	15,619
Recycled Capital Grant Fund (note 25)	159	176	159	176
THFC premium	3,524	3,715	3,524	3,715
Deferred grant income	34,583	33,590	32,347	32,070
	53,370	53,433	50,684	51,580
	53,370	53,433	50,684	51,580

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

21 Deferred grant income

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	34,609	34,876	33,028	33,780
Grant received in the year	1,209	763	311	244
Released to income in the year	(602)	(975)	(496)	(941)
Disposals	-	(55)	-	(55)
As at 31 March	<u>35,216</u>	<u>34,609</u>	<u>32,843</u>	<u>33,028</u>

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts to be released within one year	633	1,019	496	958
Amounts to be released in more than one year	34,583	33,590	32,347	32,070
	<u>35,216</u>	<u>34,609</u>	<u>32,843</u>	<u>33,028</u>

22 Debt analysis

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year				
Bank and Building Society loans	1,030	1,020	997	1,003
	<u>1,030</u>	<u>1,020</u>	<u>997</u>	<u>1,003</u>

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due after more than one year				
Bank and Building Society	7,479	8,468	7,479	8,468
Local Authority Loan	450	333	-	-
THFC	7,500	7,500	7,500	7,500
	<u>15,429</u>	<u>16,301</u>	<u>14,979</u>	<u>15,968</u>

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debt is repayable				
Within one year	1,030	1,020	997	1,003
Between one and two years	1,035	1,042	1,002	1,008
Between two and five years	3,799	4,418	3,700	4,384
After five years	10,595	10,841	10,277	10,576
	<u>16,459</u>	<u>17,321</u>	<u>15,976</u>	<u>16,971</u>

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Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

22 Debt analysis (continued)

	Group and Association	
	2024	2023
	£'000	£'000
Premium on issue - THFC	3,715	3,906

The bank and building society loans are secured by fixed charges on individual properties. The loans are repayable by instalments up until 2043. The interest rates on the loans are fixed for terms ranging from one month to 20 years at rates ranging from 2.84% to 7.15%. At the end of the fixed terms, the interest rates on these loans may be fixed for further terms up to the maturity of the loans, as judged appropriate. All loans are classified as basic.

At 31st March 2024, the Group had undrawn loan facilities of £13.5m; £13.5m Association and £0.0m UPS. (2023: £13.65m; £13.5m Association and £0.15m UPS). During the year the £1.5m of the £15m of the Association's revolving credit facility from the Yorkshire Bank revolved at three monthly intervals with no further drawdowns in 2023/24. The remaining £0.15m of the £0.5m facility from Leeds City Council was drawn by UPS to complete the Leeds Media Centre refurbishment.

Premium arising from the THFC loan is recognised as a separate component of borrowing and shown within the Statement of Financial Position as creditors. The premium is released over the term of the loan to the Statement of Comprehensive Income within loan interest.

23 Non-equity share capital

	Group and Association	
	2024	2023
	£	£
Shares of £1 each issued and fully paid		
At 1 April	34	33
Joining during the year	4	1
Leaving during the year	(2)	-
At 31 March	36	34

24 Financial commitments

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Capital Expenditure contracted for but not provided in accounts	-	-	-	-
Capital Expenditure authorised but not contracted for	28	13,277	3	12,340
	28	13,277	3	12,340

Capital expenditure will be financed out of existing cash balances, grants to be received and debt facilities.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

25 Recycled Capital Grant Fund

	Group and Association	
	2024	2023
	£'000	£'000
At 1 April	176	166
Net sales proceeds recycled	-	62
Interest Accrued	2	4
Withdrawals	(19)	(56)
	<u>159</u>	<u>176</u>

26 Reconciliation of operating surplus to net cash inflow from operating activities

	2024	2023
	£'000	£'000
Surplus for the year	760	746
Depreciation of housing properties	1,434	2,119
Accelerated depreciation of components	32	81
Depreciation of other fixed assets	215	120
Grant Amortisation	(602)	(976)
Loan issue costs amortised	33	33
Surplus on sale of tangible assets	-	(29)
Interest receivable	(83)	(84)
Interest payable	986	908
Pension costs less contributions payable	(321)	(339)
Amortisation of the THFC premium	(191)	(191)
(Increase)/ Decrease in debtors	493	(547)
(Decrease)/ Increase in creditors	(329)	405
Net cash inflow from operating activities	<u>2,427</u>	<u>2,246</u>

UNITY HOUSING ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

27 Operating Leases

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

Leasing commitments

The total future minimum payments on the leases are set out below. These relate to payments for office equipment, computers and a contract hire vehicle.

