THE ODDFELLOWS SINCE 1810

making friends, helping people

Reports & **Financial Statements 2025**



For the Year Ended

31 December 2025

Purpose


THE ODDFELLOWS
SINCE 1810
making friends, helping people
"We help people to forge lasting friendships, creating communities of members bonded by friendship, care and charitable support. We do this because good friends make the good times better and hard times easier."


THE ODDFELLOWS
SINCE 1810
making friends, helping people
"Our purpose is to help members forge lasting friendships and offer support in times of need through social events, care and charitable support."


UnityMutual
a proud part of the Oddfellows
"To deliver financial peace of mind and security to our members in our chosen product range."

Directors and Advisors

INDEPENDENT ORDER OF ODD FELLOWS
MANCHESTER UNITY FRIENDLY SOCIETY LIMITED

Registered under the Friendly Societies Act 1992

Register No. 223F

REGISTERED OFFICE:	Oddfellows House 184-186 Deansgate Manchester M3 3WB
DIRECTORS:	
CHAIRMAN:	D Webster, External Non-Executive Director
	J L Mann, Grand Master
	D Jex, Deputy Grand Master
	B F Needham, Immediate Past Grand Master
	K Rose, Prov CS
	A Walker, PPGM
	S Martland, PPGM
	M Edwards, PPGM
	P Mouland, PPGM
	W S Connolly, External Non-Executive Director
	P Darragh, External Non-Executive Director
	M Perry, External Non-Executive Director
	J Midlane, External Non-Executive Director
	G Charters, External Non-Executive Director
CHIEF EXECUTIVE	Simon Gallimore
SECRETARY OF THE ORDER:	Pam Casey
CHIEF FINANCIAL OFFICER:	K Ashcroft, BA, ACA
CHIEF ACTUARY:	S A Robinson FIA, Chief Actuary Function, (Zenith Actuarial Limited)
WITH PROFITS ACTUARY:	S A Robinson FIA, Chief Actuary Function, (Zenith Actuarial Limited)
SOLICITOR:	Hill Dickinson LLP
EXTERNAL AUDITOR:	PKF Littlejohn LLP
TAX:	PricewaterhouseCoopers LLP
BANKER:	Lloyds Banking Group PLC

The Oddfellows is the trading name of The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited,
Incorporated and registered in England and Wales No. 223F. Registered Office Oddfellows House, 184-186 Deansgate, Manchester M3 3WB.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration No. 109995

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Chairman's Report



Playing our part

I am delighted to present my Report as Chairman of the Oddfellows' Board.
This will be my final Report, as I am leaving the role in summer 2026, so I've given myself licence to reflect on the challenging economic environment in which the Oddfellows and other financial mutuals currently operate.

The UK economy has endured a series of storms in recent years: austerity, Brexit, the global COVID pandemic, soaring energy, housing and food prices, as well as an increasingly fractured and politically uncertain world. These are unsettling times.

The economic environment is also hugely impacted by public services. An under-resourced NHS and strained public services are further causes of deep dissatisfaction among people.

In a world of lower economic growth, in which people are living longer and needing more healthcare, the conventional models of delivery don't work anymore, and so society must look to other ways to achieve contemporary standards of social care and support for our citizens. Of course, it would be unrealistic to suggest that the Oddfellows can be a solution to such a national and structural problem, but if the future models that emerge require a mosaic of provision, then perhaps the Oddfellows can play its part.

Our mutual status gives us an inherent focus on members and on genuine care for their needs, and the values of the organisation define us in a way that is elusive to many firms. It's clear what we stand for. It's clear how we treat people.

We aim to do the very best for our members and customers, treating them with dignity, having time for them, and being transparent about what we offer, rather than trying to shoehorn every enquiry into a product sale or an advertised service. Blending the zest of a modern business with our mutual roots and values remains a recipe for our success, even more so in an economic environment that seems to have lost its moorings.

In addition, our Branches and local support networks are rooted in the community and actively encourage people to look out for each other, so friendships and fraternal support are integral to Oddfellowship. Ironically, the new NHS 10-Year Plan envisages a strategic shift toward community health care and away from hospitalisation and acute settings, so perhaps the Oddfellows can teach our NHS a few things about tailored support and authentic focus on individual wellbeing.

I've felt enormously privileged to be Chairman of the Oddfellows' Board for the past six years and I've learnt a lot from many talented and committed people, to whom I owe a huge thanks.

To conclude, may I congratulate the Oddfellows for achieving a unique place to the financial landscape of the UK and wish everyone with an affinity for this superb organisation success and happiness in the years to come.



D Webster
Chairman
12 June 2026

Chief Executive's Operational Report



An important year

Since joining the Society in October 2025, I've had the opportunity to see the Society's embedded values of friendship and support first-hand. It's these values that initially drew me to this role, and with over 35 years of leadership experience in the financial and insurance sectors, I am fully committed to using that experience to drive our continued development.

To still have appeal and relevancy after more than 200 years is a credit to what the Oddfellows and its members stand for, and progress is grounded in the strong foundation that has been built over our long history and accelerated in recent years.

2025 has been a year of steady progress for the Society. Following a period of sustained new member recruitment and new policy sales, the focus shifted towards understanding what strategy, resources and support are needed to accelerate the organisation to the next level.

2025 in numbers

Supporting Branch-based membership:

- Branches delivered around 9,800 social events nationwide. This regular and reliable programme of activity creates accessible opportunities for members to connect, build friendships and feel part of a community.
- While not as high as the 30% uplift in 2024, new Standard and Extra Benefit members increased by 1.6%. Overall, Oddfellows membership declined by 3.9%, driven by deaths and lapses among members in earlier membership package categories.
- Our long-established Care and Welfare network is built on a strong partnership between Branches and our central team. Last year, 4,258 members contacted the Oddfellows Citizens Advice Line. The central Care and Welfare Helpline recorded 6,440 contacts and supported 707 individual cases. Branches also made about 20,200 care contacts, demonstrating the breadth of assistance we offer to our membership, and its need.

Unity Mutual, our Insurance and Investment brand, continues to play a vital role in supporting members' financial wellbeing alongside our fraternal activities.

- 2025 saw strong growth, with both new policyholders joining and existing policyholders increasing their investments. This has led to significant progress in our growth objectives: premium income rose to £21.1m (2024: £10.1m); Policy sales increased to 2,212 (2024: 1,190); and total assets grew to £349m (2024: £344m).
- Tees Mutual was acquired via a transfer of engagements, welcoming around 3,400 new policyholders. Tees Mutual, a provider of life and savings products to the people of Teesside and South Durham for over a century, was a well-aligned addition, strengthening our offering and expanding our membership base.

Moving forwards

As we look ahead, our path is clear – the Oddfellows will continue to move forward with purpose, adapting to the evolving needs of our members while upholding the core values that have guided us for generations. Our commitment to supporting our members – wherever life takes them – will remain central to our strategy. However, our future will not be about merely maintaining the status quo, it will be about driving purposeful change and making bold, strategic investments that ensure our long-term relevance and resilience.

To stay ahead of emerging challenges, we will enhance our capacity for innovation and operational excellence. This includes commitment to sustained investment in our IT infrastructure. The Society acknowledges that it currently faces significant IT, security and information governance challenges and is committed to addressing these through targeted investment and new IT leadership, working towards becoming secure, efficient and connected in an increasingly complex digital landscape. In addition, we will maintain a clear focus on delivering exceptional service and measurable outcomes that will bring even more meaning to our members and their communities. My vision for the future is both ambitious and achievable, and I am energised to lead this journey. Together, with our dedicated Directors, central and Branch staff, and volunteers, we will unlock the full potential of the Society, ensuring sustainable growth and lasting value for generations to come.



S Gallimore
Chief Executive Officer
12 June 2026

Strategic Report

The Strategic Report and Directors' Report form the Committee of Management Annual report and report on the activities of the Society.

Business objectives and activities

The Society's aim is to improve the quality of life of its members by meeting their social and welfare needs through a mutual national Branch network and provide a fair return to its policyholders.

In order to achieve this aim, the Society's main objectives are:

- to ensure that the Branch delivery of our core product is of a high standard throughout the UK;
- to create a dynamic Branch network and to strengthen and grow that network to reflect the Society's core values and meet the expectations of existing and prospective members;
- to focus recruitment of new members via local promotion of Branches and the services and facilities they offer;
- to ensure that the necessary schemes are in place to assist Branches to retain their membership;
- to increase the number of active members within the Society via Social events and then encouragement to involve them in more local participation;
- to ensure that benefits and services remain attractive to both existing and prospective members, the Society will monitor other schemes and benefits with affinity partners;
- to offer a range of financial products, through the Unity Mutual brand, which are aimed at helping policyholders and their families get the most out of their savings and investments and deliver good outcomes;
- to ensure the Society has in place effective Compliance, Risk Management, and Governance arrangements;
- to ensure that payments are made to policyholders at the appropriate time and that free assets in the LTB funds are distributed in a manner that is fair across policy types and meet policyholders reasonable expectations;
- to ensure the Society remains fully compliant with all regulatory requirements; and
- to proactively seek incoming Transfers of Engagements from other Friendly Societies thus giving those policyholders access to the range of supportive benefits we offer.

Throughout 2025, the Society's Directors have continued to work to ensure that appropriate systems and controls are in place to address the requirements of the Financial Conduct Authority (FCA), the Prudential Regulatory Authority (PRA), and Consumer Duty. This continues to be evidenced by:

- The Directors actively promotes and raises the profile of delivering good customer outcomes throughout the Society's regulated business operations and ensures that the implications for customer outcomes are considered by the Society at all stages during times of reorganisations or strategic changes such as:
    - entry into new markets, mergers, acquisitions or disposals;
    - cost cutting, outsourcing or centralisation;
    - major new systems; and
    - approval and launch of new products or significant changes to existing products.
- Management Information (MI) indicates that the Society consistently continues to focus on good outcomes. Processes are in place which monitor the MI, this enables the right people to take appropriate action as part of "business as usual"; and
- The timely submission of regulatory returns.

Notwithstanding these systems and controls, the Audit, Risk and Compliance Committee has identified material areas where the Society's governance, risk management and internal controls require significant strengthening, as described in its report on pages 36 to 42 of these statements.

In addition, the Society also supports the provision of a Housing Association and the less advantaged members of society by charitable donations to projects perceived to benefit society as a whole.

The Society uses a variety of measures to monitor its objectives and activities. In the main, a Balanced Scorecard approach is used to review progress in the key areas and, in addition, management monitors progress of the operational areas of the Strategic Plan on a quarterly basis.

Principal risks and uncertainties

An overview of the principal risks identified by the Society, which reflect the internal and external risks in the operation of its business and strategy are detailed in the report below in order of potential impact on the Society:

Risk	Risk movement over 2025	Management and mitigation
Solvency Risk ***This is the risk that the Society fails to meet its Solvency Capital Requirement***		The overarching aim of the Society is to maintain sufficient capital to demonstrate that the Long Term Business (LTB) is able to meet its Capital Requirements on a standalone basis. In managing this risk, the solvency position is: • monitored by the Executive Directors, and the Chief Actuary and reported to the Society's Commercial Board on a quarterly basis. The Commercial Board agree any management actions as required; • assessed by the Commercial Board through the annual Strategic Planning three years in advance; and • assessed by the Society's Chief Actuary and With-Profits Actuary through the annual Solvency Valuation and Own Risk Solvency Assessment (ORSA) Report on an annual basis. In addition, if required, there is the potential to draw on Fraternal assets to support the solvency of the LTB Funds. The solvency of the LTB Funds will continue to be closely monitored by the Board and Commercial Board and appropriate management actions will be taken if necessary.
Fraternal Strategy ***This is the risk that the Society fails to achieve its Fraternal Strategic Plan***		The Fraternal Board holds oversight responsibility for the application and achievement of the Fraternal Strategy. The Fraternal Strategy is managed through various processes, procedures and controls, including: • The Fraternal Strategic Plan is approved by the Society's Board; • Quarterly Fraternal Strategic Reports detailing progress against the plan are reviewed by the Fraternal Board and the Board; • Progress against key performance measurements is reported to the Fraternal Board on a quarterly basis. The Fraternal Board will agree actions as required; and • The Branch Internal Audit Function undertakes audits of Branch financial administration and compliance. The findings are reported to the Fraternal Board. It is the responsibility of the Fraternal Board to oversee the implementation of any recommendations.

