
Unity Housing Association Limited

Annual Report and Consolidated Financial Statements

Year Ended 31 March 2026



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 2026*

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BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Board of Management

Chair	P Taylor to 30 September 2025 N Parkar from 1 October 2025
Other Members	E Cook to 31 December 2025 S Finegan from 1 October 2025 S Jandu M Haque Z Hussain from 1 October 2025 D Leone H Marfoua D Mitchell M Pascal N Qureshi H Rashid S Robinson from 1 October 2025

Independent Committee Members

Audit & Risk Management Committee:	C Denby from 1 October 2025 S Hall from 1 October 2025
HR & Governance:	J Tracey from 1 October 2025
Operations Committee:	S France from 1 October 2025

Executive Directors

Chief Executive	C Boston
Director of Housing Operations	K Proctor (Resigned 17 October 2025)
Interim Director of Housing Operations	Ilyas Lunat from 20 October 2025
Director of Housing Operations	Sarfraz Hussain from 7 May 2026
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 ETL 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 – Virgin Money, 94-96 Briggate, Leeds, LS1 6NP

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD**

The Board presents its annual report and the Group's audited financial statements for the year ended 31 March 2026, 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 employment, training, and education to improve their life chances. Our subsidiaries are:

- UPS, a subsidiary trading as Unity Enterprise. UPS manages 153 units of business workspace accommodation in Chapeltown and Harehills over 4 sites. It lets out workspace to entrepreneurs, with priority given 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 an Association board member. 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 1,385 units of mainly general needs accommodation of which 1,356 are directly managed, 5 are 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 manages 9 units on behalf of a small community housing organisation.

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 39, 22 of whom were directly involved in the provision of housing and maintenance services.

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.

REPORT OF THE BOARD (CONT.)

The Board

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

The Board's non-executive members have diverse 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. The board has been moving towards the six year term in line with the Code of Governance recommendations and following the appointment of new members the year and the planned resignation of the longest standing member of the board, now meets this requirement.

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. 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. The defined benefit scheme closed to new entrants in June 2023. 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.

NHF Code of Governance

The Board has adopted the 2020 NHF Code of Governance. The 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 undertakes an annual self-assessment each year and considers that it remains compliant with the Code as at 31 March 2026.

Equality Diversity and Inclusion (EDI)

The Board is committed to EDI, with clear equality and diversity objectives. An updated EDI Strategy and action plan was approved in June 2025. The Group actively pursues these goals, aiming for sustainable communities and above-average EDI performance that reflects the community's diversity. Unity continues to strive for a workforce and governance structure that reflects the diversity of the local community.

REPORT OF THE BOARD (CONT.)

At year end, 49% of staff, 83% of the UHA Board, and 83% of the UE Board are from BME backgrounds. In addition, 42% of the UHA Board and following the resignation of the Housing Operations Director during the year, 25% of the Senior Management Team are women.

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 had its first Inspection during the year under the new inspection regime and received a C2 Consumer Grade, a downgrade of its Governance Grade to G2 and its Viability grade was reconfirmed as V1. While this confirms that Unity still has a compliant governance grade, it also highlights areas where we need to strengthen our services and improve our performance. We take the regulator's findings seriously and have already begun work on a comprehensive improvement programme. This plan will focus on delivering better outcomes for tenants, including improvements to repairs and maintenance, damp and mould management, health and safety compliance, tenant engagement, and the way we monitor and report performance. Our aim is not simply to meet regulatory requirements, but to ensure that every tenant receives the high-quality service they deserve.

Unity is committed to being open and transparent about our progress. We will provide regular updates through tenant newsletters, our website, tenant meetings, and other communication channels so that all stakeholders can see what actions we are taking, what improvements are being achieved, and where further work is still needed.

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. Following the inspection we will look to make enhancements to this in the coming year.

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 with the support of a health and safety consultant. A Strategic Health and Safety Group which includes a board member met regularly during the year.

Business overview

The economic landscape in which we operate remains both uncertain and demanding. Over the past five years, the UK has weathered a series of significant macroeconomic shocks, including Brexit, the Covid-19 pandemic, surging energy costs due to Russia's invasion of Ukraine, and widespread supply chain disruptions following both this and the conflict in the Middle East. These events have fuelled persistent inflation and heightened operational costs for providers, while a tight labour market has added to the pressure.

Government-imposed rent caps restricted rental income below the consumer prices index in 2023-24 and the rent rise for 2024-25 also lagged behind the ongoing inflationary trend leading to a sustained annual weakening of our future income. The Government introducing more certainty through a ten-year rent settlement was therefore welcome. This development allows us to plan more confidently for the future amidst ongoing volatility.

REPORT OF THE BOARD (CONT.)

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.

Despite these challenges Unity's Business Plan remains resilient against a number of stresses but inevitably less so than in previous years. Our VFM strategy focuses on the service areas that matter most to tenants. Current performance is favourable when compared to the sector in relation to the Tenant Satisfaction Measures.

Review of Corporate Plan

This was the fifth full year of Unity's six-year Corporate Plan. Each year the Board approves an Annual Plan that translates the Corporate Plan into a series of measurable objectives and targets, creating a clear line of sight between the organisation's long-term ambitions and day-to-day delivery. Progress against the Annual Plan and key performance indicators is monitored regularly by both senior management and the Board to assess performance and drive continuous improvement. This approach helps maintain the "golden thread" running through the organisation's strategic and operational activity. Consistent with previous years, the Value for Money Strategy remained closely aligned to the Corporate Plan and is reported separately within this report. The Annual Plan is designed to provide measurable and accountable delivery against Unity's strategic priorities.

During the year, Unity revised and reformatted its business health dashboard to provide members with a more accessible and informative overview of organisational performance. The revised dashboard strengthened the focus on customer outcomes, regulatory compliance and benchmarking information, helping the Board to assess business health more effectively and identify areas requiring corrective action.

Over the life of the Corporate Plan, Unity has delivered a number of significant achievements. These include maintaining strong levels of tenant satisfaction across many service areas, securing national recognition through industry awards and shortlisting, retaining the highest regulatory ratings for financial viability, and strengthening partnerships that extend the organisation's reach and impact. Through collaborative working, Unity has expanded its development consortium, enabling smaller housing associations to access development expertise while generating additional income for the organisation. Unity has also continued to support enterprise and employment initiatives that help local people improve their economic prospects and life chances.

The year under review proved particularly challenging. Performance was affected in the year by unusually high staff turnover and the consequent use of agency/ interim staff which inevitably impacts efficiency and service delivery. We have documented throughout the year the difficulties and the risk encountered on developing the Plane Street site to our key stakeholders, Board, and Audit & Risk Committee. This process will continue until completion of the development or until the level of risk recedes to agreed and accepted levels.

The Annual plan was ambitious. Of the 33 objectives, 15 (45%) were completed within the planned timescale, substantial progress was made with another 11 (33%) some of which were completed following an agreed extension, and 7 (21%) were not materially progressed by year end. This represented a satisfactory level of Annual Plan delivery in a very challenging environment.

REPORT OF THE BOARD (CONT.)

Review of Corporate Plan (continued)

Despite these challenges, meaningful progress was achieved in several key areas:

1. Improved customer satisfaction and engagement

- Overall tenant satisfaction increased to 78%, up from 76.3% in the previous year, with median satisfaction at 77%, meeting the annual target.
- Estate services performance was strong, with grounds maintenance at 85% and communal cleaning at 91%. Five estate improvement plans were developed, exceeding the original target of four.
- Customer engagement activity also strengthened significantly, with increased scrutiny panel participation, 353 tenancy health checks completed against a target of 300, wider engagement events delivered, and a new customer-community engagement strategy coproduced for 2026–2030.

2. Strong progress in customer contact and digital systems

- Implementation of Zoom Workplace Phone improved call handling, accessibility, and service resilience. Customer abandoned call performance improved significantly by year end, with Q4 averaging 1%.
- Voicescape arrears analytics software was successfully installed and is now operating as intended.
- Data collection, storage and reporting also improved considerably across the housing service, showing clear progress toward more technology-enabled operations.

3. Significant progress in compliance, governance and assurance

- Secondary compliance reporting was embedded on a routine basis. More than 400 stock condition surveys were completed, exceeding the target of 350.
- Board recruitment was completed, restoring the Board to full complement.

4. Stronger partnership and social purpose activity

There was positive performance across several social purpose objectives:

- Employment service take-up by tenants increased to 12.2%.
- The Leeds Media Centre accessibility target was met, with 46 potential entrepreneurs assisted to become enterprise ready.
- Business advice services were expanded to support Black creatives in and around Chapeltown.
- New and strengthened partnerships were developed, including with BBC, WYCA, Turning Lives Around, Speakers Corner, Iota and Sheila Grant. Fundraising capability also improved through the creation of a strategy, working group and external bid support arrangements.
- Employment Services championed Unity's commitment to becoming a dementia and age-friendly organisation. We plan to expand these initiatives further in the coming year, ensuring that our services are inclusive and supportive of all tenants and community members.

Taken as a whole, the year demonstrated both the strengths and vulnerabilities of the organisation. While delivery against the Annual Plan fell below expectations, Unity maintained good governance, financial resilience and regulatory compliance, continued to invest in service improvement, and took important steps to address areas where performance had not met customer expectations.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD (CONT.)**

The Board remains committed to ensuring that the lessons learned during the year are reflected in future planning and performance management arrangements as Unity enters the final year of its current Corporate Plan.

FINANCIAL REVIEW**Financial position**

The Association's Statement of Comprehensive Income and Statement of Financial Position are summarised in Table 1 on page 8 and the following paragraphs highlight key features of the Group's financial position as at 31 March 2026.

Reserves

The Group's financial result for the year ended 31 March 2026 is a Total Comprehensive Income of £1,122k compared to a Total Comprehensive Income of £1,183k in 2024-25.

The surplus for the year amounted to £1,113k (2025: £1,121k). There is an actuarial gain of £9k through other comprehensive income (2025: £62k gain), leading to the total comprehensive income for the year of £1,122k (2025: £1,183k). At 31 March 2026 the Group's reserves amounted to £23,927k (2025: £22,805k).

Although maintenance costs were significantly higher than budget during the year, slow down in development spend also meant reduced borrowing costs and associated interest costs resulting in the budgeted surplus for the year being exceeded.

Planned maintenance and improvements

Major repairs of £815k were capitalised, compared to £2,344k in 2024-25.

Housing properties and other fixed assets

The Group spent some £2,416k (2025: £1,172k) on the development and purchase of housing properties during the year. Total grants received in the year were £130k (2025: £68k), the Group's housing asset base at net book value has increased from £75.5m to £77.1m. Details of changes to the Group's tangible fixed assets are shown in notes 13 and 14 to the financial statements.

Cash flow and liquidity

The net cash outflow for the Group amounted to £358k (2025: £469k inflow) and is shown in the consolidated statement of cash flows on page 39. The Group had cash resources of £988k as at 31 March 2026.

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.

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 2025/26 averaged 30 days (2025: 26).

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.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

**REPORT OF THE BOARD
FINANCIAL REVIEW(cont.)****Financial instruments**

The Group's approach to financial risk management is outlined in the Financial Review on pages 7 to 28.

Table 1 – Association only highlights, five-year summary

For the year ended 31 March

	2026	2025	2024	2023	2022
Statement of Comprehensive Income (£'000)					
Total turnover	9,212	8,882	8,270	8,158	7,578
Income from Social Housing Lettings	8,944	8,649	8,116	8,009	7,453
Operating surplus	1,951	1,962	1,595	1,360	1,661
Interest Payable	(922)	(917)	(852)	(746)	(678)
Surplus for the year	1,080	1,101	841	710	998
Total Comprehensive Income for the year	1,089	1,163	595	308	1,531
Statement of Financial Position (£'000)					
Tangible Fixed Assets (excl. long term debtors)	78,504	77,398	75,233	75,495	76,647
Net current (liabilities)	(2,381)	(1,620)	(1,966)	(1,948)	(3,164)
Total Loans	18,465	18,477	15,976	16,971	22,232
Revenue Reserves	23,775	22,686	21,523	20,928	20,620
Total	23,775	22,686	21,523	20,928	20,620
Accommodation figures					
Total housing stock managed (No of units)	1,394	1,393	1,393	1,385	1,372
Statistics					
Surplus for the year as % of turnover	11.70%	12.40%	10.20%	8.70%	13.20%
Comprehensive Income					
for the year as % of turnover	11.80%	13.10%	7.20%	3.80%	20.20%
Surplus for the year as % of social housing lettings	12.10%	12.70%	10.40%	8.90%	13.40%
Voids as a % of social housing lettings	1.11%	0.61%	0.67%	0.49%	0.96%
Bad debts as a % of social housing lettings	0.11%	0.42%	0.31%	0.08%	0.85%
Operating surplus per unit housing stock	£1,399	£1,404	£1,141	£975	£1,211
Total Reserves per unit housing stock	£17,055	£16,239	£15,396	£15,002	£15,029
Interest Cover (surplus before interest payable divided by interest payable)	2.12	2.14	1.87	1.82	2.45
Liquidity (Current assets divided by current liabilities)	0.39	0.54	0.40	0.46	0.67
Gearing (total loans as a % of SHG plus reserves)	33.90 %	34.38%	30.27%	32.10%	40.87%

REPORT OF THE BOARD

VALUE FOR MONEY (“VFM”)

Unity is compliant with the Value for Money 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's endorsement of our Value for Money (VFM) Strategy underscores our commitment to delivering professional, high-quality services that represent genuine value to both Unity and its residents. The Strategy was thoroughly reviewed and updated, receiving final approval from the Board in June 2024 and June 2025. During these sessions, the Board assessed our performance against the previous year's targets and set ambitious new objectives for the year ahead, ensuring our ongoing dedication to delivering excellent results.