The leases, including Contract Hire, to which these amounts relate expire as follows:-

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
In one year	13	6	11	6
Between one and five years	20	1	18	1
	<u>33</u>	<u>7</u>	<u>29</u>	<u>7</u>
	<u><u>33</u></u>	<u><u>7</u></u>	<u><u>29</u></u>	<u><u>7</u></u>

28 Categories of financial assets and financial liabilities

	2024	2023
	£'000	£'000
Financial assets that are debit instruments measured at amortised cost	1,077	1,741
Financial liabilities measured at amortised cost	18,028	19,297

Financial liabilities excluding trade creditors - interest rate risk profile

The group's financial liabilities are sterling denominated. The interest rate profile of the group's financial liabilities at 31 March was:

	2024	2023
	£'000	£'000
Fixed rate	8,358	9,454
Floating rate	8,101	7,867
Total borrowings	<u>16,459</u>	<u>17,321</u>
	<u><u>16,459</u></u>	<u><u>17,321</u></u>

Borrowing facilities

As at 31 March 2024 the group had undrawn loan facilities of £13.5m.

UNITY HOUSING ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024

29 Related parties

During the year, the Association charged Unity Property Services Limited £33k (2023: £29k) and Unity Housing Development Services Limited £1k (2023: £5k) for management services. The UPS charge is calculated at 5% Turnover excluding grants and is to allow for management time and financial services such as invoice processing and production of management accounts. The UHDS charged was reduced due to reduce level of development activity in 23/24.

At 31 March 2024 there was a loan of £155k due from Unity Property Services Limited (2023: £187k). The total amount of the loan is to be repaid by 31 March 2029. The loan carries interest at 4 per cent above base rate which is to be repaid monthly. The loan is secured on the freehold property of the Society.

At 31 March 2024 there was a loan of £20k due from Unity Housing Development Services Limited (2023: £nil). The loan was required to support Unity Housing Development Services Limited through a period of delayed development activity. The loan carries interest at 4 per cent above base rate which is to be repaid monthly.

The year-end parent entity debtor receivable due from Unity Property Services Limited is £40k (2023: £30k) and from Unity Housing Development Services Limited is £nil (2023: £171k).

During the year Unity Housing Development Services charged Unity Housing Association £(12)k (2023: £696k) for design and build services. At 31 March 2024 Unity Housing Association owed Unity Housing Development Services £163k (2023: £237k), mainly towards ongoing retentions.

The amount due from Unity Housing Development Services Limited as at 31 March 2024 in respect of gift aid was £nil (2023: £nil)

The Board includes two tenant members at the year-end: Haji Marfoua, Rohan Clarke. Each holds their tenancy agreements on normal terms and cannot use their position to their advantage. The rent charged for the year was:

	Group		Association	
	Rent charged weekly	Balance as at 31 March 2024	Rent charged weekly	Balance as at 31 March 2024
	£	£	£	£
Haji Marfoua	107	-35	107	-35
Rohan Clarke	100	-10	100	-10

All rounded to the nearest pound. '-ve' = credit balance.

30 Analysis of changes in net debt

	1 April 2023	Cash Flows	Other Non-cash	31 March 2024
	£'000	£'000	£'000	£'000
Cash	1,210	(333)	-	877
Loans due within one year	(1,020)	(10)	-	(1,030)
Loans due in more than one year	(8,801)	872	-	(7,929)
THFC loan	(7,500)	-	-	(7,500)
Net debt	(16,111)	529	-	(15,582)

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2024***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2024****31 Contingent Liability**

The Group has been notified by the Trustee of the Social Housing Pension Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of the changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue (2023:nil).