Risk	Risk movement over 2025	Management and mitigation
Long Term Business (LTB) Strategy ***This is the risk that the Society fails to achieve its Long Term Business (LTB) Business Plan objectives***		The Commercial Board holds oversight responsibility for the LTB strategy. The LTB strategy includes the following elements: • existing business; • transfers of engagement; • new business; and • regulatory compliance, including Consumer Duty. The Commercial Board has documented processes, procedures and controls in place to monitor the achievement of the LTB strategy and a range of management actions it can take to mitigate this risk, including: • The Annual LTB Business Plan is approved by the Commercial Board and the Board; • Monthly LTB Balanced Scorecard reports are produced and submitted to the Commercial Board detailing the progress against the LTB Business Plan and KPIs; • Quarterly Consumer Duty management information reported to the Commercial Board to assess the outcomes customers receive. In addition, regular Fair Value Assessments to ensure that products offer fair value to customers are reviewed by the Executive Directors and approved by the Commercial Board. • The Internal Audit Function undertake risk based audits of the Society's LTB operations and provide reports to the Audit, Risk and Compliance Committee. It is the responsibility of the Executive Directors to oversee the implementation of any recommendations.

Risk	Risk movement over 2025	Management and mitigation
Reputational risk ***This is the risk that the Society's reputation is adversely affected***		Oversight responsibility for the reputation of the Society is held by the Board. The Society has no tolerance for risks which may lead to its reputation or brand being tarnished unnecessarily or anything that is inconsistent with its values, standards and ethics. To manage this risk, the Society has in place the following: • Documented policies, procedures and controls which are regularly reviewed by the Compliance and Risk Function, reported to the Board and audited by the Internal Audit Function; • All Directors have a responsibility to ensure that the delivery of good customer outcomes is central to all discussions, considerations and decisions made; • Implementation of a new risk management platform to enhance the risk management framework including risk appetite statements and risk policies across the Society which are regularly reviewed to identify, monitor and manage risk; • The Audit, Risk and Compliance Committee (ARCC) and Commercial Board receive and review quarterly Compliance & Risk and Insurance reports covering compliance and risk activities / developments, policyholder feedback, complaints, breaches and other management information; and • Robust initial and ongoing due diligence arrangements are in place to ensure that all outsourced arrangements and third party benefit providers are regularly reviewed and performance monitored.
Non-compliance with legal and regulatory requirements ***This is the risk of regulatory scrutiny, censure and/or financial penalty***		The Society has in place documented policies, systems and controls which are regularly reviewed and audited to ensure its compliance with relevant legal and regulatory requirements, including: • The annual Compliance & Risk Report and Plan is approved by the Society's Audit, Risk and Compliance Committee (ARCC), the Commercial Board and the Board; • The quarterly Compliance & Risk Reports detailing progress against the Compliance & Risk Plan are reported to the ARCC, the Commercial Board and the Board; and • The Internal Audit Function undertakes risk based audits of the Society's compliance and risk systems and controls and provides reports to the ARCC. It is the responsibility of the Compliance & Risk Officer to oversee the implementation of any recommendations.

Risk	Risk movement over 2025	Management and mitigation
Investment Strategy ***This is the risk that the Society fails to achieve its investment strategy***		In relation to the investment strategy of the Society, the Commercial Board holds oversight responsibility for the LTB investment strategy. The following processes, procedures and controls are in place to manage the respective investment strategies, including: • The LTB investment strategy is approved by the Board, the Commercial Board, the Chief Actuary and the With-Profits Actuary; • Qualified external Investment Managers (IM) actively manage the agreed strategic asset allocation and achievement of investment targets; • IM performance is assessed on a quarterly basis by the Commercial Board; and • The Commercial Board receives reports on the asset allocation of funds on a monthly basis and performance of funds against the agreed benchmark on a quarterly basis.

Risk	Risk movement over 2025	Management and mitigation
Climate change financial risk ***This is the risk that the Society fails to manage the risks arising from climate change***		The Society recognises its role in terms of reducing its impact on climate change. The Society is aware that this is a journey and will continue to evolve its climate change strategy and enhance its risk management, including looking for opportunities as well as managing climate related risks and setting smarter metrics and targets. To date, the Society has put in place the following processes and systems to manage the financial risks of climate change: • The Board has ultimate responsibility for climate change, however oversight of the management of the financial risks of climate change has been allocated to the CEO; • Climate change risks are embedded into the Society's risk management framework to ensure that climate related financial risks are effectively monitored, managed and reported; • Exposure to climate change risks are reflected within the Society's scenario analysis to assess the potential impact on its solvency; • For several years, the Society has calculated the carbon emissions of its operations and offset these emissions by supporting climate change solutions in the UK and worldwide; • The Society works closely with its Investment Managers to monitor the ESG (Environment, Social and Governance) performance of its investment portfolio and how ESG issues are promoted; • The Society continuously considers opportunities to reduce the emissions from its operations and offices, including switching to a renewable energy tariff; and • The Society has a strategy in place to ensure that all of its Investment and Branch properties meet the enhanced energy efficiency expectations which are expected to come into effect in stages over the next few years. Further information on the Society's climate change strategy and measures implemented to manage climate related risks can be found in the Climate Change Risk Strategic section of this Report.

The Society operates a Risk Management Framework, the components of that Framework identify the possible risks pertinent to the Society and its assets and are recorded in our Risk Register. There are a number of primary risks and secondary risks which are measured and assessed to consider the overall impact of the risk. Further details on our risk governance can be found in the Directors' report within governance and operations.

- High rated risks will require immediate management attention and will be monitored and reported on a monthly basis or more frequently if required.
- Medium and Low rated risks will be monitored on a quarterly basis or more frequently if required.
- All identified risks will be monitored at least annually or more frequently if required.

The Directors and Management have in place a number of key internal controls to mitigate the impact of our risks and these are both measured, monitored and reported to the Board, Sub Boards and Committees.

Each primary and secondary risk is allocated to an individual Risk Owner, who has designated day to day oversight responsibility to manage a particular risk or risks and who is accountable for:

- ensuring that risks remain within acceptable risk levels, and that gaps are identified and that risk responses and control activities are adequate and appropriate; and
- ensuring the timely implementation of risk mitigation recommendations and/or action plans.

Climate Change Risk Strategy

As a responsible mutual organisation, we are committed to doing the right thing for our members, policyholders and the environment in which we all live. The Society will continue to take a strategic approach to assessing the impact of climate change on the organisation and take steps to reduce its carbon emissions.

The Society made its first climate change disclosures in the Reports and Financial Statements for the year ended 31 December 2020 and has continued to report its responses to climate change aligned to the recommended Taskforce on Climate-related Financial Disclosures (TCFD) framework four key pillars: governance; strategy; risk management; and target setting.

A high level summary of the Society's approach to managing climate related risks and opportunities is set out below:

Governance

The Board retains ultimate accountability for climate related financial risks and opportunities and is one of the matters reserved as set out in the Directors Handbook which details the Board's responsibilities. The Board, in turn, has assigned responsibility for the management of climate related risks and opportunities to the CEO and this includes the development and delivery of the Society's strategy.

Senior Management has continued to update the Board on climate change developments that affect the Society in the short, medium and long term, including recommending appropriate and proportionate actions to mitigate and manage these risks.

A Board Champion for climate change was appointed in 2022 who supports Senior Management in developing its strategy and assessing the impact of climate change on the Society, including exploring options and opportunities for reducing its carbon emissions.

Strategy

The Society's process for identifying and assessing climate related risks and opportunities (shown in the report) is set out under Climate Risk Management as they relate to the business, materiality of the risk and opportunity, time horizons and actions taken or to be taken to mitigate the risk or develop the opportunity.

To date, the Society has adopted a steady approach of pragmatic solutions to reduce its carbon emissions. However, the Society recognises its role in helping the UK transition to a low carbon economy and over the next 12 months it will continue to consider specific commitments and targets aligned to the UK Government's requirement for all firms to be net zero by 2050.

Risk Management

Climate related risks are identified, monitored, managed, mitigated and reported through the Society's risk management framework. Climate related risks are considered in terms of:

- physical risk which is defined as acute one off climate events or chronic gradual and long term changes in weather patterns which could impact assets for example, property damaged or destroyed by extreme weather events. This risk could impact the Society's property portfolio; and
- transition risk which is defined as the risks stemming from transitioning to a low carbon economy, for example, the technical, legal, policy and market changes which could lead to financial and reputational risk depending on the scale, speed and focus at which firms make the transition.

The Society's Own Risk and Solvency Assessment (ORSA), which considers the risks to which the Society is exposed, includes a scenario analysis of the impact of climate change upon the investment portfolio over a five year period, which allows the Society's Commercial Board to explore a range of actions to mitigate or manage these risks.

Metrics and Targets

A range of metrics to measure, monitor and assess climate related risk and opportunities in line with the Society's strategy and risk management are in place.

The Society's central office in Manchester, Oddfellows House, has achieved the Building Research Establishment Environmental Assessment Method (BREEAM) Certification in relation to sustainability, however, this award alone does not discharge the obligation to reduce its carbon emissions.

The Society has undertaken its fourth annual Carbon Footprint Assessment to monitor the emissions from its operations and develop its strategy to reduce these emissions. Between 1 April 2024 and 31 March 2025, the Society's total location based carbon emissions across its operations, including its central office and associated travel costs equated to 143.19 tonnes, down from 147.98 tonnes in 2024. Location based calculations reflect the average emissions intensity of grids on which energy consumption occurs. Market based calculations reflect the emissions from energy sources the Society has purposefully chosen and, as the Society switched to a renewable energy tariff in November 2022, this had the effect of reducing its emissions to 74.36 tonnes (2024: 77.78 tonnes). The assessments are a valuable tool to give the Society a more accurate view of where it should focus its attention and resources to reduce its carbon emissions going forward. Our next assessment, which will help us to benchmark the effectiveness of initiatives implemented to reduce our carbon footprint, is currently underway and will be reviewed over the summer. Our next assessment, is currently underway and will be reviewed over the summer.

As a result of these assessments, the Society has implemented various initiatives, one of these includes offsetting its carbon emissions through the funding of a range of climate change solutions. For 2025, support was given to a variety of projects, including reforestation of degraded forest reserve areas, safe water initiatives as well as hydro, solar and wind power projects, reaching Carbon Neutral Plus status.

Over the previous few years, the Society began to work closely with its Property Managers to ensure that its properties have a valid EPC in place as well as meeting the current EPC requirements. Furthermore, it is supporting its Branches to make improvements.

Environmental, Social and Governance (ESG)

Broadly speaking, Environmental, Social and Governance (ESG) is a set of sustainable and ethical standards that measures the impact of an organisation's decisions on people, society and the planet. The Society is increasingly aware of the role it has in ensuring that its actions have a positive impact on its staff, members, customers and the wider community.

Throughout 2025, the Society continued to work closely with its three active Investment Managers, Rathbones Group PLC (Rathbones), LGT Wealth Management UK LLP (LGT) and TrinityBridge LTD to better understand how they each promote ESG issues in relation to the management of the Society's investment portfolios and how they monitor resulting impact and performance.

Each Investment Manager applies an ESG metric to the portfolios they manage, to measure the ESG performance of each portfolio and provide an overall ESG rating. The ESG rating then enables the Society to monitor how each portfolio is performing in relation to ESG factors, which will continue to help the Society to understand the impact of its investments and evolve its ESG investment strategy.

The charts below show the ESG performance of some of the Society's investment portfolios throughout 2025. Each Investment Manager utilises a different metric to measure and monitor ESG performance of the funds they manage and, therefore, results are shown slightly differently.