Our VFM journey begins with the realisation 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 2026

REPORT OF THE BOARD - 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. Our strategy is to boost financial stability by using resources efficiently to achieve key goals. Our approach prioritises cost efficiency, transparency and regulatory compliance, whilst aiming to raise operational margins, expand social value through consistent measurement and align with the RSH metrics to guide improvements and targets.

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 strategy is to be fully aligned with Unity's current priorities as contained in the annual plans.

Delivering the Corporate Plan is important to us, 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 is 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.

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	Maintenance satisfaction (%) Complaints - number received Complaints responded on time (%)
2. Grow and Protect the organisation	RSH VFM metrics 1. Reinvestment % 2a. New supply delivered - social housing (%) 2b. New supply delivered - non-social housing (%) 3. Gearing at cost (%) 4. EBITDA (Interest cover)(%) 5. Headline Social Housing cost per unit (£) 6a. Operating Margin - social housing lettings (%) 6b. Operating Margin - overall (%) 7. ROCE (%) Health & Safety Properties with live Gas service certificate (%) Properties with live Electrical service certificate (%) Development No. New home starts No. New home completions
3. Operational Performance	Repairs Emergency repairs responded on time (%) Non Emergency repairs responded on time (%) Proportion of homes that do not meet the Decent Homes Standard Housing Income Management Rent arrears (%) - best benefit week Rent arrears (£'s) Income collection (%) Housing - Voids and Lettings General Needs Relet times (days) Turnover of stock (%) General needs Void loss (%)
4. Developing and investing in our social purpose	Unity Enterprise Unity Enterprise Void loss (%) Employment Services No. people supported into employment No. people given training No. people helped into volunteering positions
5. Building resilience through Organisational and Human Resource	Investors in People accreditation Sickness per full time equivalent (fte) - days

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

REPORT OF THE BOARD - 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 2026. This includes the actual performance against the budgeted performance for the 2025/26 year and the performance for the prior year against the RSH 2025 Global Accounts (GA2025) which have been published. A 5-year actual trend is shown for the Group as well as the target for 2026/27.

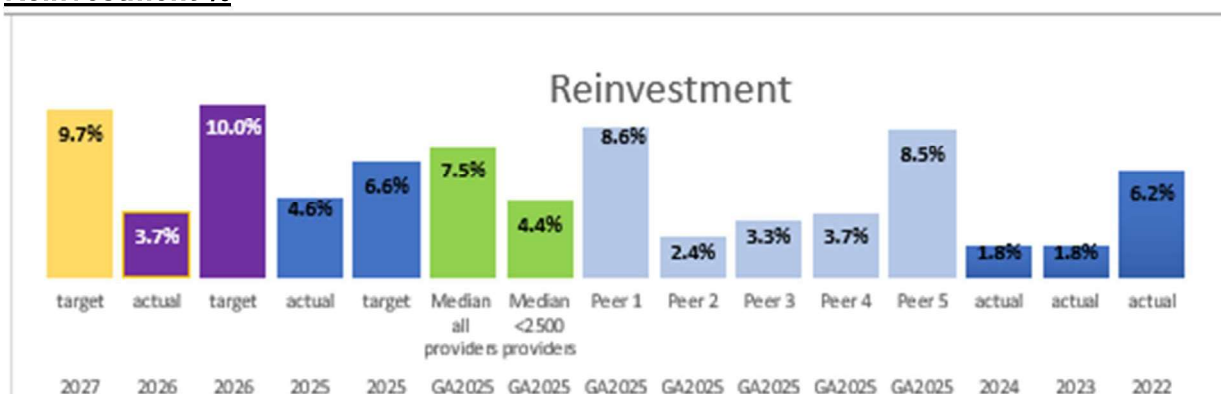
Part of the requirement of the standard is to benchmark performance against peers. Unity board wanted to see the comparison against the median of all organisations but recognising that costs can often be linked to size, the Group has selected the Median of the subset of organisations with less than 2500 units as well as the Median of all providers for comparison.

To identify appropriate peers for Unity, the subset has been further refined to include organisations with at least 90% general needs stock, using the new category of turnover from non-social housing lettings and set this at $\leq 15\%$, and removed organisations in London, South East, South West, East and West Midlands. This leaves organisations whose properties are predominantly located in Yorkshire, the Northwest, or the Northeast or East of England. This approach results in a peer group comprising five organisations:

This brings a total of 5 organisations to benchmark with, the same 5 which were previously included:

- Peer 1 - Arches
- Peer 2 – Durham Aged Mineworkers
- Peer 3 – Eden Housing
- Peer 4 – Hundred Housing Society
- Peer 5 – Manningham

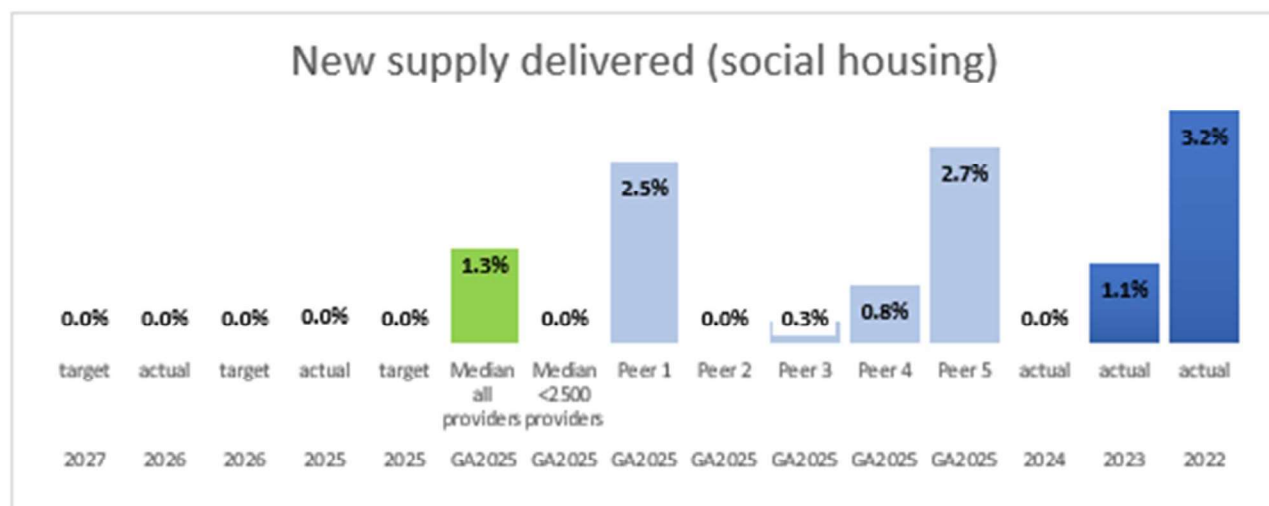
Please also note since benchmarking information for the 2025/26 year is not scheduled for release until much later in the year, VFM comparisons can only be made for 2024/25 year or between our 2026 outturn and other organisations performance in 2025.

1. Reinvestment %

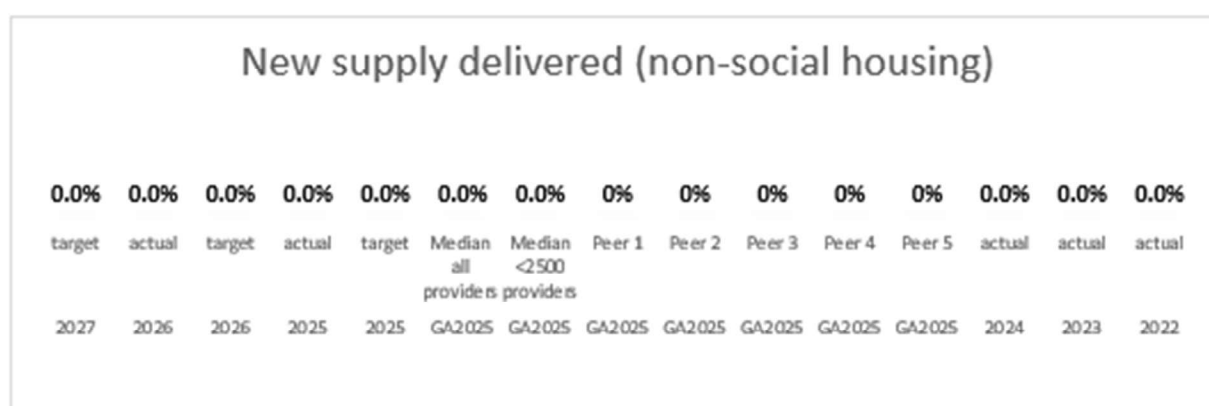
The reinvestment metric measures the amount of investment in any year from borrowings or operating costs used to improve existing homes and develop new ones as a proportion of the existing value of properties. It indicates how much of the housing association's asset base is being renewed or expanded each year. A higher reinvestment rate reflects a proactive approach to maintaining and growing the housing stock through strategic asset management and development.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD - Value for Money (cont.)**

Progress on the Plane Street development during 2025-26 remained slower than forecast. This combined with delays in starting the decarbonisation programme meant that actual reinvestment is lower than the target. The target for 2026-27 reflects completion of the scheme as well as expenditure on planned components including decarbonisation works.

2a) New Supply delivered (social housing)

This metric has been affected across the whole sector by both increases in the costs of development as well as reduced capacity as housing providers increase the investment in existing stock. Unity has been constrained by delays on existing sites including the withdrawal of planning for a site so no units have been handed over since 2022-23. However, other peers have been developing including peer 5 whom Unity supports through its Investment Partnership status. Given the delays on Plane Street, the target is also 0% for 2026-27 as the units are expected at the very end of the year, to allow a little buffer they have been included in the business plan, handing over in the 2027-28 year with rental income starting then.

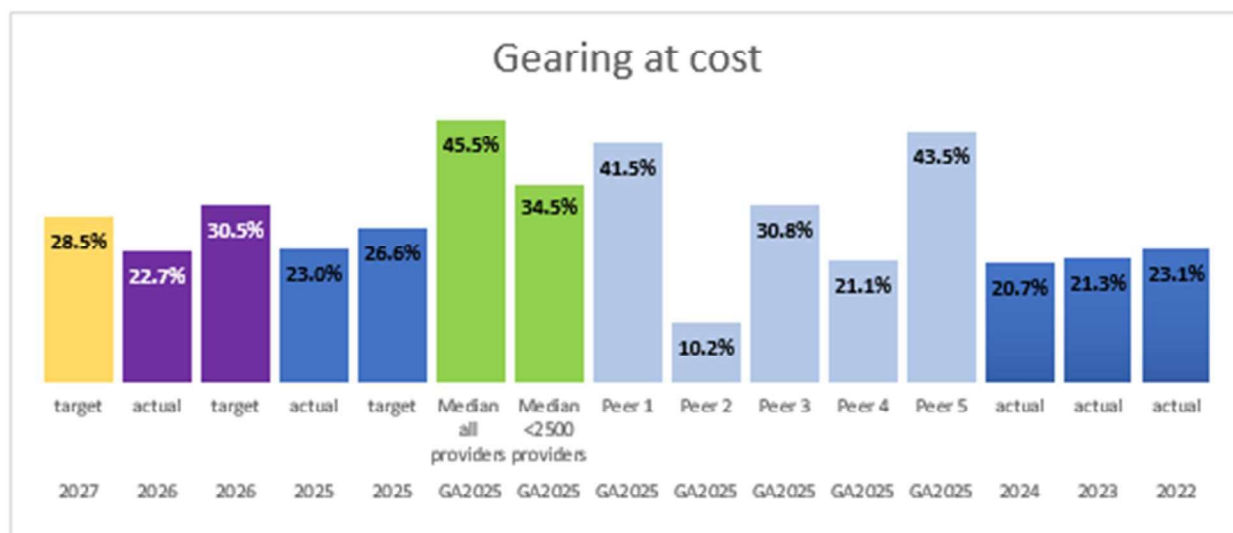
2b) New Supply delivered (non-social housing)

This metric has two parts, to be able to identify how much investment there is in Non-Social Housing units as well in Social Housing units. Unity's board have previously decided that Social Housing Units should be the focus of their housing activity.