Rathbones

Rathbones are signatories to several UK and worldwide commitments and codes taking forward and focusing on ESG issues and the ethos of '*create enduring worth, live in Society, and not off it*' which drives its own sustainability and stewardship programme. Rathbones' sustainability framework is based on the United Nations Sustainable Development Goals (UN SDGs):



Source: Rathbones Group PLC

The UN SDGs are a collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all and allows companies to prioritise the specific goals that are important to them. Rathbones' two core SDG priorities include:



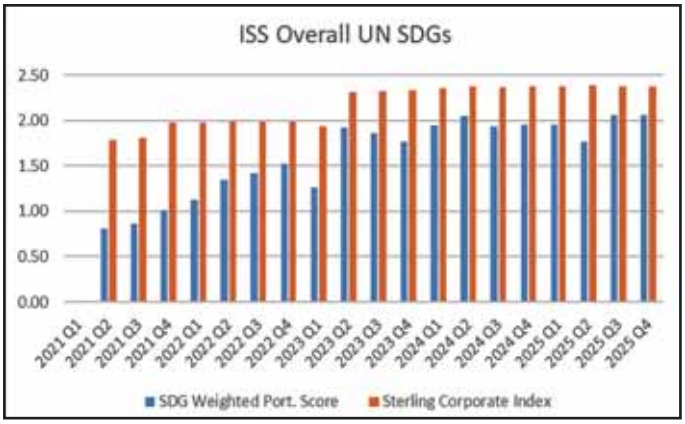
Source: Rathbones Group PLC

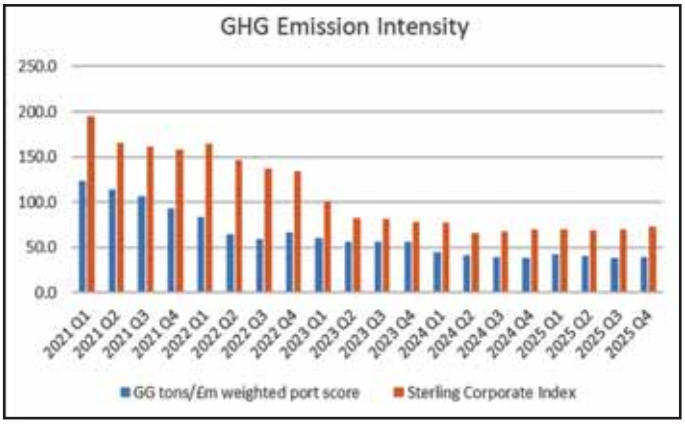
With their secondary priorities being:



Rathbones use several different ESG metrics to monitor the portfolios exposure to ESG factors. One of the metrics used is known as a Sustainalytics ESG Score. Sustainalytics measures exposure to ESG risks and how well these risks are being managed by the firms in which the Society invests.

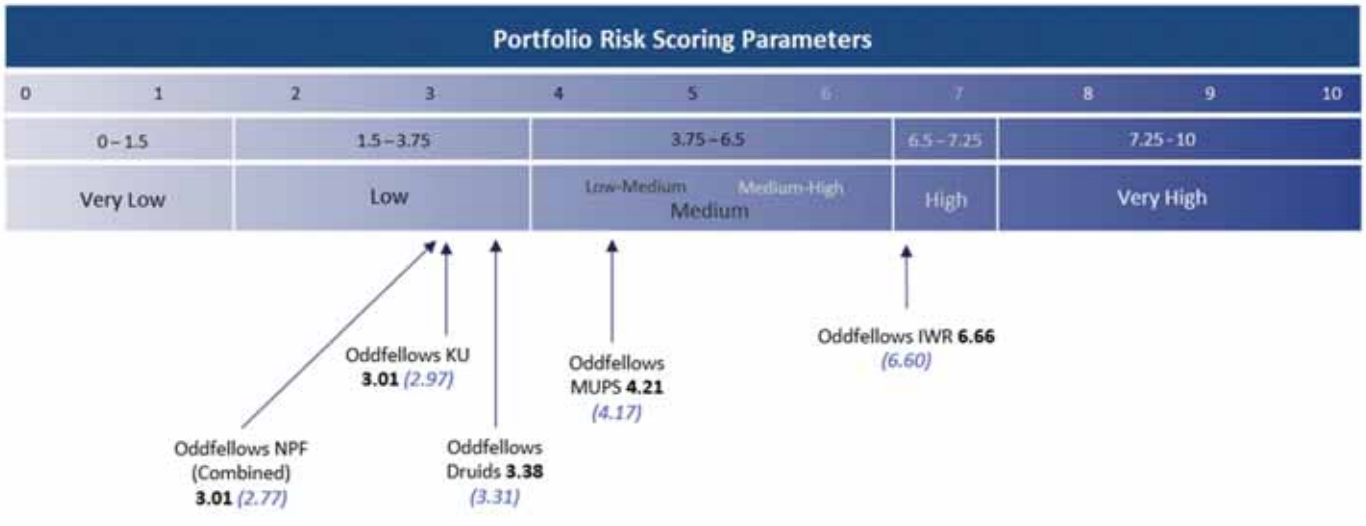
Investing in ways that make a positive contribution to sustainable development is measured using the Sustainability Development Goals (SDGs) as a basis for measurement and our combined portfolios have consistently measured more positively in comparison to the Sterling Corporate Index. Our combined portfolios also measure more positively in achieving a lower Greenhouse Gas Emissions (GHG) intensity rating when compared to the benchmark. The improvement in the ESG scoring on our portfolios over the last 3 years is demonstrated in the graphs directly below.





LGT

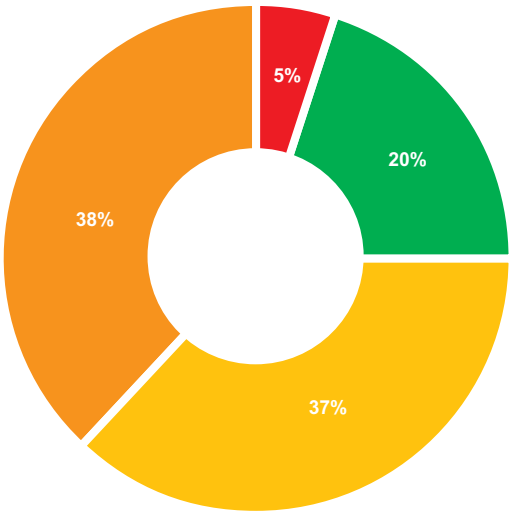
LGT has developed its own in-house ESG metric. It comprises of an ESG rating and impact score which is then applied to each of the Funds they manage. The rating considers the exposure of the Funds to risks relating to ESG factors. The rating is ranked between 1 to 10 with 1 being *'Very Low'* and 10 being 'Very High'.



TrinityBridge LTD

The rating TrinityBridge utilises to measure the ESG performance of two of the Society's Fraternal Funds is the MSCI ESG score rating. It is designed to measure resilience to long term ESG risks and looks at the exposure to ESG risks and how well these risks are being managed.

The following chart shows the MSCI ESG rating of the Higher Equity Fund where 95% of the Fund is rated as leader (AAA and AA) and average (A), maintaining a broadly similar rating as last year.



AAA
AA
A
BBB

The Portfolio has:

- 20% in AAA
- 37% in AA
- 38% in A
- 5% in BBB

The Society will continue to work closely with its Investment Managers to monitor the impact and performance of its funds in relation to ESG factors and how they are driving forward and focussing on ESG initiatives.

The 'S' in ESG:

In line with the Society's mutuality and ethos of 'making friends and helping people', it is fundamental to the Society to focus on ways in which it can continue to positively impact its members, customers, staff and community.

After listening to its staff members, particularly in relation to supporting their wellbeing, both in their professional and personal life, the Society first launched an Employee Assistance Programme (EAP) in 2022 and this is now embedded into the Society's social framework. The EAP is a confidential and comprehensive support network offering advice on a wide range of issues. The programme is not only available to staff, but also their immediate family members, 24/7 and not only offers reactive, but also proactive services which can be accessed in a variety of ways. This is in addition to an annual wellbeing day (an additional days leave), for staff to spend doing something for them and a dedicated space in the Office for quiet reflection, meditation or prayer.

Improving the quality of people's lives through friendship, care and charitable support is at the heart of the Society's ethos. This year the Society, via its Branch network, raised over £160k for a variety of local and national charities. The Society's staff often raise funds for a range of charities through taking part in fun runs and marathons. For several years, staff have donated Christmas presents for children living in poverty through the Manchester Charity, Wood Street Mission. The Society is extremely proud of the fact that since 1971, the Society has donated £1.24m to the HA Andrews Memorial Fund to fund vital medical research in the UK. Further information on the focus of the Fund can be found on page 16.

Each year, the Society is honoured to support a selection of members undertaking their first Degree University studies by providing a grant for each year of study, through its Educational Awards. This year's winners are studying Veterinary Science, Chemical Engineering and Theoretical Physics. While the Society is progressing its social commitments and considerations, it will look to define its social priorities within an overarching ESG strategy during 2025. This will include identifying further opportunities to support its members, customers, staff and local communities, with a continued focus on doing the right and responsible thing.

Diversity, Equality and Inclusion (DE&I)

The Society is committed to promoting diversity and inclusion and eliminating discrimination in the workplace.

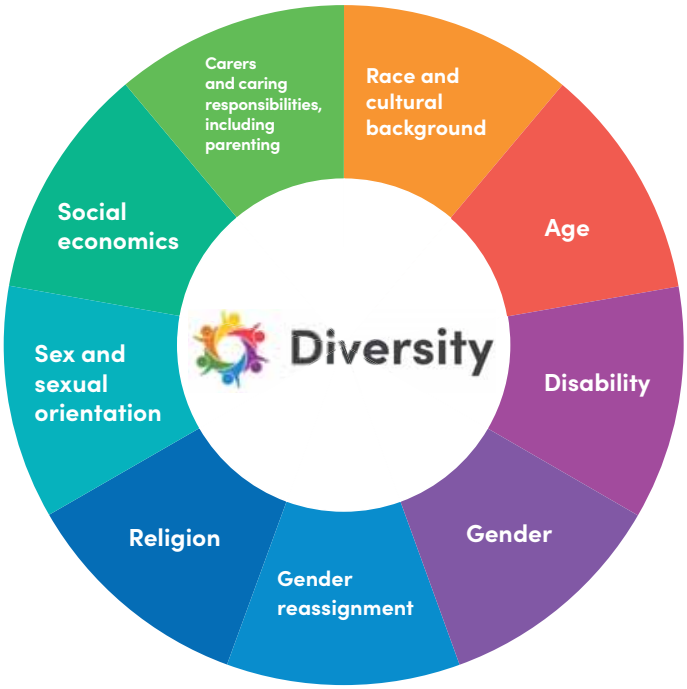
We recognise the importance of diversity in creating an inclusive culture for staff and members, and welcome the inclusion of a range of experiences, perspectives, ideas and talents into the business.

Embracing diversity of thought improves performance. Our aim is for the Society to be truly representative of all sections of society. All staff and volunteers, whether part-time, full-time or temporary, will have support to develop their full potential and utilise their unique talents. We believe this will maximise the efficiency of the organisation and promote a culture of meeting the expectations of all Society stakeholders.

Everyone connected with us, be it staff, members, volunteers or customers will be treated with respect, dignity and courtesy at all times. In addition, the Society embraces diversity of thought and acknowledges the improvement in performance this brings.

What we do

Our Diversity Working Group (DWG) was created in 2021 as a way for the Society's staff to meet regularly and contribute to discussions around diversity, and shape our work moving forward.

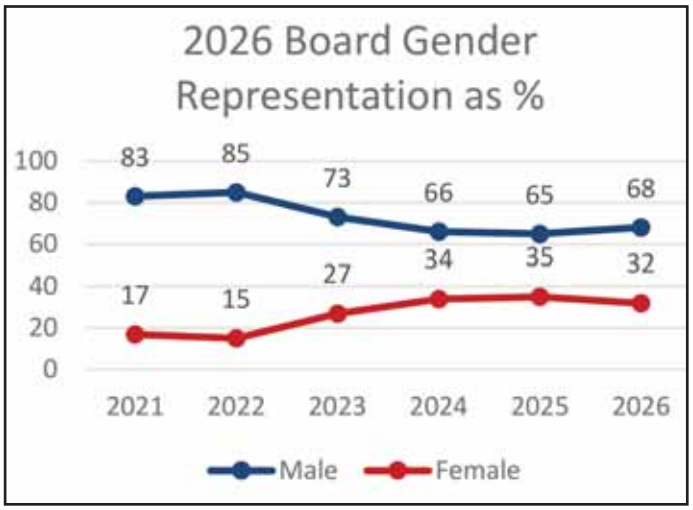


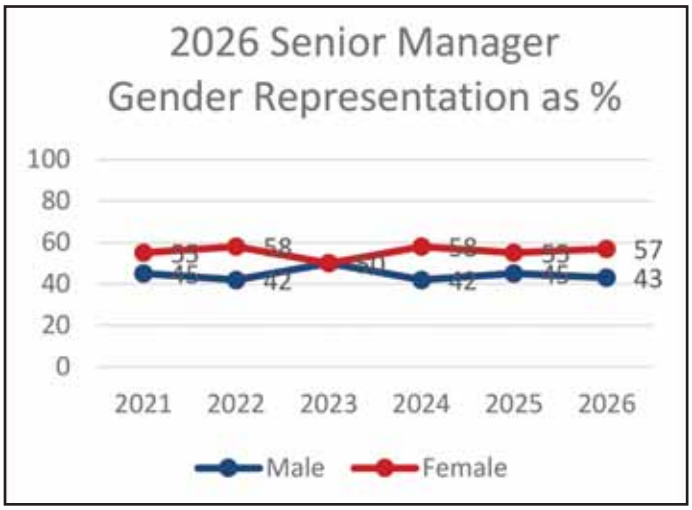
During 2025 the following meetings and training / awareness sessions were undertaken:

- Keeping inclusion a priority in challenging times
- Participation in Center for Aging Better Midlife Review focus group
- Financial Services Mass Action – Non-financial misconduct
- From Compliance to Healthy Culture Performance

The DWG have begun the process of reviewing the structure of the group in order to realign diversity closer to the culture of the Society. It is felt this approach will allow the Society the freedom to better demonstrate the work it under takes as a matter of course.