New supply Non-social housing is therefore nil for target and actual delivery over the period reported. The same is for our peers for the last year.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

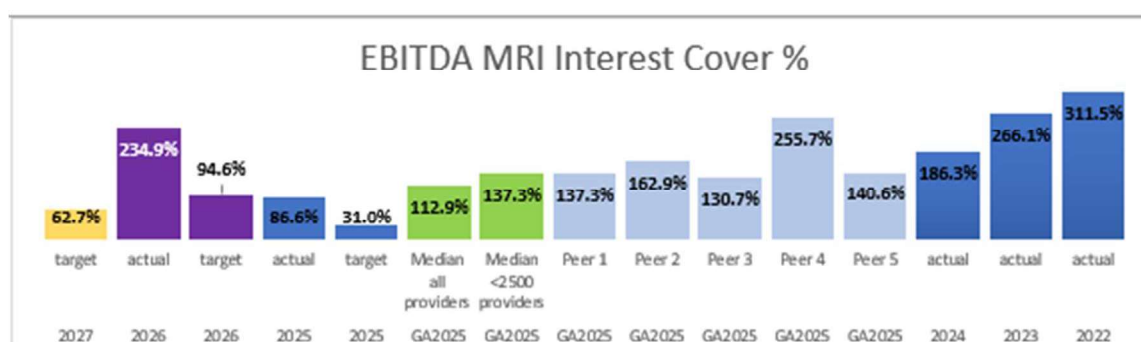
REPORT OF THE BOARD - Value for Money (cont.)**3. Gearing at cost %**

This ratio shows the proportion of an Association's housing assets is financed through debt. A higher gearing ratio indicates greater reliance on borrowing, which may limit future borrowing capacity or increase financial risk.

Unity increased its borrowings from its facilities during 2024-25 whilst completing the fire remediation works and in anticipation of delivering the Plane Street scheme as well. However, due to the delays mentioned under the Reinvestment metric, Plane Street was due to progress more swiftly during 2025-26 but hit further delays albeit progress was made so the actual gearing is lower than target as fewer funds were drawn. As the scheme is now condensed into the 2026-27 year as are the decarbonization works, it is forecast that borrowing will increase as the scheme completes and works progress. For the 2026-27 year, borrowings will again increase to complete the development. Peer 1, 3, 4 and 5 all delivered units during 2024-25.

4. EBITDA MRI Interest Cover %

This ratio indicates how many times an association's earnings or surplus (including adjusted for capitalised major repairs) can cover its interest payments.



Unity had forecast a much lower than in recent years EBITDA-MRI interest cover for 2024-25 due to the forecast expenditure on both fire remediation work and development. The actual EBITDA-MRI was above target for 2024-25 as the expenditure on development was lower than forecast and expenditure on planned operational projects was lower than forecast due to a high level of sickness in the last quarter of the year. As a result of lower expenditure borrowings were less than forecast so interest costs were lower, increasing the EBITDA-MRI.

UNITY HOUSING ASSOCIATION LIMITED

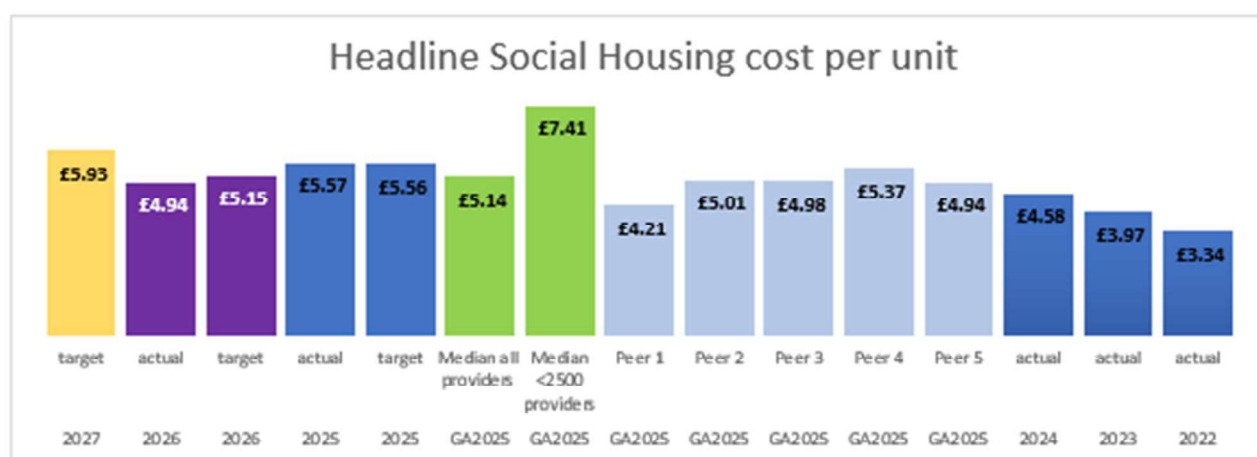
Year ended 31 March 2026

REPORT OF THE BOARD - Value for Money (cont.)

Whilst the development programme was due to be completed in 2025-26, the ratio target had again been forecast to be below 100%, but the delays to this and the decarbonization component spend meant that funds were not drawn so interest was lower, and therefore also the EBITDA-MRI. The target is 62.7% for 2026-27 as Plane Street expenditure will be significantly higher in the year to reach completion and the decarbonization spend is now condensed into a shorter time period at the same time as funds are drawn and interest increases.

5. Headline Social Housing Cost per Unit

A lower cost per unit may suggest that a housing association is managing its stock efficiently. However, very low costs may also indicate underinvestment or the provision of a limited service (i.e. no social purpose initiatives). Unity's cost per unit remains competitive and efficient compared to the sector, especially considering our commitment to reinvest more in Repairs, planned maintenance and improving service quality. For 2024-25 Unity's costs were above all of our peers. This may be justified by Unity's expenditure on its social purpose – Employment and Enterprise as well as keeping a development function and making recent investment in fire safety, which are aligned with long-term service improvement goals.



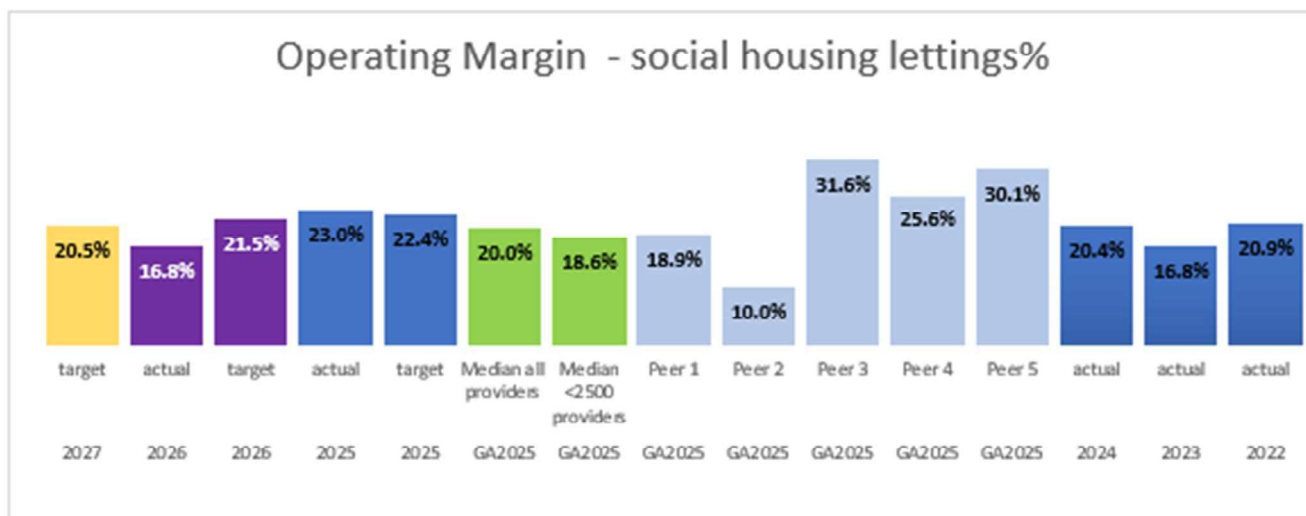
Unity's Social Housing Cost per Unit was below target in 2025-26. It had been forecast to reduce due to less expenditure on planned works following the completion of the fire remediation work but it was lower than forecast due to delays with the decarbonization work starting whilst the contract is being finalised by the West Yorkshire Combined Authority. Unity Property Services Limited performed better than expected with fewer voids and therefore a surplus generated rather than the small deficit expected. The cost per unit will be significantly higher for 2026-27 as the decarbonization works are expected to commence.

6 Operating Margin

Operating margin is a key financial performance metric that shows how much of a housing association's income is retained as operating surplus after covering day-to-day costs, but before interest, tax, and exceptional items. A higher operating margin suggests that the organisation is managing its costs well relative to income. It reflects the ability to generate surplus for reinvestment in homes and services. Operating margin is a buffer against external shocks such as inflation, rent caps, or rising maintenance costs. Lenders view a stable or improving operating margin as a sign of good financial stewardship, which can influence borrowing terms.

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Year ended 31 March 2026

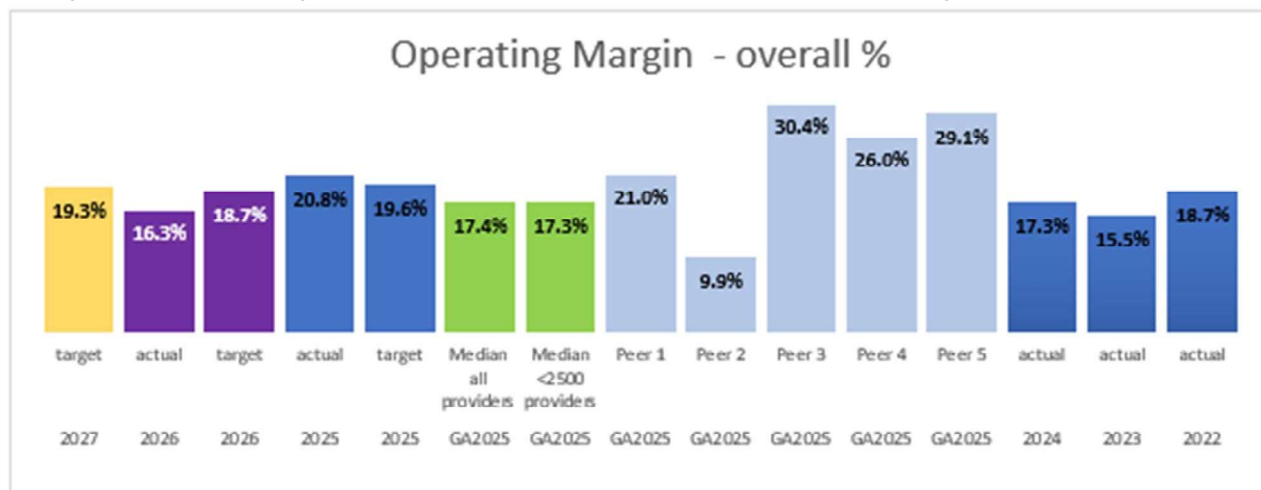
REPORT OF THE BOARD - Value for Money (cont.)**6a. Operating Margin - social housing lettings%**

The Operating Margin is purely from rented properties and associated costs. Across the sector margins have dropped as costs have increased for staffing, maintenance and operating costs such as electricity in recent years whilst caps have been imposed on the rental income increases. In 2024-25 Unity's operating margin increased, partly as a result of the sickness in the last quarter preventing some projects from going ahead, which increased the year end surplus. Unity performed ahead of the sector and subsector medians for 2024-25 but in comparison to some of the peer organisations, Unity's margin was lower for social housing lettings in 2024-25.

In 2025-26 it was lower than target as maintenance costs were significantly higher than budget. Despite a change in contractor cost pressures were seen. There were a number of changes in the team which adversely affected the mobilisation of the new contractor. As a result a special internal audit investigation commenced in early 2026-27 to understand specific reasons for these cost pressures as there appears to be no single contributory factor.