Gender Representation





To date, the Society has focused on Gender representation at Board and Senior Manager level. As shown above, since we began recording this data in 2021, we have seen an increase in female representation at Board level.

The Society is proud of the progress it has made to ensure a better gender balance at Board and Senior Manager Level, increasing the female representation from 85%/15% (Male/Female) in January 2022 to 68%/32% (Male/Female) in January 2026. In addition, the Society continues to maintain a broadly equal balance of Senior Manager representation.

The Society will continue to work towards achieving a more broadly representative Board that more closely represents its members, customers and wider community.

The Society has also published its annual Gender Pay Gap Report (which can be found on the website), which demonstrated our commitment to transparency and disclosing information, encouraging collaboration and co-operation and continuing to make our place of work an equitable place.

Long-term value creation for all stakeholders

Introduction

The Society was established in 1810 and continues to provide discretionary care, social and welfare benefits to its fraternal members and a range of regulated savings and investment products to its long term insurance business members. Its operational office is in Manchester and, as at 31 December 2025 had a network of some 96 Branches, throughout the United Kingdom. Throughout 2025, as in previous years, our Society has remained committed to looking after our members and policyholders and maintained our excellent customer service throughout whether that was answering queries, supporting members, or the prompt payment of claims.

The Society maintained a mixture of face-to-face events and online events for those members for whom that was their preference. In 2025, the Society hosted, on average, over 810 events per month which is an amazing achievement.

Promoting the Society

The Society's Directors, led by the Chairman, Chief Executive Officer and Secretary of the Order, promote the culture, ethos and values of the Society and its mutuality for the benefit of its members.

The Directors have, over the years engaged with the members in a variety of ways, including regional group conferences, weekend seminars and specific sessions imparting information. Most importantly, member engagement is actively encouraged through the medium of the Society's Annual Movable Conference (AMC). This is a three-day event that also includes the statutory business ordinarily to be dealt with at an Annual General Meeting. The AMC in 2025 took place from 19 - 21 May with 202 registered voting Deputies taking part. In a similar way to previous years, the AMC in 2025 was live streamed so that those members who were not able to attend could follow proceedings.

In addition to the AMC there are many other opportunities for members to be involved and learn from the various workshops and training sessions held either physically or via electronic means. 2025 saw the continuance of the two training weekend seminars that are held each year for our Branches and members and it was great to see how well those were received and the positive feedback from a total of 123 members that attended the March and September 2025 Seminars.

The Society no longer is required to have a Consumer Duty Champion, and, as such the responsibility for Consumer Duty within the Society rests with all the Directors, who ensure that the principles of the requirements under the Consumer Duty regime are adhered to as a matter of form throughout the Society's regulated business operations. The Society appoints a Senior Independent Director annually to whom anyone within the Society can raise matters about which they may have concerns. The Senior Independent Director for 2025 was Barbara Needham.

Employee Engagement

The Society had 62 staff at the end of 2025 (including contract staff) based in Manchester. Regular meetings are held between staff and their line managers, and the Society's management team meet with the Society's Executive Directors on a regular basis. Throughout 2025, these meetings were held on a face to face basis wherever possible. Throughout 2025 there were four issues of the Staff Newsletter to which staff were encouraged to contribute. The year also saw the continuance of the Staff Recognition Scheme whereby members of staff were encouraged to nominate members of staff for whom they felt had gone "above and beyond". Each successful recipient was highlighted in the Staff Newsletter. All the nominations received are reviewed by a panel of staff who select the winner.

Formal performance appraisals are conducted annually for all of the Society's employees and for the year 2024, these were carried out in December 2024 and January 2025 and for the year 2025, in December 2025 and January 2026. The half yearly staff surveys are designed in house, with the surveys being anonymous and they continue to include questions focused on the support and welfare of staff. Any matters that are flagged up in this process are reviewed and followed up as appropriate.

Community Engagement

The Society supports many local and national charities and makes significant donations via its Branch network. In 2025, the amount of donations to charitable causes across the UK totalled over £150k (2024: £ 160k). It also sponsors various organisations through its operational office in Manchester. The HA Andrews Memorial Fund (HAA) was set up in 1971 to honour a remarkable Society Secretary, Herbert Arthur Andrews. The Fund's focus is on providing financial support over a two or three year period to a UK project or organisation involved in, or conducting, medical research. The research must focus on improving society's understanding, diagnosis or cures for diseases, mental and physical disorders, or any other conditions which adversely affect the quality of human life. To the end of 2025 over £1.28m had been donated to various causes supporting medical research into Parkinson's, Prostate Cancer, Macular Degeneration, Lupus etc.

Suppliers

The Society will only deal with suppliers who demonstrably match our commitment to treating its customers fairly. Due diligence is rigorously undertaken to ensure that this is the case prior to any contracts being signed and ongoing monitoring is routinely carried out to ensure that it continues throughout the duration of the engagement.

Current activities

Long Term Business (LTB)

As of December 2025, the Society's LTB managed assets were worth approximately £349m, which are ring-fenced from the fraternal business of the Society. This figure includes around 288,000 savings, investment, and insurance policies, of which 248,000 are Child Trust Fund (CTF) accounts. All policies are managed under the Society's 'Unity Mutual' brand, and administered by a dedicated team based at the Society's Office in Manchester.

The strategy for our Long Term Business throughout the year focused on the following areas:

- Responding to regulatory changes, particularly the introduction of Consumer Duty;
- Enhancing customer service with a focus on building a modern accessible website; and
- Pursuing organic business growth.

In 2025, we embarked on a large-scale project to launch a new website with accessibility and improved user experience at its core, enabling the business with invaluable data and an increase in conversions. As part of this project, SEO agency was onboarded, prompting an overhaul of existing content, and a higher focus on optimising content, resulting in over a 40% increase in search traffic to the website. In line with this, Ruth Knowles was promoted to Head of Marketing, bringing a focus onto Unity Mutual's marketing activities and support the overall growth and development of the business as a whole.

In addition, there was the launch of video appointments with our sales executives, giving the business and customers greater flexibility over how to engage with us.

Branch Development, member recruitment and retention

2025 was a year of steady progress across the Society's Branch network.

Social events

- Branches delivered over 821 in-person and online events per month, a 9% increase from 2024.
- Event expansion into wider geographic areas continued to drive growth.
- Over 600 online events were delivered, including 16 nationally-supported events reaching 375 participants.
- Monthly online open days for prospective members saw 190 attendees, with 31% joining the Society.
- The national Friendship Month recruitment campaign included 308 taster social events, and attracted 645 prospective members.

Branch development and support

- Branch succession planning, and member and volunteering involvement, remained a focus for internal events, including webinars, one-to-one guidance, and Social Organiser Forums during the Weekend Seminars.
- Recruitment of 46 Branch vacancies, new and replacement positions, 70% for Social Organiser roles.
- Monthly Development Drop-In sessions attracted 247 attendees, providing induction support and peer networking.
- Monthly "What's New" updates kept Social Organisers and Branch Secretaries informed.
- In-Branch delivery of Oddfellows Extra familiarisation sessions to highlight offers and membership benefits

Training and skills enhancement

- 16 online training sessions were held, with 197 Branch staff in attendance. Sessions were made available on Oddspace for on-demand access and covered:
    - Audits and Branch accounts
    - Internal audit and data protection
    - Enquiry management, PR, marketing, and social media
    - Scam awareness
    - Caring for carers and volunteering taster sessions.

Marketing, PR and communications

- Recruitment campaigns, supported with member case studies, focused on life stages and lifestyle factors prompting friendship in later life, including retirement, bereavement, and relocation.
- Campaigns predominantly included national print, online, social media, and pay-per-click advertising.
- Branches were supported with adaptable PR templates, local marketing assets, and skills-based training.
- PR activity remained strong with 75.83 press cuttings achieved on average each month.

Digital channels

- 93 active Branch Facebook pages, with an annual review showing most pages rated Excellent or Good.
- X (formerly Twitter) was discontinued and an Instagram account was introduced for social event promotion.
- National member eMarketing reached 25.71% of adult memberships, with high engagement.
- Website (oddfellows.co.uk) saw almost 160,000 users compared to just over 170,000 in 2024. Traffic volume decreased, however quality of engagement improved, with online adult membership applications up 5.7%, renewals up 57.5%, and member area subscriptions up 13.4%.

Recruitment and retention

- Recruitment increased by 1.56% to 2,245 new members.
- Refer a Friend Scheme was revised, reducing new members through the scheme by 17.4% but overall new member numbers remained stable.
- Enquiries remained high, supported by local activity and improved online data capture and submission processes.
- Member retention remained steady at 87.4%, reflecting effective recruitment, consistent communications, and sustained engagement.

Activities outside scope of powers

The Board considers neither the Society nor its Branches have carried out activities during the year outside the scope of their powers.

Financial review of the year

2025 proved to be a positive year for financial markets, and they ended the year strongly. The US market was again dominant in driving market performance, despite volatility as markets remained sensitive to economic data dictating interest rates and market sentiment had to deal with major political shifts with marked changes in fiscal policy and monetary policy.

Despite early signs in 2025 that inflation was under control and there being a clear path to a marked decrease in interest rates, inflation data led to a more cautious stance and this is set to continue in 2026. UK Interest rates did nevertheless decrease from 4.75% to 3.75%. A further interest rate cut was anticipated in early 2026, however, the recent conflict in the Middle East has resulted in this not materialising.

Society financial results

As at 31 December 2025, the Society managed £565m (2024: £531m) of members' money, across its Insurance book and Unitised Funds. Our members' money is invested in a number of funds and asset classes which reflect the Society's Board investment strategy and appetite for risk. The Society regularly reviews its long term investment strategy and investment performance, and the Society has been able to maintain its strategy and a healthy level of solvency. The Society's available capital increased from £359.7m to £373.6m, maintaining a strong financial position with the unaudited Solvency Capital Ratio (SCR) as at 31 December 2025, standing at 340% (2024: 360%).

There was a surplus on the Group Consolidated Income and Expenditure on the Technical Account for Long Term Business of £1.4m for the year (2024: £1.2m surplus).

There was a deficit on the Group Consolidated Income and Expenditure on the Non Technical Account of £1.7m for the year (2024: £1.1m deficit).

Premium Income

A total of £1.2m (net) of insurance contracts was invested with the Society in 2025 (2024: £1.3m). A further £20.1m (2024: £8.8m) was invested in investment contracts, a total of £21.0m (2024: 10.1m). Of this, £16.7m (2024: £6.3m) was new business for the Society, with £3.4m additional premium from existing contracts (2024: £3.8m).

Claims

A total of £4.8m was paid in claims in 2025 (2024: £3.9m) which is in line with expectations.

Operating expenses

A total of £4.2m of operating expenses was incurred in 2025 (2024: £3.6m). Expenses are monitored and controlled with adherence to the annual budgeting process and monthly MI.

Investment Income

The Society's investment income on its Technical Account was £12.5m (2024: 12.1m) and after taking into account of the unrealised gains and losses on investment values, total income from investments amounted to £58.8m (2024: £23.1m). The Society's investment income on its Non-Technical account was £13.5m (2024: £6.6m) and after taking into account of the unrealised gains and losses on investment values, total income from investments amounted to £16.3m (2024: £10.4m) of which £8.9m (2024: £8.9m) was attributable to Branch investments in the various Society managed Unity Unitised funds.

Liquidity strategy

Market volatility is becoming more mainstream in the financial markets, increasing the need for a robust liquidity strategy. Financial markets are reacting quicker than ever to key economic and geopolitical uncertainty or change in investment outlook making it essential that the Society holds a level of liquid assets to draw should it be required, mitigating the need to draw on other long term assets whose value can be more sensitive to market events.

As part of the Society's Own Risk and Solvency Assessment (ORSA) it stresses its liquidity needs and considers the Society's ability to respond to a number of individual and combined shocks to its liquidity. As part of that assessment we regularly monitor our investments including our holding of cash and other marketable securities that can be realised quickly. Liquidity requirements are built into our investment management mandates that are approved by the Society's Board.

The Society maintains a balanced portfolio approach to all our areas of business ensuring that no area is left overly exposed to changes in any market movements in any one asset class. This approach includes reviewing the allocation to each asset class within a portfolio to both maximise long term investment returns whilst ensuring that we are able to continue operating and meet our liabilities as they fall due.

The maturing profile of our assets are matched with our liabilities, and in conjunction with advice from the Society's Chief Actuary we adapt our investment strategy according to the needs of our insurance book. For our non- insurance activities we are diversified into a number of funds which enable us to spread our risk and offer an appropriate balance of risk and return.

Supervision of Branches

The Directors have overall responsibility for the supervision of all Branches in addition to the direct responsibilities of the Branch Committees of Management themselves. The central and local systems of reporting continue to identify areas that require improvements to systems and the Fraternal Board then work with those Branches to ensure the necessary improvements are made.

The above Strategic Report was approved by the Board and signed on its behalf by:



S Gallimore
Chief Executive Officer
12 June 2026

Directors' Report

The Directors present their Annual Report together with the Financial Statements for the year ended 31 December 2025. In producing this Report, the Directors have considered the AFM Corporate Governance Code which now operates on an 'Apply and Explain' basis.

Member relations

The Board's communication strategy for the whole Society aims to fulfil the following objectives:

1. To ensure that relevant information is given to all our *key stakeholders in a timely and appropriate manner. This means our communications:
   a) are clear, fair and not misleading;
   b) use plain English;
   c) aim to keep members informed;
   d) to deliver good customer outcomes;
   e) provide sufficient information at the right time for key stakeholders to make informed decisions; and
   f) fully utilise all available communication channels (eg email, letter, telephone, website, member magazines, social media).

2. To support open communication between the Society and its key stakeholders, a range of publications and information will be made available on a regular basis – these will include annual statements, circulars, newsletters and other documents on the Society's intranet and websites.

3. To continuously monitor our communications to ensure that they deliver good customer outcomes and to undertake an annual review to get feedback from members and policyholders. This will include distribution and analysis of customer surveys.

4. To review skills and experience on an annual basis to ensure adequate training is provided. This will mean the Society can continue to achieve its communications objectives.

Underpinning the Society's ongoing communication strategy (as outlined above) are the FCA/PRA's current rules and guidance (Principles **6, 7, 8 and 12) also ***Principle 6 of the AFM Corporate Governance Code (as outlined below).

*Key stakeholders include Branch Officers, Members, Policyholders, Directors, Sub Boards and Committees Members, Staff, the FCA, PRA and other relevant regulatory bodies.

** Principles 6, 7, 8 & 12:

- 'A firm must pay due regard to the interests of its customers and treat them fairly'.
- 'A firm must pay due regard to the information needs of its customers, and communicate information to them in a way which is clear, fair and not misleading'.
- 'A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client'.
- 'A firm must act to deliver good outcomes for customers'.

*** Principle 6: Directors should foster effective stakeholder relationships aligned to the Society's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

Complaints by Members

The Society aims to deliver the highest standard of service to its Members. However, we recognise that there may be occasions where our Members believe that our service has fallen below their expectations. In this event, they have recourse to our complaints procedure.

The Society's philosophy is that the effective management of complaints is a key part of treating members fairly and ensuring good member outcomes.

The following values have long been embedded in the Society's culture and procedures:

- The provision of excellent standards of service to our Members
- Treating our Members fairly and ensuring that all complaints receive fair, consistent and prompt investigation and resolution; and
- Valuing member feedback with a commitment to review our working practices and procedures to deliver good member outcomes.

The Compliance & Risk Function, the Audit, Risk & Compliance Committee and the Commercial Board regularly review the number and type of complaints received. The objective is to:

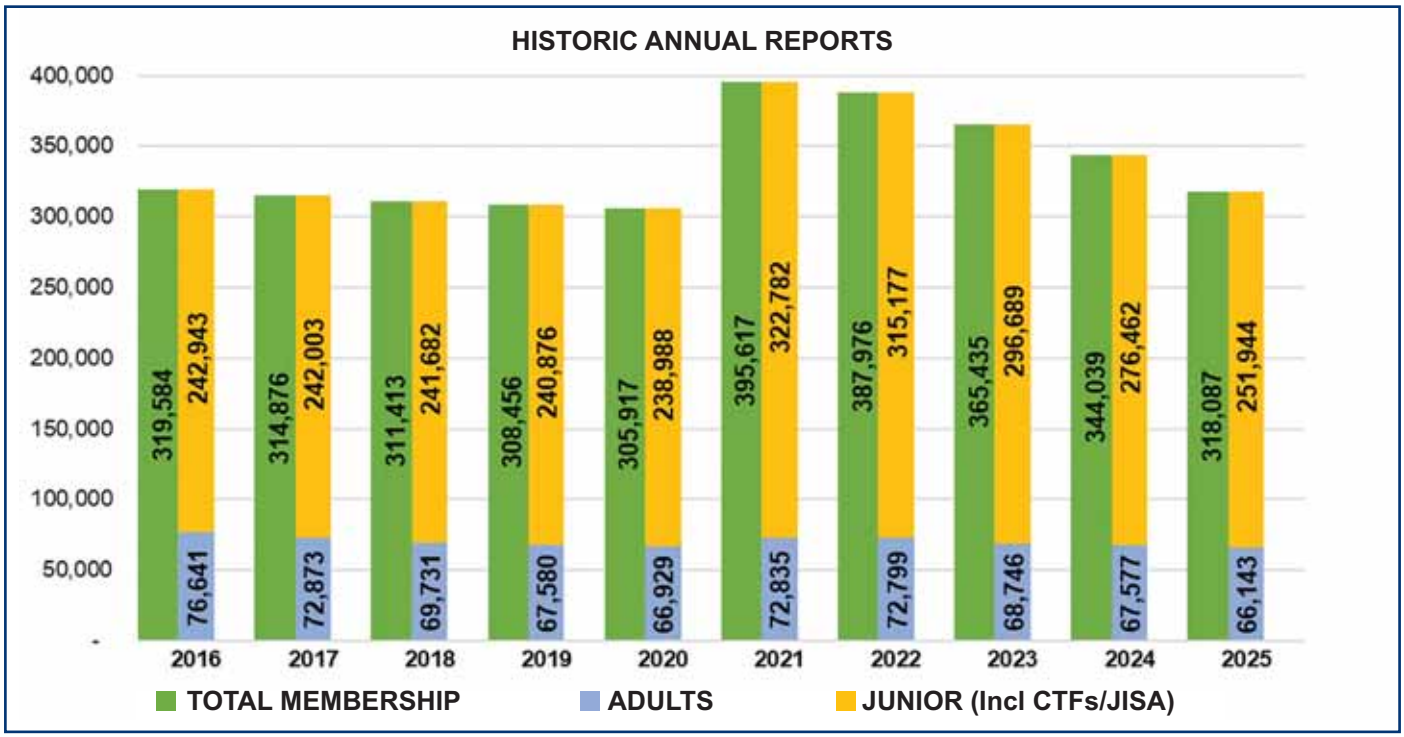
- ensure that complaints are properly dealt with and that appropriate corrective action has been taken to prevent complaints of the same or similar nature occurring again; and
- ensure that the Society's members are treated fairly.

In the unlikely event that a complaint cannot be resolved to the member's satisfaction, the member is made aware of the option to appeal to the Financial Ombudsman Service (FOS).

Over the last three years, the Society has received 25 regulated business complaints. Following appropriate investigation, five were upheld, 19 refuted, and one was withdrawn. Of the 19 refuted complaints, five members decided to appeal to the Financial Ombudsman Service, where three were rejected, one was withdrawn and one remains outstanding.

Number of Members

The Society had 318,087 (344,039 in 2024) members as at 31 December 2025, of which 248,909 were Junior Members (247,929 being Child Trust Fund Members and 980 Junior ISAs).



Corporate Governance

The Board is accountable to the Society's Members for the operation of the Society and good governance is fundamental to this responsibility. The principal role of the Board is to focus on the Society's strategy. As the business develops and changes, and as the challenges the Society face change, the Board has to ensure that there are the necessary resources in place with the relevant knowledge, skills and experience. It is also essential that financial and Risk Management procedures and controls are robust and effective. In particular, the Board's role is to provide general direction to the Society and to safeguard the interests of its Members.

The Board's approach to Corporate Governance is influenced by the following matters:

- That the Board is accountable to the Society's Members for the conduct and performance of the business;
- That the interests of Members are at the heart of the Board's decision making;
- That the interests of other parties, such as employees and the communities in which the Society operates, are also taken into account;
- That the Society should be managed in a prudent and efficient manner with effective decision making and robust management of risks that the Society may face; and
- That the effectiveness of the Board is vital to the financial strength and future success of the Society.

Directors' Report

The Board is committed to complying with best practice in Corporate Governance. For the year ended 31 December 2025, the Society has applied the AFM Corporate Governance Code on an 'Apply and Explain' basis. The Board acknowledges, however, that the Audit, Risk and Compliance Committee has identified material governance gaps and, with Board acceptance, has commissioned an urgent and fundamental review of the Society's governance arrangements to be undertaken in 2026, as described on page 39 of these statements, which is currently underway.

We have set out below how the Principles have been applied over the past year.

Principle 1 – Purpose and leadership

Purpose

The Oddfellows was founded in 1810 to look after the welfare of its members at a time where there was no national provision. The fundamental principles and ethos of the Society in 1810 remain today where the Society aims to improve the quality of life of its members by meeting their social and welfare needs through a mutual, national Branch network as well as providing financial services products with a fair return to policyholders and members on their savings and investments. The Long Term Business is operated under the Society's financial services brand, Unity Mutual and, together with the Oddfellows strapline of "Making Friends, Helping People", this really demonstrates the guiding framework to which we operate.

Values and Culture

The objectives and activities (shown in the Strategic report on page 3) demonstrate how as a Society we ensure we deliver what we aim to deliver, always having the needs of our members at the forefront of our minds.

Strategy

Unlike most other Societies, the Oddfellows has two distinct elements to its business, with the Fraternal Business as well as the Long Term Insurance Business, and it is the strategy for both these elements that make the Society what it is today.

In terms of the Oddfellows brand, the Society aims to be the lifestyle membership of choice for the over 50's and to help all of its members get more out of life with a compelling range of social, care and financial support, delivered through a thriving national Branch network.

For the Unity Mutual brand, the Society aims to be the mutual insurer of choice, offering a range of financial products helping families get the most out of their savings and investments now and for generations to come.

Principle 2 – Board Composition

A biography for each Director can be found on pages 27 to 32 of this report and also on the website www.oddfellows.co.uk

Chair

The Society has a separate Chairman and Chief Executive to ensure that the balance of responsibilities, accountabilities and decision making across the Society are effectively maintained. The Chairman plays a pivotal role in creating the conditions for overall Board and individual Director effectiveness.

Size and Structure

The Society held its AMC on 19 to 21 May 2025 where 15 Directors were elected. As at the end of the year there were eight Directors serving on the Board which comprised of the Chairman, the Chief Executive, the Chief Financial Officer, three Member Nominated Non-Executive Directors and two External Non-Executive Directors. The Society's governance structure includes two Sub Boards – the Commercial Board and the Fraternal Board, each of which deal with all the aspects relating to the Long Term Business and the Fraternal Business respectively. All Directors serve on at least one of the Sub Boards and Committees. A list of Directors, the Board(s) and Committee(s) they serve on, with the attendance record can be found on page 34. The Independent Non-Executive Directors are wholly independent in that they have no material business or relationships with the Society that might influence their independence or judgement.

The Directors have equal voting rights when making decisions, except the Chairman, who has a casting vote. All Directors have access to the advice and services of the Secretary of the Order and the Society Secretary and may, if they wish, take professional advice at the Society's expense.

The Society currently has one Director who has served as a member of the Society's Board, Sub-Boards and Committees for over 9 years, who is subject to re-election on an annual basis.

To ensure the continuity of operations throughout the Society, Directors and Senior Management Succession Plans are in place to address the loss of key individuals.

Balance and Diversity

The duties of the Directors are executed partially through the two Sub Boards and Committees. The composition and remit of each of the Sub Boards and Committees can be seen in the Directors' report on pages 36 to 48. All Non-Executive Directors are expected to challenge the Executive and influence the decision making process.

The Society has in place a Diversity Policy which demonstrates that the Society is committed to:

- promoting equality in the workplace, which the Society believes is good management practice and makes sound business sense;
- creating a working environment that promotes dignity and respect for all and one that is free of bullying, harassment and unlawful discrimination; and
- ensuring that all our employment practices and procedures meet the expectations of our Regulatory bodies in respect of diversity at all levels of the business.