6b. Operating Margin –overall %

This metric reflects any additional activity – for example non-social housing letting such as student accommodation or market rents. It also reflects activity such as any community investment and development. Unity's operating margin overall is less than its operating margin from social housing lettings as it is investing in its social purpose activities as well as retaining a development function.



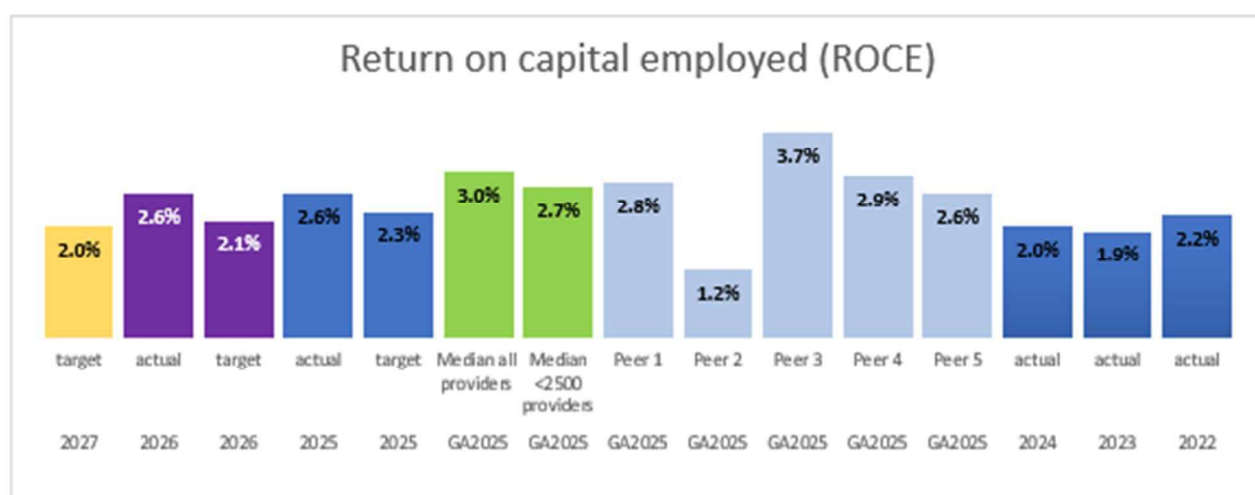
UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD - Value for Money (cont.)**

Operating Margin overall includes the costs of Unity's Social Purpose activities. Whilst Unity Enterprise receives income against its costs, Employment Services costs exceed any minimal income generated. However, during 2025-26 whilst Development income increased, the overall margin is lower than that of social housing lettings.

The actual was below target for the year as even though a surplus was made for Unity Enterprise for the year due to lower than forecast voids being incurred, the overspend in maintenance costs in Unity Housing had a significant impact. Operating Margins for the sector as a whole and subsector are also reducing as shown by the 2024-25 figures, but Unity's performance whilst above this for 24-25 was below both for the 2025-26 year. For 2026-27 it is forecast that the margin whilst still remaining below the social housing lettings will recover slightly as fewer agency costs are incurred.

7. Return on Capital Employed %

Return on Capital Employed (ROCE) is used to assess how well an organisation is using its capital base to generate financial returns and measures how efficiently a housing association generates operating surplus from the capital it has invested in its assets. A higher ROCE indicates better utilisation of resources.



The Return on Capital Employed for 2024-25 although higher than the target was below the median of <2500 unit and all providers. For 2025-26 it was forecast to reduce to reflect the expenditure on development but the increase in turnover will only occur the following year. The development spend was lower than forecast and so the actual exceeded the target. It is forecast to reduce for 2026-27 as there will be expenditure on development and decarbonisation but the increase in turnover will only occur the following year.

Strategic conclusions from the RSM metrics

Based on the data above we continue to perform less well than our peer group in "cost per unit" and "operating margin overall". There are good reasons in both cases for the difference. For instance, our housing costs are not that far away from the group average and the difference may be accounted for by the cost of the Employment Team, which we choose to have in contrast to our peers. Similarly, our operating margin has declined over the last few years principally because we have not made savings to compensate for rent caps. It could be that other HAs have taken a different course.

The truth is our peers have non-housing activities too and some may have taken the same decisions as us on rent capping, so we need to know more about them to do a real comparison. Even then we may be content to continue spending on the things that fulfil our social purpose and make us different.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD - Value for Money (cont.)**

Nonetheless, one of the central objectives of our Corporate Plan remains the enhancement of Unity's financial resilience and long-term sustainability. This focus was embedded within our Value for Money (VFM) strategy in response to ongoing economic and social uncertainty, both globally and within the UK. Continuing with this approach remains prudent, even in light of the new government's assurances of increased stability for housing associations via a forthcoming "triple lock" rent settlement. As such, our VFM targets and objectives for 2026/27 will continue to prioritise rebuilding our operating margin and lowering our cost per unit.

Key Performance Indicators (KPIs)

We are closely monitoring these Key Performance Indicators as an essential part of our Value for Money Strategy. Several tables have been updated to incorporate the latest Tenant Satisfaction Measures, ensuring our performance is accurately reflected and responsive to residents' feedback.

Excelling at Customer Service	Tenant Satisfaction Measure	2027 Target	2026 Actual	2026 Target	2025 Actual
Complaints -Number received - all		not applicable	94	not applicable	40
Complaints responded on time % - Stage 1	CH02	90.00%	74.7%	90.0%	78.9%
Complaints responded on time % - Stage 2	CH02	90.00%	91.3%	90.0%	80.0%
Satisfied with their landlord's approach to complaints handling if reported making a complaint in last 12 months (perception survey)	TP09		45.30%		51.8%
Overall Customer satisfaction % (perception survey)	TPO1	79.00%	78.00%	79.0%	76.3%
Satisfaction with overall repairs service if received a repair in 12 month % (perception survey)	TP02	80.00%	68.70%	80.0%	70.8%

(note TSM excludes low cost home ownership)

During 2025/26, we received 94 complaints compared to 40 in the previous year. Whilst this represents a significant increase, we view complaints as an important source of feedback and an opportunity to identify where services are not meeting customer expectations. More than half of all complaints received related to repairs and maintenance, highlighting the challenges experienced within this service area during the year.

Complaint handling performance was mixed. Stage 2 responses improved and exceeded our target, however Stage 1 response times fell below target and customer satisfaction with our approach to complaint handling reduced compared to the previous year. We recognise that we need to improve both the timeliness of our responses and customers' experience of the complaints process. In response, we have strengthened performance monitoring, improved oversight of complaints and are using lessons learnt from complaints to drive service improvements. Whilst repairs satisfaction and complaint handling satisfaction fell during the year, overall customer satisfaction increased from 76.3% to 78.0%, giving us confidence that the actions being taken are having a positive impact across our wider services.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

REPORT OF THE BOARD - Value for Money (cont.)

Repairs and Maintenance	Tenant Satisfaction Measure	2027 Target	2026 Actual	2026 Target	2025 Actual
Proportion of Homes that do not meet the Decent Homes Standard	RP01	0.0%	2.90%	0.0%	0.2%
Non Emergency responsive repairs completed within the landlords target timescale	RP02 (1)	95%	85.00%	98.0%	86.2%
Emergency responsive repairs completed within the landlords target timescale	RP02 (2)	99%	95.90%	98.0%	91.7%

During the year a significant focus was on surveying properties to remain within the five-year cycle. At the end of the year 38 properties do not meet the Decent Homes Standard and have works scheduled to achieve it. As outlined in the complaints section, performance was not good enough in the delivery of non-emergency or emergency repairs and despite the appointment of a new contractor, targets were not achieved for either but there was an improvement in the delivery of emergency repairs. This area is a key focus for improvement in the 2026-27 year.

Health & Safety	Tenant Satisfaction Measure	2027 Target	2026 Actual	2026 Target	2025 Actual	2025 Target	2024 Actual
Gas checks completed %	BS01	100.0%	100.00%	100.0%	100.0%	100.0%	100.0%
Electrical Service certificate %		100.0%	99.30%	100.0%	100.0%	100.0%	100.0%
Required Fire Risk Assessments completed %	BS02	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Asbestos management checks completed where required %	BS03	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Legionella risk assessments completed where required %	BS04	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Passenger lifts safety checks completed where required %	BS05	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

During the last financial year, the compliance team has once again performed well. We have maintained 100% compliance in 5 of the big 6 compliance areas. We have also managed to improve EICR performance during the year from 98.4% at year-end in 2024/25 to 99.3% at year-end 2025/26. We also received positive feedback from the Regulator following the recent inspection undertaken by them.

Development	2027 Target	2026 Actual	2026 Target	2025 Actual	2025 Target	2024 Actual
No. New developments start on site	0	0	0	30	30	0
No. new development units completed	30	0	30	0	0	0

This last year has been a development challenge whilst we commenced on site 30 new affordable homes at Plane Street, Huddersfield. The scheme has been significantly affected by planning delays in obtaining the discharge of conditions. Also delays in the obtaining of section agreements, drainage, highways, and YW approvals. This alongside the exceptional inclement weather (high levels of rainfall and severe frost) onsite. All of which has contributed to adversely affecting the initial contact programme, leading to programme delays and higher scheme costs. We have now agreed a new completion date February 2027 with the agreement of Homes England, and we continue to monitor the onsite progress with the developer to try and mitigate any further delays.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD - Value for Money (cont.)**

Income Management	2027 Target	2026 Actual	2026 Target	2025 Actual	2024 Actual	2023 Actual
Rent arrears	4.00%	4.18%	3.90%	4.56%	4.60%	4.84%
Income collection	101.00%	94.94%	101.00%	100.36%	99.60%	100.52%

Across the 2025–26 rent year, social renters continued to face low disposable incomes, high household debt, and ongoing reliance on welfare support. Cost of living pressures eased initially, but essential costs (food, utilities, transport) remain high relative to incomes, meaning affordability and rent sustainability remained fragile for many households.

What has largely stayed the same is the structural vulnerability of social renters: wages and benefits have not kept pace with cumulative cost increases, Universal Credit remained tight around rent coverage, and many tenants are still managing arrears built up over previous years.

What was more pronounced in 2025–26 is the impact of ongoing rent increases after several consecutive years, combined with tighter household budgets as temporary relief measures (such as earlier energy support schemes) are no longer in place. All of which can affect tenants' wellbeing and ability to sustain tenancies even where rent payment is maintained.

Lettings and Voids	2027 Target	2026 Actual	2026 Target	2025 Actual	2024 Actual	2023 Actual
GN Re-let times - excl. new develop	27 days	118 days	27 days	43.97days	36.65 days	35.62 days
Rent loss from voids - General Needs	<1%	1.06%	<1%	0.58%	0.65%	0.50%

In lettings and void management, 45 homes were relet during the year, with a further 3 new lets delivered under our management agreement with a client housing association. Void loss reduced from 1.20% in Quarter 1 to 1.04% by Quarter 4, demonstrating positive movement across the year, although performance remained slightly above the 0.99% year-end target. The total number of voids at the end of the quarter reduced from 17 in Quarter 1 to 9 in Quarter 4, and long-term voids reduced from 3 to 1, evidencing stronger control of void stock by year end.

At the start of the year, we had several historic, complex, and support-constrained voids that had previously been assessed as not representing value for money to repair but were reconsidered following changes in circumstances. A key focus during the year was therefore to bring these homes back into use. However, the work required to resolve these long-term voids significantly affected overall general needs void turnaround performance, which averaged 129 days against a year-end target of 29 days. By year end, we were in a much stronger position, with only one long-term void remaining and a firmer platform for delivering consistently good void performance in future.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

REPORT OF THE BOARD - Value for Money (cont.)

Resilience through OD &HR development	2027 Target	2026 Actual	2026 Target	2025 Actual	2024 Actual	2023 Actual
Investors in People Accreditation	Standard	Standard	Standard	Standard	Standard	year extension
Sickness per FTE (days)	5.5	4.8	5.5	7.8	4.3	8.5

Following the outcome of the IIP inspection in February 2026 and the continued Standard award, a session has taken place with colleagues to explore themes and issues raised in the report. The outcome is the development of the People Plan which is essentially a plan to address issues raised by IIP and colleagues through the Champions Group allowing us to move forward with our people agenda and make positive changes to improve the experiences of colleagues. We have reviewed the Performance and Development Review which will identify individual development needs, ensuring that each colleague has a personal development plan in place after the appraisal. To complement this, we have reviewed and developed the one to one and team meeting templates, to ensure a person-centred approach is taken with a focus on wellbeing. The reduction in sickness reflected reduced long-term sickness and more focus on return to work.

Employment Services	2027 Target	2026 Actual	2026 Target	2025 Actual	2024 Actual	2023 Actual
No. people supported into employment	112	103 (11)	102	93 (7)	178 (11)	198 (11)
No. people given training	335	396 (54)	305	278 (32)	274 (19)	256 (21)
No. people helped into volunteering positions	12	11 (1)	10	10 (0)	22 (3)	15 (4)

() = number of Unity HA tenants

The Employment Services team has had particularly good year, and we are proud to have achieved our employment service targets which is thanks to the team members who have been instrumental in our achievement. One of the year's aims was to also improve engagement with Unity housing tenants, and this has been improved by Employment Services jointly collaborating with colleagues in Housing Services. Undertaking tenancy health checks this has enabled the team to obtain a greater insight and understanding from tenants, in seeking to meet their needs. We recognise there is still much more to do and therefore the team will continue to work closely with colleagues to build on this tenancy health check pilot. By understanding their barriers and needs, we can more effectively assist our tenants and clients in transitioning into work or training, ensuring they are job ready.



Whilst we recognise there are increasingly more hurdles ahead within the employment sector as a team, we are committed towards meeting and overcoming these by improving our reach and further raising our profile locally and regionally. Looking ahead we have to be more flexible and adaptable to our client needs within a fluctuating employment market and growing pressure to cut welfare benefit, particularly in supporting job seekers who are long-term economically inactive and furthest from the job market. Among other things we are working with business and community partners to streamline training and employability courses with the NHS and Leeds City Council.

In the upcoming year, we will increase our focus on tenant engagement and community outreach. This includes launching the Unity podcast series and piloting an inner-city jobs fair. Additionally, we will strengthen our collaboration with local organisations and our housing services teams to provide a holistic support package. The Social Value generated by the team during 2025-26 was **£1,668,528**.

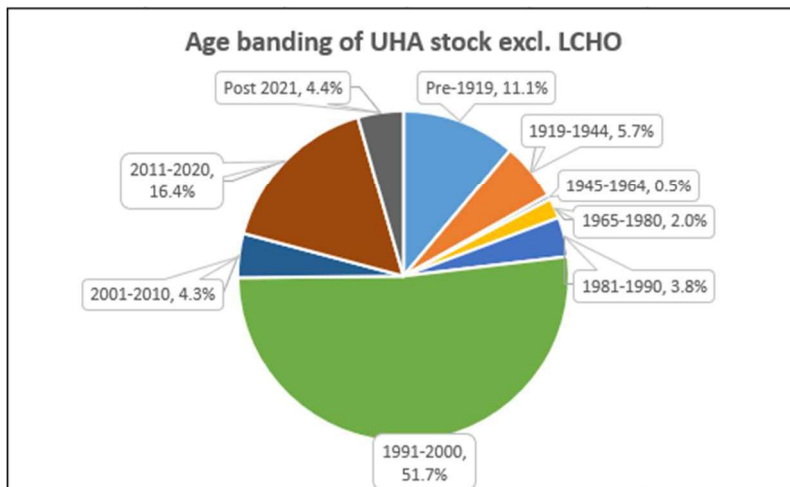
REPORT OF THE BOARD - Value for Money (cont.)

Return on Assets/ Knowing our assets

Age of stock

A detailed analysis of the Association's stock age profile is illustrated in the accompanying chart.

This assessment is essential for forecasting future repair requirements and is closely linked with our stock condition analysis, offering insight into why our repair costs may differ from those of similar organisations. For any vacant properties requiring significant investment, we carry out a thorough options appraisal to determine whether it is more prudent to invest in the property or consider its disposal.



Subsidiary assets:

Business units are Unity Enterprise's main assets, and these are spread across four centres. Although they are well maintained the main challenge they faced was to meet government EPC standards for commercial buildings. In 2021 the government had proposed to raise minimum energy efficiency standards for rented properties as part of the UK's net zero goals. These would have required non-domestic properties to reach an EPC rating of C by 2027 and B by 2030. Although these proposals were scrapped in September 2023, it remains illegal for commercial landlords to let properties rated below E since April 2023. Having reported last year that all were at a D or above, the focus during the year was to achieve a level C as additional assurance in case the legislation changes. At the end of 2025-26, all had achieved a C rating.

Performance against other VFM targets.

Summary of 2025-26 performance under current strategy.

Overall, performance against the ambitious 2025/26 VFM Plan was only satisfactory. Several important actions were successfully delivered, particularly in relation to staff productivity, income generation, contract procurement, resident scrutiny and the use of customer profiling data. However, delivery in some operational and strategic areas was affected by external dependencies, capacity pressures, leadership changes and the organisational focus required in response to the Regulator of Social Housing inspection.

Of the 28 VFM actions, 16 were completed (57%), 3 made substantial progress (11%) but were not fully achieved, and 9 (32%) were not achieved and made relatively little progress. The strongest performance was in maximising income, contract procurement, tenant scrutiny and selected staff productivity actions. The weakest performance was in responsive repairs and the more strategic elements of asset management, where several actions were deferred into 2026/27.

Key Achievements

- Staff productivity improvements were delivered in a number of areas, including replacing multiple spreadsheets with online forms, completing 353 tenancy health checks against a target of 350, and reviewing the Skills Matrix as part of the PDP process.
- Audit follow-up improved significantly, with 33 of 35 recommendations implemented by year end and agreed extensions in place for the remaining actions.
- Income and commercial performance was strong. Commercial rent review recommendations were implemented, Voicescape was fully operational, development fee income exceeded target at £162k against a £130k target, and at least £100k of external funding was secured.

REPORT OF THE BOARD - Value for Money (cont.)

- Value for money was demonstrated through procurement activity, including re-tendering the estate cleaning and grounds maintenance contracts and re-procuring the asbestos and Legionella contracts.
- Resident scrutiny was strengthened, with active Scrutiny Panel membership increasing from five to twelve, alongside VFM communications in the tenant newsletter.
- Use of customer profiling data improved, with evidence of services being tailored to customer groups, including estate action days and targeted employment support.
- Energy performance progress was made within Unity Enterprise, with the main business centres now achieving EPC C or above.

Areas Not Achieved or Delayed

- The most significant shortfalls were in responsive repairs and strategic asset management. Planned improvements to the Recharge Policy, reduction of repeat repair costs, batching of low-level repairs, reduction in repair-related customer calls, and reduction in job variations were not achieved. These actions were affected by the departure of senior staff, sickness absence, high levels of temporary staff in some teams, contractor mobilisation pressures and the organisational demands arising from the RSH inspection.
- In asset management, progress was slower than planned because key enabling data and systems were not yet in place. Actions relating to stock condition, asset performance analysis, whole life costing, poorly performing assets and the development of a systematic asset management plan have therefore been deferred into 2026/27. Similarly, the first year of Wave 3 thermal efficiency works could not proceed to plan because the funding agreement had not been issued in time by the external funding body.
- There were also a small number of actions where substantial progress was made but the full outcome could not yet be confirmed. Estate Improvement Plans were implemented but the satisfaction outcome was still awaiting survey data, and bids for external funding exceeded the target value submitted but did not fully meet the ambition set for the year.

Proposed actions for 2026-27

The plan sets out a focused programme of improvement activity designed to strengthen economy, efficiency and effectiveness across Unity's operations while supporting delivery of corporate priorities, regulatory expectations and improved outcomes for tenants.

The proposed actions are practical, measurable and aligned to current operational priorities, which are productivity, improvements to the repairs service and process for effective asset management, maximising income generation, taking advantage of procurement opportunities, making systems improvement and the better use of customer data.

Given the challenge we have had from the Regulator of Social Housing about capacity we have taken extra measures to ensure as far as possible that this plan can be delivered within current resources. It has been signed off by the relevant managers and directors.

The plan is intended to ensure that VFM is delivered through day-to-day operational improvement rather than treated as a standalone exercise. It supports Unity's wider strategic objectives.

Overview of the 2026/27 VFM Action Plan

While the action plan contains fewer objectives compared to previous years (18 actions in total), they are a broad, but coherent set of initiatives aimed at securing better value from existing resources, reducing avoidable cost, improving service quality and maximising the impact of investment.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD - Value for Money (cont.)**

The actions are grouped around a number of core themes. These include improving staff productivity and targeting resources more effectively; reducing inefficiency and rework within repairs and housing management; maximising external income and recovering costs where appropriate; improving procurement and contract value; embedding better systems and management information; and making more effective use of tenant and property data to tailor services and inform decision-making.

Examples of the proposed activity include piloting virtual tenancy health checks for lower-support-need tenants; using the Skills Matrix to better target training spend; implementing estate improvement plans where satisfaction is lowest; quickly implementing the recommendations for improvements that are expected to arise from the repairs and voids expenditure audit; piloting planned approaches to low-level repairs; reducing repeat customer contacts and unnecessary variations on repairs orders; completing retrofit activity supported by grant funding; progressing the TLA on-leasing project; increasing external funding secured; reviewing recharge arrangements; re-tendering key compliance-related contracts; implementing improvements to asset management and finance systems; and using customer data more systematically to tailor services to different groups.

Expected VFM Benefits

Taken together, the plan is expected to improve value for money in several ways. It should help reduce avoidable expenditure by addressing inefficiencies, duplication, poor diagnosis, repeat contacts and rework. It should strengthen the return achieved from existing budgets and systems by improving data quality, decision-making and accountability. It is also intended to improve service outcomes for tenants by targeting effort where need, dissatisfaction or risk is greatest.

In some cases, the plan is also expected to generate additional income or protect existing resources, for example through external funding, recharge recovery and better use of assets and security. Importantly, many of the actions are designed to improve both cost-effectiveness and service quality, rather than trading one off against the other. The plan supports delivery of Unity's corporate plan by focusing on better services, stronger stewardship of resources, improved regulatory assurance and, where possible, enhanced financial resilience. It is also consistent with the Board's role in ensuring that economy, efficiency and effectiveness are embedded across the organisation and evidenced appropriately.

The Group views this as a comprehensive assessment of its commitment to the Value for Money regulatory standard, having demonstrated:

- Strategic objectives that are clearly defined and communicated
- A board-led approach to Value for Money, outlining how these objectives will be achieved and transparently demonstrating outcomes to stakeholders
- Specific goals to protect and grow the business, supporting the delivery of homes that address a broad spectrum of needs
- Plans to maximise the benefits from resources and assets, ensuring economy, efficiency, and effectiveness in achieving objectives
- Rigorous decision-making processes and thorough evaluation of potential options for performance improvement
- Board-level consideration of opportunities for Value for Money enhancements and alternative delivery models
- An organisation-wide focus on Value for Money, including assessment of returns and risks in non-social housing activities
- Clear targets to monitor performance against strategic Value for Money objectives, with regular tracking and reporting
- Transparent reporting of the Group's performance against both internal Value for Money targets and regulator benchmarks, including peer comparisons
- Action plans to address any identified areas of underperformance

REPORT OF THE BOARD (cont.)

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 which are reported to the board and Committee, and the board regularly reviews its risk appetite. The Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- **Control environment and internal controls**

The mechanisms for identifying and managing the Group's key risks are deeply embedded in its internal control framework. These procedures—reviewed annually and updated as needed—encompass strategic planning, the recruitment of Executive Directors and senior leaders, ongoing performance monitoring, oversight of development activities, and the establishment of standards and targets relating to health and safety, data protection, fraud prevention and detection, and environmental performance.

- **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 Fraud Register is maintained and is reviewed by the Audit and Risk Management Committee.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD (cont.)**

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.

Risks and uncertaintiesRisk 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.

The Group's Risk Management Strategy outlines the framework for managing risk, clearly defining individual responsibilities, reporting mechanisms, and the methodology for evaluating and scoring risks. Embedded within this strategy is the Risk Appetite Statement, which guides the Board's approach to taking and mitigating risks. Throughout the year, the Board reviews and updates this statement, and has recently chosen to lower its tolerance for staff and development-related risks. This adjustment reflects both the challenges posed by limited key personnel in a smaller organisation and the demanding nature of recent development projects, prompting a more cautious stance towards future ventures that may strain available resources. The Risk Register further distinguishes whether each identified risk pertains to the Group as a whole or to specific entities within it.

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 stress testing of the business plan takes place after mapping the stress tests to the risks, with multivariate and one- off 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 associated with current and planned activities of the Group. 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
- Cost of living impact for housing and business tenants

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

REPORT OF THE BOARD (cont.)