The Society informs all staff of their obligation to comply with the Diversity Policy and their responsibility to promote equality and fairness in the workplace.

Effectiveness

There is an induction programme for all new Directors which is tailored to their specific experience and knowledge and which provides access to all parts of the business. In addition, the Society undertakes regular individual and collective skills and knowledge gap analysis to ensure that we have the requisite individual and collective competencies taking into account the Society's strategy and objectives. A skills and knowledge gap analysis was undertaken during 2025 to identify and address individual knowledge gaps. All Directors are required to update their skills and knowledge through meetings with the Executive, Senior Management and relevant external courses, all of which is fully documented in the Training and Development Plan, which also includes the requirement for Directors to undertake Computer Based Training (CBT) modules each year, the details of which are included in page 36.

During 2025 each Director was evaluated which included a self-assessment across the following areas:

- Business Strategy and Model;
- Compliance and Risk Management and Internal Controls;
- Effectiveness;
- Experience of the Society;
- External/Internal Audit and Investment Management;
- Financial and Actuarial Analysis and Controls;
- Governance, Oversight and Controls;
- Leadership – the Board and its Sub Boards and Committees;
- Market Knowledge;
- Regulatory Framework and requirements; and
- Consumer Duty and Culture.

The Society has not, in 2025, undertaken an externally facilitated evaluation of the Directors and Skilled Persons, however, this is a matter that is kept under regular review.

Principle 3 – Director Responsibilities Accountability

Accountability

Good governance supports open and fair business, ensures that the Society has the right safeguards in place and makes certain that every decision it takes is underpinned by the right considerations. Whilst Board oversight is always maintained, key decisions are made by the individual Sub Boards and Committees with the most appropriate and relevant knowledge and industry experience. Each Director has a clear understanding of their accountability and responsibilities. In 2025, the Board had a programme of four principal meetings. The Commercial and Fraternal Boards usually have at least eight and five meetings every year respectively. The Directors' attendance at meetings of the Board, Sub Boards and Committees is shown on page 34. The key strategic areas of focus in 2025 are included in the Strategic Report on pages 3 to 19.

Directors disclose any conflicts of interest as and when appropriate which are then recorded in the minutes of the respective meeting and managed appropriately.

Committees

Sub Boards and Committees are appointed where necessary with specific delegated responsibilities including, in the case of Sub Boards, the ability to pass resolutions of a non-policy nature. The Chief Executive is a member of the Board and of both the Sub Boards, the Governance Committee and is ex-officio on all other Committees. The Grand Master is a member of the Board, the Fraternal Board and the Governance Committee and is ex-officio on all other Committees. Each Committee and Sub Board has its own Terms of Reference and the responsibilities of each of those Committees and the two Sub Boards are set out on pages 36 to 48.

The Board delegates authority for day-to-day management of the Society to the Executive (Chief Executive Officer and the Chief Financial Officer).

Integrity of information

The Board, Sub Boards and Committees receive regular and timely information on all key aspects of the business under their remit including strategy, key operational matters, financial performance, risk management, Diversity, Equality and Inclusion (DE&I) and Environmental, Social and Governance (ESG), all supported by Key Performance Indicators (KPIs) wherever possible.

Audit Provision

PKF Littlejohn LLP were appointed as the Society's External Audit provider with effect from March 2022 to audit the financial information. The Internal Audit function of reviewing the financial and systems controls is undertaken by the external company RSM UK Risk Assurance Services LLP, who reported on a quarterly basis to the Audit Risk and Compliance Committee.

Principle 4 – Opportunities and Risk

The Board seeks out opportunities whilst mitigating risk:

Opportunities

The Society's strategic objectives and activities are defined on page 3. The Board seeks out opportunities whilst managing the risks associated with them. Where opportunities are considered, the Sub Boards initially review the business cases which, once approved, are then submitted to the Board for final approval and sign off. Overall, the Board feels that there is significant opportunity for a trusted and reliable provider of competitive saving, investment and insurance policies in the UK market.

Through its Unity Mutual brand the Society believes that it has sufficient opportunity to create member value over the medium to long term. During 2025 the Society continued to promote all its products, enhanced the good level of service and support provided to our customers and maintained the competitiveness of our existing products despite challenging economic conditions. The Board also believes there is the continued opportunity of being a safe home for other mutuals that cannot continue to create value for their members.

Throughout 2025, four main campaigns, including Moving to a New Area, Bereavement, Friendship Month and Retirement contributed to receiving a greater number of enquiries in respect of membership compared to the previous year. Whilst face to face events are important to us, the Society recognises the benefits of continuing to offer some online events and has adopted a hybrid approach allowing members to realise that the Society is always there for them.

Risk

The Audit, Risk & Compliance Committee's role is to protect the interests of the Members as regards the appropriate management of risk, the integrity of the published Financial Information and the effectiveness of the various audits. The Society's Risk Management Framework (RMF) operates around the proven industry standard "three lines of defence model" for overseeing its internal control frameworks. This is designed to create, protect and enhance value of the Society's viability.

Each of the Society's primary and secondary risks are monitored and reviewed on a regular basis, each risk having a Risk Owner attached to it who is either an Executive Director or Senior Manager. Each risk also has a position of Governing Responsibility which rests with the Board, Sub Board or a Committee with the ARCC having overall responsibility for all risks within the business.

At the end of 2025, the Society implemented a new risk management platform to improve the approach to the management of key risks. The new platform will facilitate better reporting and monitoring of risks to enhance governance.

The Society's systems and controls are designed to manage rather than to entirely eliminate the risk of failure to achieve business objectives and can only provide reasonable and not an absolute assurance against a risk materialising. (see ARCC report on pages 36 to 42).

Responsibilities

The Society has developed a Business Operating Model (BoM) which encapsulates its operating rules, processes, best practice standards and delegated authorities. It is the fundamental platform to the internal control framework.

In managing the risks facing the Society, the Board, Sub Boards and Committees seek to protect the integrity and long-term sustainability of the Society's business to meet its strategic objectives and to create value for its members. The Audit, Risk and Compliance Committee has, however, identified that certain risks are not currently being managed within the Board's stated risk appetite and that significant further work is required to bring the Society's risk management framework, IT governance and wider governance arrangements to the required standard. Further detail is set out in the ARCC report on pages 36 to 42.

Principle 5 – Remuneration

The Remuneration Committee's primary objective is to set remuneration at a level that will enhance the Society's resources by securing and retaining quality Executives who can deliver the Society's strategic objectives in a manner consistent with both its purpose and the interests of its members.

The Remuneration Committee has a clearly defined terms of reference and is responsible for making recommendations to the Board concerning the remuneration strategy for the Executive and Non-Executive Directors. The Committee did not use the services of an external consultancy during 2025, largely because the data is capable of being collated internally as it is in the public domain. In setting and benchmarking remuneration for the Executive and Non-Executive Directors, comparisons are made to the remuneration packages applicable in other Friendly Societies which are considered to be the closest competitors to the Society.

The Society is an equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development regardless of age, gender, nationality, ethnic origin, religion, marital status, sexual orientation or disability. All decisions relating to employment practices (including remuneration) are objective, free from bias and based solely upon work criteria and individual merit.

Principle 6 – Stakeholders

The Board believes that good corporate governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the Society's brands, reputation and relationships with all its stakeholders including members, policyholders, employees, suppliers and the local communities in which we work.

The Board continues to seek to align the Society's strategic direction with its purpose and to the long-term aspirations for sustainability and growth of members and policyholders.

Employees

The CEO ensures that the Society's values, strategy and culture align and are communicated consistently to the workforce - for example through regular meetings with the Management Team, one to one meetings with Managers and Heads of Departments and regular Staff meetings. Together with the work undertaken on culture, which includes staff surveys that everyone has the opportunity to complete, this ensures that all staff and management have good access in terms of information and providing feedback.

The Society recognises the importance of diversity in creating an inclusive culture for staff, members and customers and welcomes the inclusion of a range of experiences, perspectives, ideas and talents into the Society. The Society's Diversity Working Group (DWG) meets several times throughout the year to further develop its diversity and inclusivity strategy and initiatives. The Group is comprised of representatives from different departments within Unity Office, however, all members of staff are welcome to get involved in our diversity discussions by attending meetings or

sharing their ideas and thoughts, including submitting them anonymously, if they wish to. Despite the Regulator confirming that they would no longer be pursuing their work on diversity and inclusivity, during 2025, the DWG continued to come together regularly to discuss and develop the Society's approach to diversity. Further information on the areas discussed during the meetings, variety of improvements made and various ways in which the Society is driving forward diversity can be found on pages 14 to 15.

The community and the environment

The Board is committed to Environmental, Social and Governance (ESG) in terms of how it operates and is mindful of the effect of Climate change. To evaluate the exposure of the Society's investment portfolios to environmental, social, and governance risks, the Society's Investment Managers all provide an ESG score for the funds they manage. The Society has kept the relevant ESG ratings under review during 2025 and will continue to enhance its approach towards ESG, including further developing its strategy (for further information on ESG reporting see pages 11 to 14).

Since 2020, the Society has committed to calculating and offsetting its annual carbon footprint with the objective of measuring and monitoring its emissions and adopting a strategy of reducing those emissions over time. The most recent carbon footprint assessment was undertaken in 2025. Emissions reported for the period 1 April 2024 to 31 March 2025 totalled 74.36 tonnes of CO2 (down from 77.8 tonnes in 2024). For several years the Society has attained Carbon Neutral Plus status by going beyond our measured footprint when offsetting our emissions. Despite seeing a reduction in emissions following the recent assessment, the Society has maintained its Carbon Neutral Plus status this year and supported a variety of projects involving restoration, conservation and reforestation across Ghana, Zambia, Thailand, Turkey and India.

Improving the quality of people's lives through friendship, care and charitable support means a lot to the Society. In 2025 alone, Branches raised over £160k for a variety of local and national charities. The Society is extremely proud of the fact that since 1971, the Society has donated £1.24m to the HA Andrews Memorial Fund to fund vital medical research in the UK. From 2025 to 2027, the Society's HA Andrews Memorial Fund is supporting Prevent Breast Cancer based at the Nightingale Manchester. The project aims to discover alternative preventative breast cancer therapies for pre-menopausal women. A total of £67,068 will be donated to support the research split over two years.

Owners

The Society is proud of its mutual status. Promoting the benefits of membership of the Society ensuring that all stakeholders are kept abreast of developments and being accountable to our members are fundamental to parts of our governance arrangements. At the Annual Movable Conference (AMC) in May 2025, there were 202 registered voting Deputies representing the Society's 99 Branches. In addition, the AMC was live streamed so that those members who were not able to attend could follow proceedings.

The AMC served as an excellent way of ensuring the Society's members remained informed about developments in the Society but also had the opportunity to debate and discuss and vote on matters. In addition, the Society held two weekend training events for members where a total of 123 members attended across the two events to learn more about the developments within the Society. Generally, during any one year, there are a number of other opportunities where members can receive further training and information about the Society and some examples of these are given on page 17.

Customers

Delivering good outcomes for customers has always been part of the history and ethos of the Society and all Directors and Management have a responsibility to ensure that the Consumer Duty is raised regularly in all relevant discussions to monitor and challenge customer outcomes. In addition to quarterly reports, an annual report assessing and analysing the outcomes that customers have received during the proceeding 12 months is presented to the Commercial and Main Board. The Society has also appointed a Senior Independent Director (SID), appointed annually, who also acts as the Whistleblowing Champion, and is someone to whom staff and members alike can raise concerns.

Suppliers and business partners

The Society's websites (www.oddfellows.co.uk and www.unitymutual.co.uk), intranet and social media channels provide extensive and up-to-date news on ongoing developments. The Society values it relationships with third parties and has appropriate policies and procedures in place to ensure that these relations remain effective.

Directors' Report

Directors

The Directors of the Society as at 31 December 2025 were:

John Mann

Grand Master



John was enrolled as a Junior Member of the Pride of Bermondsey Lodge at birth, and was subsequently initiated into the main Lodge in 1967.

He passed through the chairs of the Lodge and District, being Prov GM two times, a Trustee of the South London District for four years, and a member of the South London Committee of Management for 12 years. In this time, John also attended the AMC as a Deputy representing the South London District on 12 occasions.

John has also served as a Lodge Secretary for both the Pride of Bermondsey Lodge in the South London District, and the Combermere Lodge in Stockport, where he served on the Lodge and District Committees of Management, representing Stockport once at AMC as a Deputy. John was Prov GM of the Stockport District in 2004, and attended various LADGC meetings.