Risks and uncertainties

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
Plane Street development risk that Building costs increase to the extent that scheme become unviable and cannot be completed within the agreed budget increasing the potential for contractors to go bust and grants to inaccessible due to delays with completion	Liaison with Homes England and WYCA, Robust procurement processes and procedures, regular and robust contractor monitoring and site meetings, use of consultants where required: quality control and audit processes.
Risk of service impact from the procurement of a new main maintenance contractor. Risk of reduced levels of service, increased costs and a lack of VFM resulting from contractors not being in contract with Unity.	Contract management via regular meetings to include any customer feedback on dissatisfaction with service standards, Sample of post inspections Options to utilise smaller local contractors for service delivery Use of procurement frameworks drawdown options to expedite new contracts
Risk of non-compliance with Awaab's Law – including damp and mould /HHSRS in properties causing greater potential for disrepair claims or legal claims and resulting reputational damage or regulatory judgement downgrade and fines.	Damp and mould assessment through Stock Condition Survey, Tracking of damp and mould cases through C365, Disrepair tracker in Property Services, Awareness training HHSRS trackers also in place to allow monitoring and reporting on cases
Risk that the data integrity is compromised by inaccurate or missing data resulting in incorrect decision making	C365 for Health and Safety recording, Insight reporting system directly from main housing database, Stock condition data from third party or internal surveys externally sampled Business Plan stress tested by third party
People risk from a)absence, wellbeing, burnout b) inability to recruit and maintain staff skills resulting in poor performance, and lack of succession planning/ talent management c) inappropriate conduct contributing to a poor culture including, staff misconduct, lack of compliance to organisation policy and procedures, poor service delivery	Staff appraisal including Skills matrix/ PDP to identify training and development needs and to address behavioural issues, Flexible working arrangements – work/ life balance, Undertaking staff surveys to determine feedback Robust recruitment process, Staff undertaking training via remote access as well as in person Code of conduct, Policies and procedures to control quality of service delivery
Safeguarding policies, procedures and knowledge are not sufficiently embedded across the organisation resulting in potential incidents not being noticed or reported.	Policies in line with Leeds City Council, Training of staff, CQC report on Care Home reported to Audit & Risk Management Committee, Reporting systems in place – flags on the housing databased, software on mobiles Unity signed up to the CIH pledge against Domestic Violence.
UE only -Economic and political uncertainty may impact on the UK economy, resulting in lower demand for units and a loss of tenants.	Regular and robust review of business plan and budget monitoring, Constant reviewing of voids and leavers questionnaires, Regular tenant surveys and regular communications with existing tenants, links with local support networks for new businesses, active marketing of UE units
Key person risk (UE) resulting in loss of knowledge of the business centre operations and activity resulting in difficulty sustaining the business centres	Monthly management accounts review including detailed rent plan with Finance Manager. Business continuity plan for UPS, All Internal Audit scopes include consideration of key person risk

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***REPORT OF THE BOARD (cont.)****Going concern**

The Group has assessed its going concern period as being the 12 months ending 30 September 2027. 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 £1m additional loans were drawn. At the 31 March 2026 £14million of secured facilities were available to draw upon.

The Group 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 2026, before approving the 30-year business plan in June 2026. Due to the delays in development activity, the revolving credit facility loan was restated in November 2024 allowing a longer period to November 2029 to drawdown the unutilised funds. At the same time an additional £5m was secured to allow for the potential of future development in addition to existing stock investment.

The Group has conducted a series of stress test scenarios to evaluate the resilience of its business plan. These included potential changes to pension schemes, risks of GDPR breaches, rising development costs, and economic uncertainty stemming from the conflicts in Ukraine and the Middle East.

The review also considered the possible effects of renewed austerity measures or shifts under a new Government, as well as the financial implications of increasing costs during periods of rent caps or a potential rent freeze. Among these, the most significant impact would result from rent-related stress tests, which, while requiring financial mitigations over the 30-year business plan, do not affect the Group's going concern position within the immediate term.

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. The Group has a net current liabilities position as at 31 March 2026, 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.

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 following the changes national insurance and minimum wage rates in April and there are signs of more challenging circumstances ahead since the additional minimum wage changes in April 2026. That said Void loss was a lot lower than budgeted and vacancies as they arose have been filled during the year.

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.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

REPORT OF THE BOARD (cont.)

Annual general meeting

The annual general meeting will be held on 23 September 2026

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***STATEMENT OF RESPONSIBILITIES OF THE BOARD**

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

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

- i. select suitable accounting policies and then apply them consistently;
- ii. make judgements and estimates that are reasonable and prudent;
- iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv. prepare the financial statements on the 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 association and to 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 in England (2022). It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the 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.

Statement of compliance

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

External Auditors

The auditor, Carston ETL is willing to continue in office. A resolution to reappoint Carston ETL 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 8 September 2026 and signed on its behalf by:


Board Member

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***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 association') and its subsidiaries (the 'group') for the year ended 31 March 2026, 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 association's affairs as at 31 March 2026 and of the group's and the parent association'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 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 group and parent association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group 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 2026***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION (cont.)****Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board is responsible for the other information. 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.

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 course of 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:

- the group and the parent association have not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the group and the parent association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the board

As explained more fully in the Statement of Board's Responsibilities set out on page 29, 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 and parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the group or parent association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION
(cont.)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

- We obtained an understanding of the legal and regulatory frameworks 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 2022), 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:
 - 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.

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY HOUSING ASSOCIATION
(cont.)**

- 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

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

Carston ETL

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

18/09/2026

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover			
Operating income	3	10,058	9,739
Operating costs	3	(8,045)	(7,718)
Operating surplus		<u>2,013</u>	<u>2,021</u>
Interest receivable	7	43	40
Interest and financing costs	8	(943)	(940)
Surplus on ordinary activities before taxation		<u>1,113</u>	<u>1,121</u>
Tax on surplus on ordinary activities	9	-	-
Surplus for the year		<u>1,113</u>	<u>1,121</u>
Actuarial gain in respect of pension scheme	11	9	62
Total comprehensive income for the year		<u>1,122</u>	<u>1,183</u>

The accompanying notes on pages 40 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.

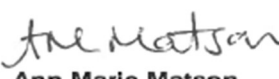
The financial statements were approved by the Board on 8 September 2026 and signed on its behalf by;



Board Member



Board Member



Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover			
Operating income	3	9,212	8,882
Operating costs	3	(7,261)	(6,920)
Operating surplus		<u>1,951</u>	<u>1,962</u>
Interest receivable	7	51	56
Interest and financing costs	8	(922)	(917)
Surplus on ordinary activities before taxation		<u>1,080</u>	<u>1,101</u>
Tax on surplus on ordinary activities	9	-	-
Surplus for the year		<u>1,080</u>	<u>1,101</u>
Actuarial gain in respect of pension scheme	11	9	62
Total comprehensive income for the year		<u>1,089</u>	<u>1,163</u>

The accompanying notes on pages 40 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 8 September 2026 and signed on its behalf by;


Board Member


Board Member


Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2026

	Income and expenditure reserve	Total
	£'000	£'000
Balance as at 1 April 2024	21,622	21,622
Total comprehensive income for the year	1,183	1,183
Balance at 31 March 2025	<u>22,805</u>	<u>22,805</u>
Total comprehensive income for the year	1,122	1,122
Balance at 31 March 2026	<u><u>23,927</u></u>	<u><u>23,927</u></u>

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2026

	Income and expenditure reserve	Total
	£'000	£'000
Balance as at 1 April 2024	21,523	21,523
Total comprehensive income for the year	1,163	1,163
Balance at 31 March 2025	<u>22,686</u>	<u>22,686</u>
Total comprehensive income for the year	1,089	1,089
Balance at 31 March 2026	<u><u>23,775</u></u>	<u><u>23,775</u></u>

The accompanying notes on pages 40 to 70 form part of the financial statements.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Housing properties	13	77,054	75,502
Non-housing freehold properties	14	3,784	3,982
Other tangible fixed assets	14	180	192
Fixed asset investment	15	390	840
		<u>81,408</u>	<u>80,516</u>
Current assets			
Debtors due within one year	17	584	582
Cash at bank and in hand		988	1,346
		<u>1,572</u>	<u>1,928</u>
Creditors: Amounts falling due within one year	19	(4,300)	(3,901)
Net current liabilities		<u>(2,728)</u>	<u>(1,973)</u>
Total assets less current liabilities		<u>78,680</u>	<u>78,543</u>
Creditors: Amounts falling due after more than one year	20	(54,155)	(54,905)
Defined Benefit Pension liability	11	(598)	(833)
Net assets		<u>23,927</u>	<u>22,805</u>
Reserves			
Non-equity share capital	23	-	-
Income and expenditure reserve		23,927	22,805
Total reserves		<u>23,927</u>	<u>22,805</u>

The accompanying notes on pages 40 to 70 form part of the financial statements.

The financial statements were approved by the Board on 8 September 2026 and signed on its behalf by;


Board Member


Board Member


Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

ASSOCIATION STATEMENT OF FINANCIAL POSITION

At 31 March 2026

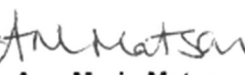
	Note	2026 £'000	2025 £'000
Fixed assets			
Housing properties	13	77,550	75,957
Non-housing freehold properties	14	529	549
Other tangible fixed assets	14	35	52
Fixed asset investment	15	390	840
Investment in subsidiaries	16	-	-
Long term debtors	18	59	121
		<u>78,563</u>	<u>77,519</u>
Current assets			
Debtors due within one year	17	634	592
Cash at bank and in hand		859	1,286
		<u>1,493</u>	<u>1,878</u>
Creditors: Amounts falling due within one year	19	(3,874)	(3,498)
Net current liabilities		<u>(2,381)</u>	<u>(1,620)</u>
Total assets less current liabilities		<u>76,182</u>	<u>75,899</u>
Creditors: Amounts falling due after more than one year	20	(51,809)	(52,380)
Defined Benefit Pension liability	11	(598)	(833)
Net assets		<u>23,775</u>	<u>22,686</u>
Reserves			
Non-equity share capital	23		
Income and expenditure reserve		23,775	22,686
Total reserves		<u>23,775</u>	<u>22,686</u>

The accompanying notes on pages 40 to 70 form part of these financial statements.

The financial statements were approved by the Board on 8 September 2026 and signed on its behalf by:


Board Member


Board Member


Ann Marie Matson
Secretary

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	26	3,010	2,616
Cash flow from investing activities			
Purchase, construction and improvement of housing properties		(2,850)	(3,519)
Other fixed asset additions		(61)	(107)
Social housing grant – received		-	25
Fixed asset investment		-	-
Proceeds from disposal of Right to Acquire/ Shared Ownership properties		580	185
Interest received		43	40
Net cash (outflow) from investing activities		<u>(2,288)</u>	<u>(3,376)</u>
Cash flow from financing activities			
Interest paid		(1,035)	(1,080)
Loan drawdowns		1,000	3,500
Bond premium drawdown		-	-
Housing loans repaid		(1,045)	(1,032)
Loan issue costs		-	(159)
Net cash inflow / (outflow) from financing activities		<u>(1,080)</u>	<u>1,229</u>
 Net change in cash and cash equivalents		 (358)	 469
Cash and cash equivalents at the beginning of the year		1,346	877
Cash and cash equivalents at the end of the year		<u><u>988</u></u>	<u><u>1,346</u></u>

The accompanying notes on pages 40 to 70 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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 being the 12 months ending 30 September 2027. 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 2026, the Group had net current liabilities of £2,728k (2025: net current liabilities of £1,973k) after making a comprehensive income of £1,122k (2025: surplus £1,183K) in the year then ended. However, the overall Net asset position was £23,927k (2025 - £22,805k).

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025

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
Roofs	50 years
Loft Insulation	40 years
Windows	40 years
Bathrooms, Central Heating & Electrical Systems	30 years
Kitchens	25 years
Solar Panels	25 years
Doors	20 years
Boiler, Electric & Gas Fires	15 years
Adapted Toilet	12 years
Ventilation	10 years

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

2 Accounting policies (continued)

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%
Computer equipment	35%
Mobile telephones	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.