John also served three years on the Benevolence Committee and holds the CAMU qualification. Outside of the Oddfellows, John worked for 27 years as a Pollution Control Officer with the local Water Authority, as well as various jobs ranging from working for Stockport County FC and Sale Sharks RFC to being a taxi driver.

John is now retired and enjoys spending time with his three daughters and seven grandchildren.

Debbie Jex

Deputy Grand Master



Debbie joined the Society as a Junior member of the Royal County Lodge in 1973 and later became the Lodge's Noble Grand, she also served, more than once as Noble Grand of the Reading Abbey Lodge following an amalgamation.

From 1993 until 2015, Debbie was Thames and Kennet Lodge's Financial Secretary and she continues to be a member of its Committee of Management. She supports the Lodge's members as a volunteer Welfare Visitor and since 2003 she has also run the Jubilee Social Lodge.

In March 2015, Debbie became Reading District's Prov CS after having worked part time in the District Office since 2009. She became the District's Provincial Grand Master in 2010, following a family tradition as her father held the same office in 1997, her mother in 1999 and her sister in 2011.

Wider involvement in the Society has included her election on to the Southern Group Conference Executive Committee in 2013, where she was its President in 2019 and 2020, serving two years due to the Coronavirus Pandemic. Debbie was elected on to the Benevolence Committee in 2014 for eight years, becoming Chairman in 2018. She was elected as a Member Nominated Non-Executive Director in 2022 and is also a Trustee of the Manchester Unity Pension Scheme.

Debbie received a CAMU qualification in 1996, passing with Distinction, took her Purple Degree in 1999, and in 2019 she was awarded both District and Lodge Merit Jewels.

Outside of the Society, she enjoys spending time with her family and six grandchildren, socialising with friends, gardening and bowling.

Barbara Needham
Immediate Past Grand Master



Barbara joined the Society in 1973 when she married Peter, a third generation Oddfellow. She was then a member of the Good Samaritan Lodge in Goole. Her father-in-law was Secretary at that time and Barbara took this job over in 1996, a position she held until the formation of the Vale of York District Lodge in 1998. She had previously been the Secretary of four different Lodges in the District from 1981, and saw them successfully amalgamate into the Good Samaritan Lodge.

She is now the Assistant Secretary of the Vale of York District Lodge, and as well as being the administrator of grants etc. she prepares the Accounts for the Auditor, and runs a variety of clubs and activities for the District Lodge.

She took her Purple Degree in 1980 and was Prov GM of the former York and Scarborough District in 1983 and 1984, and again of the District Lodge in 2015. She has served on the District Committee of Management for over 40 years. Barbara has served on the Group Conference Executive for 10 years, five of them as Secretary, a position she relinquished in July 2023. She has also been the AMC Secretary twice at Scarborough.

Outside of the Oddfellows, Barbara is a retired Head Teacher of an Infant School having been in teaching all her working life. She has a variety of qualifications in education, including National Professional Qualification for Headship, and was responsible for running the school including budgets, policies, allocating resources and staff for the benefit of 130 pupils. She enjoys photography, the outdoors in her campervan, and socialising with her family and friends.

Jane Nelson
Chief Executive Officer/Secretary of the Order/Executive Director



Jane joined the Society in 1995 as Financial Controller and joined the Board of Directors in May 2000 after being appointed as Secretary of the Order. In October 2007, she became the Society's Finance Director. She was appointed as Chief Executive Officer in July 2012 after being appointed as Acting CEO in March 2012.

She has been involved with the Manchester Unity Housing Association and the MU Pension Scheme since 1995 and has served as Company Secretary to both these organisations since 1998.

Jane left the Society on 14 May 2026.

David Webster
Chairman of the Board



David became a Director of the Society in May 2019 and was elected Chairman of the Board in June 2020. Having spent 27 years in the mutual building society sector, latterly as CEO of Hanley Economic Building Society. David chose a career switch in 2016 to become CEO of Douglas MacMillan Hospice in Stoke on Trent. His current role is to oversee the strategic development of one of the UK's largest independent hospices, founded in 1973 and now responsible for the palliative care of around 3,000 patients each year.

David is a former Treasurer at Keele University, a former Chairman of the Building Societies Association, and in 2011 he was awarded an Honorary Doctorate by Staffordshire University.

Keith Ashcroft, BA (Hons), ACA
Chief Financial Officer



Keith joined the Society in December 2022 as an Executive Director and Commercial Board member, joining the Main Board in 2023.

Qualifying as a Chartered Accountant in 1994 with the Institute of Chartered Accountants (ICAEW), his career has been spent largely in the financial services industry, having worked in both retail and investment banking, commodities, family office investment and wealth management. Keith has spent the last seven years in the mutual friendly society sector. He is an experienced Director and Board member.

Outside of Oddfellows Keith enjoys playing tournament bridge, participating in both regional and national events held around the United Kingdom, and has represented both Kent and Lancashire in County competitions.

Dr Karen Rose
MNED



Karen attended the University of Leeds where she gained a BSc degree and PhD in Chemistry. She then worked for 10 years as a Forensic Specialist in Gunshot Residue for the Forensic Science Service (2002 to 2012). Her main role was reporting complex casework and providing witness testimony in criminal courts throughout England. Following redundancy in 2012, Karen volunteered for a charity, Imago Community, before becoming employed as the Finance Assistant and later Hub Manager where she managed the staff and work on the Young Carers and Care Navigator helplines.

Karen joined the Oddfellows in 2007, when she took over as joint Social Secretary of the Earl of Cottenham Lodge, part of the Tunbridge Wells District Lodge, when her father retired after over 60 years of service. Both Karen's grandfathers were members and Secretaries of their Lodges. In 2017, Karen was employed as Prov CS of the Tunbridge Wells District Lodge and has been a Deputy to AMC since 2018. Karen was an executive member of the National Federation of Administrative Officers for one year. She has served on the Metropolitan Group Conference since 2018, with one year as an Executive Officer before becoming their Secretary in 2019. Prior to being elected as a Member Nominated Non-Executive Director in 2022, Karen was a Unity Special Arbitrator.

Outside of the Society, Karen has been a District Treasurer in East Grinstead for Girlguiding UK since 2007 and is a Unit Helper for two Rainbow units (girls aged five to seven years old) and also helps out at local Brownie and Guide camps. In addition, she has been a member of the Parochial Church Council at her local Church since 2010 and served as Church Warden from 2015 to 2021.

Alex Walker
MNED



Alex has been a member of the Society for more than 25 years, serving on North Gloucestershire District Lodge's Committee of Management for 12 of those years. He is currently the District's Development Officer, a role he has held since 2012. He has served as Provincial Grand Master for his District Lodge and served as an AMC Deputy for eight years.

He has a strong member recruitment record and, in 2017, he was awarded the Oddfellows' prestigious Silver Gilt Recruitment Jewel. Outside of the Oddfellows, Alex has been a Director of the Unity Credit Union Ltd for over seven years, managing its rebrand, social media activity and new website build.

Previous to his role at the Oddfellows, Alex worked for nine years in the insurance sector for TWG Services, achieving first place in the company's Lean Six Sigma project and innovating several ideas that were adopted into practice. He has also worked in the Trade Union movement for UNISON, driving member recruitment in Gloucestershire. Alex has 13 GCSEs, a BND in ICT practitioners and system support, and numerous qualifications relating to security services. In his free time, Alex enjoys travelling as well as cooking.

Sheila Martland
MNED



Sheila joined the Society as a National Member in 1997 and became a member of the Rose of England Lodge in the Ormskirk and Southport District. She passed through the Chairs of the Lodges and then the District, first serving as Provincial Grand Master in 2011. She has served on the District Committee of Management for over 25 years and in the last few years has taken on the role of Trustee. She took her Purple Degree in 2009. Sheila served on the LADGC Executive from 2005, serving as its President in 2009. She has been the LADGC Secretary since 2019.

Sheila was elected to the Board as an MNED at the AMC in Eastbourne in May 2023.

Sheila worked as a Secondary School Teacher for eight years in North Yorkshire, teaching English and Geography, and then moved into Youth Work for a further 34 years, undertaking a number of roles in the London Borough of Greenwich as well as Wigan Council, latterly as a Service Manager in Children's Services.

She has also served as both a Primary and Secondary School Governor. Since 2020 Sheila has been a Director of the Unity Credit Union Ltd.

Sheila is enjoying retirement, keeping busy with her Oddfellows' duties and looking after her many animals.

Meirion Edwards
MNED



Meirion joined the Society in 1982 and became a member of the Wepre and Gladstone Lodge in Deeside District. He passed through the Chairs of the Lodge and then the District, serving as Provincial Grand Master in 1993. He has served on the District Committee of Management for over 17 years, and as a Trustee for the past 14 years. He took his Purple Degree in 1989.

Meirion served as a Special Arbitrator for the Midland Group Conference for two years before joining the Executive from 2017, serving as its President from 2019 through to 2022.

Meirion served as a Unity Special Arbitrator for six months prior to serving on the Investigation Committee for five years.

Meirion was elected to the Board as an MNED at the AMC in Llandudno in May 2024.

Meirion worked as a Senior Engineer in Electronics for eight years and then moved into Education becoming a Lecturer in Radio, TV and Electronics, a Senior Lecturer in Computing, and is currently as a Lecturer in Welsh and an Examiner in Welsh Language for Adults.
Meirion was the Treasurer of Mold and District Choral Society, for which he gained Charitable Status. He has been an Elder of the Presbyterian Church of Wales since 2012.

Meirion enjoys organising and participating in Oddfellows on-line events as well as face to face activities.

Peter Mouland
MNED



Peter Joined the Society in 2020 and became a member of the Loyal Fountain of Peace Branch, Newport, Shropshire, part of the Severn and Trent District Branch.

He has served as Provincial Grand Master for his District, has been a Member of the District Committee of Management for three years and a Trustee for two years and is also the Social Media Officer for the Branch. He has served as an Executive member of the Midland Group Conference for four years, and has served as an AMC Deputy for four years.

Peter was elected to the Board as a MNED at the AMC in Scarborough in May 2025.

Peter retired from work in December 2019 after working for Rolls Royce Shrewsbury, (which later became Caterpillar Shrewsbury), as a Maintenance Electronics Engineer for 20 years.

He was also active in the Trade Union Movement for Unite, becoming a workplace Safety Representative. Learning Representative, European Works Council Representative and also the Works convenor for 12 years.

He then worked as an Electronics Instrumentation Engineer and Development workshop supervisor for 21 years working on Development of Military Engines and Transmissions for Armoured Fighting Vehicles both in the UK and around the World for Caterpillar Defence.

Peter has also been a Member Nominated Trustee for the Caterpillar final salary Pension Scheme for over 25 years and is still currently serving as a Retired MNT on the scheme.

He was a member of the Territorial Army from 1984 to 2009 as a Technician within the Royal Corp of Signals reaching the rank of Squadron Sergeant Major and then getting commissioned to the Rank of Captain. He also worked for several years within the Regimental Recruitment team and also became a weapons instructor and Range qualified,

Peter has a keen interest in the history of the Society and has amassed quite a collection of historical items from the Order but is finding it difficult to display it all. He also enjoys travelling and tasting world cuisine and wines.

Bill Connolly, ACII
External Non-Executive Director



Bill joined the Board in May 2007 as an External Non-Executive Director. He was appointed Chairman of the Board in 2018 for a two year term which came to an end in June 2020. He is the Chair of the Commercial Board, and he serves on the Governance Committee and the Remuneration Committee, having chaired the latter two Committees prior to the changes brought about to the Society's governance arrangements at the 2018 AMC.

Bill spent all of his working life at Royal Liver Assurance. He was appointed Assistant Secretary in 1999 and was invited to join the Society's Executive Team at that time. In 2003 he was appointed as Group Secretary and he also occupied the post of Secretary to all of Royal Liver's Subsidiary Companies and the Pension Trustee Companies. Bill became Royal Liver's Chief Executive in January 2010 until he retired on 30 September 2011 following Royal Liver's transfer of engagements to Royal London.

Whilst working for Royal Liver, Bill was involved at a senior level in the Association of Friendly Societies, the Association of Mutual Insurers and the Association of Financial Mutuals. He is also a former President of the Insurance Institute of Liverpool.

Peter Darragh, Solicitor, BA, MA, PGDL
External Non-Executive Director



Peter joined Oddfellows' Audit Risk and Compliance Committee in 2021, taking on the Chairperson role in 2023. Prior to this he spent 11 years as a Non-Executive Director at Kingston Unity, holding various positions during his tenure there, including Chairman for four years. Most of Peter's career has been spent as a lawyer in senior roles in private practice at large law firms and in-house in the financial services and insurance sectors. He is currently principal consultant for a legal and technology risk advisory firm, working with clients across a broad range of industries and jurisdictions. He also provides investment consultancy to a family office and has roles in various charities in Belfast which address deprivation and community regeneration. Peter holds a BA(Hons) in Economics from Durham University, a MA in Management from Durham Business School, and post-graduate legal qualifications from Newcastle and the University of Law.