Sinking fund

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

2 Accounting policies (continued)

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 2026 is £195k Group and £190k Association (2025: £249k Group and £247k Association). See note 17.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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

GROUP – continuing activities

	Turnover	<u>2026</u> Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,944	(7,442)	1,502
Letting of workspace units	901	(769)	132
Administrative expenses	-	(15)	(15)
Other social housing activities			
Other Income	45	-	45
Management services	-	-	-
Community Regeneration	1	(78)	(77)
Development	167	(112)	55
Gain on disposal of housing properties and other fixed assets	-	371	371
	<u>10,058</u>	<u>(8,045)</u>	<u>2,013</u>
	Turnover	<u>2025</u> Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,649	(6,663)	1,986
Letting of workspace units	895	(782)	113
Administrative expenses	-	(15)	(15)
Other Income	38	-	38
Management services	-	-	-
Community Regeneration	6	(105)	(99)
Development	151	(212)	(61)
Gain on disposal of housing properties and other fixed assets	-	59	59
	<u>9,739</u>	<u>(7,718)</u>	<u>2,021</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

3 Turnover, cost of sales, operating costs and operating surplus (continued)

ASSOCIATION – continuing activities

	Turnover	<u>2026</u> Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,944	(7,442)	1,502
Other social housing activities			
Other Income	45	-	45
Management services	55	-	55
Community Regeneration	1	(78)	(77)
Development	167	(112)	55
Gain on disposal of housing properties and other fixed assets	-	371	371
	9,212	(7,261)	1,951
Activities other than social housing			
Gift aid	-	-	-
	9,212	(7,261)	1,951

		<u>2025</u>	
	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing activities			
Income & expenditure from lettings	8,649	(6,663)	1,986
Other social housing activities			
Other Income	38	-	38
Management services	38	-	38
Community Regeneration	6	(105)	(99)
Development	151	(212)	(61)
Gain on disposal of housing properties and other fixed assets	-	60	60
	8,882	(6,920)	1,962
Activities other than social housing			
Gift aid	-	-	-
	8,882	(6,920)	1,962

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**3 Turnover, cost of sales, operating costs and operating surplus (continued)****Particulars of income and expenditure from social housing lettings****GROUP**

	2026			2025
	General needs housing	Supported Housing	Low cost home ownership	Total
	£'000	£'000	£'000	£'000
Income from social housing				
Rent receivable, net of identifiable service charges & voids	7,684	86	53	7,823
Service charges receivable net of voids	584	12	29	625
Amortisation of grant	496	-	-	496
Revenue grant	-	-	-	-
Total income from social housing	8,764	98	82	8,944
Expenditure on social housing				
Services	(495)	(9)	(18)	(522)
Management	(3,115)	-	-	(3,115)
Routine maintenance	(1,649)	(55)	-	(1,704)
Planned maintenance & Property Improvements	(228)	(8)	-	(236)
Major repairs	(263)	-	-	(263)
Changes in bad debt provision and bad debt expense	15	-	-	15
Depreciation of housing properties	(1,572)	-	-	(1,572)
Depreciation of other fixed assets	(45)	-	-	(45)
Operating costs on social housing lettings	(7,352)	(72)	(18)	(7,442)
Operating surplus on social housing lettings	1,412	26	64	1,502
Void losses	86	-	-	86

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**3 Turnover, cost of sales, operating costs and operating surplus (continued)****Particulars of income and expenditure from social housing lettings****ASSOCIATION**

	2026				2025
	General needs housing £'000	Supported Housing £'000	Low cost home ownership £'000	Total £'000	Total £'000
Income from social housing					
Rent receivable, net of identifiable service charges & voids	7,684	86	53	7,823	7,640
Service charges receivable net of voids	584	12	29	625	513
Amortisation of grant	496	-	-	496	496
	-	-	-	-	-
Total income from social housing	8,764	98	82	8,944	8,649
Expenditure on social housing					
Services	(495)	(9)	(18)	(522)	(538)
Management	(3,115)	-	-	(3,115)	(2,748)
Routine maintenance	(1,649)	(55)	-	(1,704)	(1,427)
Planned maintenance & Property Improvements	(228)	(8)	-	(236)	(218)
Major repairs	(263)	-	-	(263)	(103)
Changes in bad debt provision and bad debt expense	15	-	-	15	(36)
Depreciation of housing properties	(1,572)	-	-	(1,572)	(1,547)
Depreciation of other fixed assets	(45)	-	-	(45)	(46)
Operating costs on social housing lettings	(7,352)	(72)	(18)	(7,442)	(6,663)
Operating surplus on social housing lettings	1,412	26	64	1,502	1,986
Void losses	86	-	-	86	47

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**4 Accommodation in management– Group and Association**

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

	2026 No.	2025 No.
Social housing		
General needs housing:		
Social rent	1,156	1,156
Affordable rent	144	143
Housing for Older People	-	-
Low cost home ownership	56	59
Total owned and managed	<u>1,356</u>	<u>1,358</u>
Managed by others:		
Care Home	5	5
Agency managed supported	24	24
Total owned and managed by others	<u>29</u>	<u>29</u>
Total owned Social Housing	<u>1,385</u>	<u>1,387</u>
Not owned but managed for others	9	6
Total social housing units owned and managed for others	<u>1,394</u>	<u>1,393</u>
Leasehold units (owned 6 (2025: 6), managed 4 (2025:4))	10	10

5 Operating surplus

This is arrived at after charging:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Depreciation of housing properties	1,519	1,448	1,519	1,448
Loss on disposal of components	53	99	53	99
Depreciation of other tangible fixed assets	270	268	45	46
Surplus on disposal of property and other tangible fixed assets	371	59	371	60
Auditors' remuneration - Association	47	45	47	45
Auditors' remuneration – Subsidiary entities	26	24	-	-
Auditors' remuneration – non-audit fees (tax compliance)	-	-	-	-

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

6 Surplus on sale of fixed assets – housing properties & other

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Disposal proceeds	580	185	580	185
Carrying value of fixed assets	(90)	(97)	(90)	(96)
Capital grant recycled (note 25)	(119)	(29)	(119)	(29)
	<u>371</u>	<u>59</u>	<u>371</u>	<u>60</u>

7 Interest receivable and other income

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Interest receivable and similar income	43	40	51	56

8 Interest payable and similar charges

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Interest on loans and overdraft facilities	(900)	(887)	(879)	(864)
Pension interest	(41)	(51)	(41)	(51)
RCGF Interest	(2)	(2)	(2)	(2)
	<u>(943)</u>	<u>(940)</u>	<u>(922)</u>	<u>(917)</u>

9 Tax

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'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	1,113	1,121	1,080	1,101
Adjustment in respect of charitable activities	(1,113)	(1,121)	(1,080)	(1,101)
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 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**10 Employees**

	Group		Association	
	2026	2025	2026	2025
	No.	No.	No.	No.
Average monthly number of employees				
Administration	13	13	10	10
Development	4	5	4	5
Housing management & maintenance	22	22	21	21
	<u>39</u>	<u>40</u>	<u>35</u>	<u>36</u>
	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Staff costs				
Wages and salaries	1,898	1,716	1,752	1,584
Social security costs	195	160	178	148
Other pension costs	72	91	65	83
	<u>2,165</u>	<u>1,967</u>	<u>1,995</u>	<u>1,815</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 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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.

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

11 Social Housing Pension Scheme (continued)

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 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. Unity's estimated debt on withdrawal as at 30 September 2025 is £1,540,479.

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

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

	2026 £'000	2025 £'000
Fair value of plan assets	5,435	4,942
Present value of defined benefit obligation	6,033	5,775
Defined benefit (liability) to be recognised	(598)	(833)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Defined benefit obligation at start of period	5,775	6,304
Current service cost	67	55
Expenses	9	7
Interest expense	330	302
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	176	173
Actuarial (gains)/ losses due to changes in demographic assumptions	48	-
Actuarial (gains)/ losses due to changes in financial assumptions	(77)	(714)
Benefits paid and expenses	(295)	(352)
Defined benefit obligation at end of period	6,033	5,775

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026**11 Social Housing Pension Scheme (continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS**

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Fair value of plan assets at start of period	4,942	5,101
Interest income	289	251
Experience on plan assets (excluding amounts included in interest income) – (loss)/ gain	156	(479)
Employer contributions	343	421
Member contributions	-	-
Benefits paid and expenses	(295)	(352)
Fair value of plan assets at end of period	5,435	4,942

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£445,000).

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

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period from 31 March 2025 to 31 March 2026 £'000	Period from 31 March 2024 to 31 March 2025 £'000
Current service cost	67	55
Expenses	9	7
Net interest expense	41	51
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	117	113

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/ gain	156	(479)
Experience gains and losses arising on the plan liabilities – (loss)	(176)	(173)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain /(loss)	(48)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	77	714
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss) /gain	9	62
Total amount recognised in Other Comprehensive income – (loss)/ gain	9	62

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026**11 Social Housing Pension Scheme (continued)****ASSETS**

	31 March 2026 £'000	31 March 2025 £'000
Absolute Return	-	-
Alternative Risk Premia	-	-
Cash	1	67
Credit	216	189
Currency Hedging	-	8
Credit Relative Value	-	-
Distressed Opportunities	-	-
Emerging Markets Debt	-	-
Global Equity	602	554
Infrastructure	-	1
Insurance-Linked Securities	8	15
Investment Grade Credit	320	152
Liability Driven Investment	1,657	1,497
Liquid Alternatives	968	916
Long Lease Property	-	1
Net Current Assets	53	11
Opportunistic Illiquid Credit	-	-
High Yield	-	-
Private Credit	656	605
Private Debt	-	-
Private Equity	12	4
Property	265	248
Real Assets	512	592
Risk Sharing	-	-
Secured Income	165	82
Total assets	5,435	4,942

KEY ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	6.08	5.82
Inflation (RPI)	3.31	3.10
Inflation (CPI)	3.03	2.79
Salary Growth	3.03	2.79
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2026

11 Social Housing Pension Scheme (continued)

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

12 Board members and executive directors

The aggregate emoluments of the Executive Directors amounted to:

	Remuneration £'000	Benefits in kind £'000	Pension contributions £'000	2026 Total £'000	2025 £'000
Chief Executive	105	11	6	122	120
Regeneration & Development Director	78	8	4	90	88
Interim Housing Services Director	38	-	-	38	-
Housing Operations Director	40	4	2	46	84
Resources Director	82	8	5	95	94
				<u>391</u>	<u>386</u>

The emoluments of the highest paid executive officer, the Chief Executive, excluding pension contributions were; £116,000 (2025: £111,000).

12 Board members and executive directors (continued)

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

	2026 £'000	2025 £'000
Board member payments	60	63
Expenses Paid	1	1
	<u>61</u>	<u>64</u>

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**

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

	2026	2025
	£'000	£'000
A Hamied (Chair to March 2025)	-	6.6
N.Parker (Chair)	3.7	-
E Cook	3.4	4.7
C.Denby	0.6	-
S.Finegan	1.8	-
S France	0.6	-
E Green	-	1.7
S.Hall	0.6	-
M Haque	3.5	3.4
J Jeffries	-	1.7
D Leone	4.7	2.4
H Marfoua	3.4	3.4
D Mitchell	3.4	3.4
M Pascal	5.2	3.7
N Qureshi	3.4	3.4
H Rashid	4.0	2.3
A Ravat	-	2.7
S.Robinson	1.8	-
P Taylor	3.7	4.9
J Tracey	0.6	-
	44.4	44.3

Emoluments paid to Unity Property Services Limited Board members were:

R Clarke	2.5	2.4
M Hussain	2.5	2.5
K Iqbal	-	2.0
J Jagger	2.5	2.4
S Jandu (Subsidiary Chair)	4.8	4.7
C Powell	-	1.2
A Shann	2.5	2.4
A Welsh	1.8	2.4
	16.6	20.0

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026****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:

	2026 £'000	2025 £'000
Remuneration	404	392
Benefits in kind	31	33
Employers NIC	48	40
Pension contributions	17	25
	500	490

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 (2025: nil).

Number of staff whose remuneration fell within the following bands as their employee package (excluding employer pension contributions).

	2026 No	2025 No
£60,001 to £70,000	1	-
£70,001 to £80,000	-	-
£80,001 to £90,000	1	3
£90,001 to £100,000	1	-
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

13 Tangible fixed assets – properties

GROUP	Social housing properties held for letting	Completed shared ownership properties	Social housing properties under construction	Total
Cost	£'000	£'000	£'000	£'000
At 1 April 2025	102,564	2,169	1,655	106,388
Retention adjustment	60	-	-	60
Additions	373	-	2,043	2,416
Major works to existing properties	815	-	-	815
Transfers	85	(85)	-	-
Disposal of components	(271)	-	-	(271)
Disposal of properties	(247)	-	-	(247)
At 31 March 2026	103,379	2,084	3,698	109,161
Depreciation				
At 1 April 2025	30,510	376	-	30,886
Transfers	9	(9)	-	-
Charged in Year	1,518	-	-	1,518
Disposals	(297)	-	-	(297)
At 31 March 2026	31,740	367	-	32,107
Net book value				
At 31 March 2026	71,639	1,717	3,698	77,054
At 31 March 2025	72,054	1,793	1,655	75,502
ASSOCIATION	Social housing properties held for letting	Completed shared ownership properties	Social housing properties under construction	Total
Cost	£'000	£'000	£'000	£'000
At 1 April 2025	102,993	2,169	1,681	106,843
Retention adjustment	60	-	-	60
Additions	373	-	2,084	2,457
Major works to existing properties	815	-	-	815
Transfers	85	(85)	-	-
Abortive scheme costs	-	-	-	-
Disposal of components	(271)	-	-	(271)
Disposal of properties	(247)	-	-	(247)
At 31 March 2026	103,808	2,084	3,765	109,657
Depreciation				
At 1 April 2025	30,510	376	-	30,886
Transfers	9	(9)	-	-
Charged in Year	1,518	-	-	1,518
Disposals	(297)	-	-	(297)
At 31 March 2026	31,740	367	-	32,107
Net book value				
At 31 March 2026	72,068	1,717	3,765	77,550
At 31 March 2025	72,483	1,793	1,681	75,957

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

13 Tangible fixed assets – properties (continued)

	Group and Association	
Social Housing Grants	2026	2025
	£'000	£'000
Opening balance 1 April	32,364	32,843
Additions	130	43
Released to income in the year	(496)	(496)
Disposals	(80)	(26)
Closing balance 31 March	<u>31,918</u>	<u>32,364</u>

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

Expenditure on works to existing housing properties:

	Group and Association	
	2026	2025
	£'000	£'000
Amounts capitalised	815	2,344
Amounts charged to income and expenditure account	263	103
Total	<u>1,078</u>	<u>2,447</u>

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

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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 2025	4,330	963	5,293	476	697	1,173
Additions	-	-	-	54	7	61
Disposals	-	-	-	(8)	-	(8)
At 31 March 2026	<u>4,330</u>	<u>963</u>	<u>5,293</u>	<u>522</u>	<u>704</u>	<u>1,226</u>
Depreciation						
At 1 April 2025	897	414	1,311	354	627	981
Charged in year	178	20	198	34	39	73
Disposals	-	-	-	(8)	-	(8)
At 31 March 2026	<u>1,075</u>	<u>434</u>	<u>1,509</u>	<u>380</u>	<u>666</u>	<u>1,046</u>
Net book value						
At 31 March 2026	<u>3,255</u>	<u>529</u>	<u>3,784</u>	<u>142</u>	<u>38</u>	<u>180</u>
At 31 March 2025	<u>3,433</u>	<u>549</u>	<u>3,982</u>	<u>122</u>	<u>70</u>	<u>192</u>

ASSOCIATION					
	Freehold offices £'000	Total Non housing £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total Other fixed assets £'000
Cost					
At 1 April 2025	963	963	177	582	759
Additions	-	-	2	5	7
Disposals	-	-	-	-	-
At 31 March 2026	<u>963</u>	<u>963</u>	<u>179</u>	<u>587</u>	<u>766</u>
Depreciation					
At 1 April 2025	414	414	173	534	707
Charged in year	20	20	-	24	24
Disposals	-	-	-	-	-
At 31 March 2026	<u>434</u>	<u>434</u>	<u>173</u>	<u>558</u>	<u>731</u>
Net book value					
At 31 March 2026	<u>529</u>	<u>529</u>	<u>6</u>	<u>29</u>	<u>35</u>
At 31 March 2025	<u>549</u>	<u>549</u>	<u>4</u>	<u>48</u>	<u>52</u>

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**15 Fixed asset investment**

	Group and Association	
	2026	2025
	£'000	£'000
THFC ISRF restricted access account	390	840
THFC designated sinking fund account	<u>-</u>	<u>-</u>
Total	<u>390</u>	<u>840</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.

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

	2026	2025
	£	£
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 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

17 Debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Due within one year				
Arrears of rent and service charges	400	471	383	459
Less: Provision for bad debts	(195)	(249)	(190)	(247)
	<u>205</u>	<u>222</u>	<u>193</u>	<u>212</u>
Prepayments & accrued income	274	276	259	253
Grants receivable	39	-	39	-
Other debtors	65	82	65	82
Other taxation & social security	1	2	-	-
Amounts due from subsidiaries	-	-	78	45
	<u>584</u>	<u>582</u>	<u>634</u>	<u>592</u>

Of the amounts due from subsidiaries £26k (2025: £30k) is interest free and repayable on demand, £52k (2025: £32k) is made up of the amount due within one year £32k of the total loan provided to Unity Property Services Limited the balance due in greater than one year is included in long term debtors and £20k loan due within one year to Unity Development Services.

18 Long term debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Amounts due from subsidiary UPS	-	-	59	91
Amounts due from subsidiary UHDS			-	30
	<u>-</u>	<u>-</u>	<u>59</u>	<u>121</u>

The amount due from Unity Property Services Limited is a loan which carries interest at 2% above base rate and is payable monthly. The amount due from Unity Housing Development Services Limited is a loan which carries interest at 2% above base rate and is payable monthly.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**19 Creditors: amounts falling due within one year**

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Debt (note 22)	1,054	1,042	1,021	1,009
Grant due in one year (note 21)	641	641	496	496
Trade creditors	953	525	474	272
Rent & service charges received in advance	153	162	153	162
Interest accrued on loans	66	52	66	52
Other taxation and social security	57	49	57	49
Accruals and deferred income	1,091	1,132	805	806
THFC premium	191	190	191	190
Other creditors	87	78	87	78
Provisions	7	30	7	30
Amount due to subsidiary	-	-	517	354
	<u>4,300</u>	<u>3,901</u>	<u>3,874</u>	<u>3,498</u>

20 Creditors: amounts falling due after more than one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Debt (note 22)	17,828	17,885	17,444	17,468
Loan issue costs:				
At 1 April	(439)	(325)	(439)	(325)
Additions	(-)	(159)	(-)	(159)
Amortised during the year	60	45	60	45
	<u>17,449</u>	<u>17,446</u>	<u>17,065</u>	<u>17,029</u>
Recycled Capital Grant Fund (note 25)	177	147	177	147
THFC premium	3,145	3,336	3,145	3,336
Deferred grant income	33,385	33,976	31,422	31,868
	<u>54,155</u>	<u>54,905</u>	<u>51,809</u>	<u>52,380</u>

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**21 Deferred grant income**

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	34,617	35,216	32,364	32,843
Grant received in the year	130	68	130	43
Released to income in the year	(641)	(641)	(496)	(496)
Disposals	(80)	(26)	(80)	(26)
As at 31 March	<u>34,026</u>	<u>34,617</u>	<u>31,918</u>	<u>32,364</u>

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Amounts to be released within one year	641	641	496	496
Amounts to be released in more than one year	33,385	33,976	31,422	31,868
	<u>34,026</u>	<u>34,617</u>	<u>31,918</u>	<u>32,364</u>

22 Debt analysis

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Due within one year				
Bank and Building Society loans	1,054	1,042	1,021	1,009

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Due after more than one year				
Bank and Building Society	9,944	9,968	9,944	9,968
Local Authority Loan	384	417	-	-
THFC	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
	<u>17,828</u>	<u>17,885</u>	<u>17,444</u>	<u>17,468</u>

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Debt is repayable				
Within one year	1,054	1,042	1,021	1,009
Between one and two years	890	1,047	857	1,014
Between two and five years	6,940	1,659	6,840	1,560
After five years	9,997	15,179	9,747	14,894
	<u>18,881</u>	<u>18,927</u>	<u>18,465</u>	<u>18,477</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

22 Debt analysis (continued)

	Group and Association	
	2026	2025
	£'000	£'000
Premium on issue -THFC	3,335	3,524

The bank and building society loans are secured by fixed charges on individual properties. The loans are repayable by instalments up until 2043. All loans are classified as basic.

The interest rates on the loans are fixed for terms ranging from three months to 18 years at rates ranging from 4.2% to 5.4%. 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.

At 31st March 2026, the Group had undrawn loan facilities of £14m (2025: £15m).

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	
	2026	2025
	£	£
Shares of £1 each issued and fully paid		
At 1 April	31	36
Joining during the year	4	2
Leaving during the year	(8)	(7)
At 31 March	27	31

24 Financial commitments

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Capital Expenditure contracted for but not provided in accounts	5,156	7,182	5,156	7,182
Capital Expenditure authorised but not contracted for	-	-	-	-
	5,156	7,182	5,156	7,182

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 2026***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026****25 Recycled Capital Grant Fund**

	Group and Association	
	2026	2025
	£'000	£'000
At 1 April	147	159
Net sales proceeds recycled	119	29
Interest Accrued	2	2
Withdrawals	(91)	(43)
	<u>177</u>	<u>147</u>

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

	2026	2025
	£'000	£'000
Surplus for the year	1,113	1,121
Depreciation of housing properties	1,519	1,448
Accelerated depreciation of components	53	99
Depreciation of other fixed assets	271	268
Grant Amortisation	(641)	(641)
Loan issue costs amortised	60	45
Surplus on sale of tangible assets	(371)	(59)
Interest receivable	(43)	(40)
Interest payable	1,092	1,056
Pension costs less contributions payable	(276)	(421)
Amortisation of the THFC premium	(191)	(191)
(Increase)/ Decrease in debtors	53	(181)
(Decrease) in creditors	371	112
Net cash inflow from operating activities	<u>3,010</u>	<u>2,616</u>

UNITY HOUSING ASSOCIATION LIMITED
Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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 photocopies and bathroom supplies.

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

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
In one year	9	13	8	11
Between one and five years	-	9	-	9
	<u>9</u>	<u>22</u>	<u>8</u>	<u>20</u>
	<u><u>9</u></u>	<u><u>22</u></u>	<u><u>8</u></u>	<u><u>20</u></u>

28 Categories of financial assets and financial liabilities

	2026	2025
	£'000	£'000
Financial assets that are debit instruments measured at amortised cost	1,436	1,650
Financial liabilities measured at amortised cost	21,078	20,716

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:

	2026	2025
	£'000	£'000
Fixed rate	13,916	7,950
Floating rate	4,965	10,977
Total borrowings	<u>18,881</u>	<u>18,927</u>
	<u><u>18,881</u></u>	<u><u>18,927</u></u>

Borrowing facilities

As at 31 March 2026 the group had undrawn loan facilities of £14.0m.

UNITY HOUSING ASSOCIATION LIMITED

Year ended 31 March 2026

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026**29 Related parties**

During the year, the Association charged Unity Property Services Limited £49k (2025: £34k) and Unity Housing Development Services Limited £6k (2025: £3k) 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 and also for a part time receptionist.

At 31 March 2026 there was a loan of £91k due from Unity Property Services Limited (2025: £123k). The total amount of the loan is to be repaid by 31 March 2029. The loan carries interest at 2 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 2026 there was a loan of £20k due from Unity Housing Development Services Limited (2025: £30k). The loan was required to support Unity Housing Development Services Limited through a period of delayed development activity. The loan carries interest at 2 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 £27k (2025: £12k) and from Unity Housing Development Services Limited is £nil (2025: £nil).

During the year Unity Housing Development Services charged Unity Housing Association £2,099k (2025: £1,196k) for design and build services. At 31 March 2026 Unity Housing Association owed Unity Housing Development Services £517k (2025: £354k), £423k new development and £94k towards ongoing retentions.

The amount due from Unity Housing Development Services Limited as at 31 March 2026 in respect of gift aid was £nil (2025: £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 2026	Rent charged weekly	Balance as at 31 March 2026
	£	£	£	£
Haji Marfoua	118	(747)	118	(747)
Rohan Clarke	112	(103)	112	(103)

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

30 Analysis of changes in net debt

	1 April 2025	Cash Flows	Other Non-cash	31 March 2026
	£'000	£'000	£'000	£'000
Cash	1,346	(358)	-	988
Loans due within one year	(1,042)	(12)	-	(1,054)
Loans due in more than one year	(10,385)	58	-	(10,327)
THFC loan	(7,500)	-	-	(7,500)
Net debt	(17,581)	(312)	-	(17,893)

UNITY HOUSING ASSOCIATION LIMITED*Year ended 31 March 2026***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026****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 Autumn of 2026 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 (2025: nil).

The association is engaged in confidential, informal discussions with a developer regarding potential additional costs on a development project. No formal claim has been made, and the association does not acknowledge any legal or constructive obligation to incur these costs at the reporting date. Because these verbal discussions are highly sensitive and ongoing, management has omitted disclosure of the estimated financial impact. Management believes that disclosing an estimated figure at this stage would seriously prejudice the commercial position of the association during these discussions.