Peter has a young family and enjoys racquet sports and sailing. He currently serves as Commodore of County Antrim Yacht Club.

Mike Perry
External Non-Executive Director



Mike was appointed to the Commercial and Main Board as an External Non-Executive in May 2023.

He is a seasoned portfolio Non-Executive and Chair with a proven track record in financial services, specializing in business start-ups and turnarounds. He has extensive experience in risk profiling and making key strategic corporate decisions within regulated environments. Mike holds FCA and GFSC (Gibraltar) approved person status and operates at the board level.

Before retiring, Mike served as the CEO of PG Mutual, a specialist insurer, from 2011 until the end of 2021. He currently holds positions as a Non-Executive Director with a Cash Plan provider in Wales and as Chair and Non-Executive Director for a Life and Pension Annuity firm in Gibraltar.

Outside of his professional life, Mike enjoys golfing, motorsport, socializing, and walking in the Lake District with his wife, Sue. He also volunteers at The Lister Hospital in Stevenage, offering peer support to pre- and post-renal transplant patients.

John Midlane, FCII
External Non-Executive Director



John was appointed to the Audit, Risk and Compliance Committee as an External Non-Executive Director in November 2023. John has spent all of his working life in Life Insurance, at Provident Mutual, Eagle Star, National Mutual, and latterly at Metropolitan Police Friendly Society Ltd (Met Friendly) where he worked for 27 years, designing and delivering training courses on technical subjects. At Metfriendly he was Compliance Officer, Data Protection Officer (registered at the Information Commissioner's Office (ICO)), Internal Audit Liaison, specialised in policyholder taxation, and worked closely with the Risk Officer, until his retirement in 2023.

John attained Fellowship of the Chartered Insurance Institute (CII) in 1986 and was awarded Chartered Insurer status in 1989. John was an Examiner for the CII from 1987 to 1999 (FPC and AFPC), and represented the Association of Financial Mutuals (AFM) at a series of meetings during 2016 with the Treasury, HMRC and industry trade bodies in the development of the Lifetime ISA, resulting in the legislation and Guidance now in force.

John was involved in the Investment and Life Assurance Group (ILAG) serving on the Workplace Protection Health & Wellbeing Group, and the Protection Practitioner Group until his retirement, and remains involved in the AFM serving on the Regulatory Compliance and Governance Committee.

Outside of work, John and his wife Lorna are members of the Romney Hythe and Dymchurch Railway Supporters Association, and are keen caravanners.

Graeme Charters
External Non-Executive Director



Graeme was appointed to the Society's Audit, Risk and Compliance Committee as an External Non-Executive Director in July 2024. Since graduating in 1978 with a degree in actuarial science, he has worked in insurance, pensions and investments both as a consultant and as a company executive.

Graeme is a qualified actuary who has fulfilled the role of outsourced Chief Actuary to two UK insurance companies and similar roles to subsidiaries in Malta and Australia. He recently retired from leading the Non-Life Insurance Consulting practice at Broadstone Regulatory and Risk Advisory Ltd, an actuarial consultancy and now facilitates workshops for aspiring Chief Actuaries at the Institute and Faculty of Actuaries. He chaired the Risk Management Practitioner Group of the Investment and Life Assurance Group (ILAG) for three years after its founding in 2012 and was voted ILAG's Practitioner of the Year in 2015. He was an NED at Kingston Unity for six years prior to its merger with the Oddfellows. There he was Chair of the Risk Committee and the Remuneration Committee.

For many years Graeme was an active rugby union referee and chaired his local referee society and the national body at the Rugby Football Union for the oversight of the recruitment, training and development of referees in the sport. Nowadays, Graeme enjoys a round of golf, a bit of running and, most importantly, spending time with his grandchildren here in the UK and, less frequently, in New Zealand.

Directors

During the year to 31 December 2025, six Main Board meetings were held. As at 31 December there were 16 Directors; two Executive Directors, eight Member Elected Non-Executive Directors (MNED), and six External Non-Executive Directors. The size and composition of the Board and Sub Boards are kept under review to ensure that there are sufficient skills and experience represented for the direction of the Society's activities. The Annual Movable Conference (AMC), equivalent to an AGM, elect the Directors who are then allocated to the Commercial Board, Fraternal Board or the ARCC based on their skills, knowledge and experience, with each of these Sub Boards dealing with the two distinct areas of the business. In accordance with the Society's Rules, each of the Sub Boards then appoints up to five of its number to sit on the Board. The list below identifies which Directors sit on which Board, Sub Board or Committee.

The Board is of the opinion that its composition is appropriate to the business. The Directors during the financial year and, as of the date of this report were:

Non-Executive (MNED)

Barbara Needham >+*♦
John Mann >+*♦
David Ogden*●~ (Retired May 2025)
Debbie Jex >+*♦
Karen Rose >+*●~
Alex Walker *●♦
Sheila Martland +*●+♦~
Meirion Edwards *♦
Peter Mouland *♦ (Elected May 2025)

Executive

Jane Nelson >+*♦
Keith Ashcroft >+*●

External Non-Executive

David Webster >+♦~ (Chairman of the Board)
Bill Connolly >+*♦~
Peter Darragh >●
Mike Perry >+
John Midlane ●
Graeme Charters +●

>Board +Commercial Board *Fraternal Board ●Audit, Risk & Compliance ♦Governance Committee ~Remuneration Committee

Board Attendance

Attendance at 2025 Board and Committee Meetings:

	Board		Commercial Board		Fraternal Board		Audit, Risk and Compliance Committee		Governance Committee		Remuneration Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
John Mann	5	5	9	8 >	6	5 >^			4	4		
Debbie Jex	5	5	9	6 *	6	6			4	4		
Barbara Needham	5	1 ¤	9	2 ~¤	6	6			4	4		
Jane Nelson	5	5	9	9	6	6			4	4		
Keith Ashcroft	5	5	9	9	6	1 ●	6	6				
Karen Rose	5	4 *	9	7 ~	6	6	6	6			3	3
Alex Walker					6	6	6	6	4	4		
Sheila Martland			9	1 ♦	6	6	6	6	4	3 *	3	3
Meirion Edwards					6	6			4	3 *		
Peter Mouland					6	3 *			4	1 ♦		
David Webster	5	5	9	2#~¤					4	3 ~	3	3
Bill Connolly	5	5	9	8 ~	6	1 ●			4	4	3	3
Peter Darragh	5	2 ■					6	6				
Mike Perry	5	5	9	9								
John Midlane							6	6				
Graeme Charters			9	6 *			6	6				
David Ogden					6	3 ¤	6	2 ¤			3	2 ¤

~ Holiday # Business > Sickness

*** Newly appointed Director to the Board and/or Committee**
¤ Retired from Board or Committee May 2025
+ The Grand Master and Chief Executive Officer are ex-officio on all Committees and meetings attended have been included in the numbers
● Pre AMC Meeting
♦ Observer
■ Part Meeting

The Board has a number of Sub Boards/Committees that are formed to deal with specialist areas in more detail than would be possible at a Board meeting. Each Sub Board/Committee operates with defined Standing Orders and Terms of Reference. All Terms of Reference are reviewed annually by those Sub Boards/Committees and then submitted to the Board for approval. The only fully held Zoom meetings in the year were the Main Board Meetings held in May and September, the September Commercial Board Meeting, the November Governance Committee Meeting, the ARC meetings in June and July, and all three Remuneration Committee Meetings.

Simon Gallimore was appointed as Chief Executive Officer (Designate) with effect from 6 October 2025 and Pam Casey as Secretary of the Order (Designate) from 8 September 2025. Both have attended Board and Sub Board meetings during the latter part of 2025.

Jane Nelson (Chief Executive Officer/Secretary of the Order) left the Society on 14 May 2026, at which point Simon Gallimore became Chief Executive Officer (and Pam Casey became Secretary of the Order).

All members of the Board are encouraged to attend meetings of other Sub Boards/Committees to which they are not a member.

Independence

The Society defines that a Non-Executive Director is independent provided that the individual:

- has not been a Director for more than nine years; and/or
- is not a member of the Society's Occupational Pension Scheme.

As at 31 December 2025, 13 Directors were classed as independent.

One External NED has served longer than nine years and remain as a Director because of the skills, knowledge and experience they have to offer to the Society. The Board considers that the individual is independent in experience, character and judgement.

MNED Barbara Needham served as the Senior Independent Director (SID) throughout 2025 and was available to members for unresolved concerns during the year. One matter was raised during 2025 which is currently under investigation.

Determining whether or not there are relationships or circumstances that are likely to affect a Director's judgement or independence is delegated to the Secretary of the Order and Society Secretary, who review the contents of the Related Party Transactions declarations as required by the FRS 102 Section 33, and Annual Fit & Proper Monitoring Form completed by each Director. In addition, Directors are required to declare any interests they may have when discussions take place.

Induction Training and Evaluation of Directors

The Regulators take a more stringent approach to the assessment of applicants under the PRA/FCA Senior Managers & Certification Regime (SM&CR), particularly relating to the applicant's core competencies and capabilities in the following areas:

- Business Strategy and Model;
- Governance, Oversight and Controls;
- Market Knowledge;
- Regulatory Framework and Requirements; and
- Risk Management and Controls.

A skills and knowledge gap analysis for new Directors and Skilled Persons is covered as part of their induction, in accordance with the Society's Training and Development Scheme. In addition, a skills and knowledge gap analysis was also completed by each Director during 2025, to identify and address any individual knowledge gaps.

In accordance with that Scheme, each Director and Skilled Person undertook a self-assessment before the end of 2025, a process which highlights areas of strengths and areas for development, which can be appropriately addressed. During 2025, each Director and Skilled Person undertook continuing professional development appropriate for themselves. Full records are kept of the progress of the individual's training which is updated as appropriate. This, therefore, enables the Society to ensure that the Directors continually update their skills and knowledge required for them to fulfil their roles on the Board, Sub Boards and Committees.

Election as a Director is followed by a formalised tailored induction process on the Society's business and regulatory environment. All Directors are required to update their skills and knowledge through meetings with the Executive of the Society and its Senior Management, keeping abreast of related regulatory and industry developments, attending internal training and relevant external courses, all of which is fully documented in the Training and Development plan. Any individual training requirements resulting from the evaluation process are documented and the necessary arrangements made.

Individual self-assessments were carried out in December 2025, designed to ensure that each member was evaluated across all their duties and responsibilities as a Director or Secretary of the Society. These evaluations also included assessments in respect of the balance of skills and knowledge on the Board, Sub Boards and Committees.

The Chairman meets each Director and Skilled Person after each evaluation to discuss the development needs of each individual. The evaluation of the Chairman is carried out by the Senior Independent Director. There were no occasions during 2025 where the Directors met without the presence of the Chairman.

The Training and Development Scheme ensures that the training, development and knowledge standards are appropriate not only to demonstrate a level equal to the regulatory requirements and obligations, but also appropriate and suitable to meet the needs of Directors and the Society. A key element of the Training and Development Scheme is the requirement for all Directors and Skilled Persons to undertake the following e-learning modules on at least a biennial basis. Newly appointed Directors also undertake "Introduction to UK Financial Regulations".

- Anti-Bribery;
- Anti-Money Laundering & Counter Terrorism Financing;
- Conduct Risk;
- Conduct Rules for Non-Executive Directors;
- Consumer Duty;
- Data Protection (GDPR);
- Gifts and Hospitality;
- Good Outcomes for Vulnerable Customers;
- Information Security;
- Operational Resilience;
- Senior Manager & Certification Regime (SM&CR);
- Phishing;
- Working Safely; and
- Whistleblowing

Sub Boards and Committees

Sub Boards and Committees are appointed where necessary with specific delegated responsibilities including, in the case of Sub Boards, the ability to pass resolutions of a non policy nature. The Chief Executive is a member of the Board, both Sub Boards, the Governance Committee and by virtue of their office is ex-officio on all other Committees. The Grand Master is a member of the Board and Fraternal Board and by virtue of their office is ex-officio on all other Committees.

Those Sub Boards and Committees in existence in 2025 were:

Audit, Risk and Compliance Committee:		
	Peter Darragh	(Chairman)
	Karen Rose	(MNED)
	Alex Walker	(MNED)
	Sheila Martland	(MNED)
	John Midlane	(External Non-Executive Director)
	Graeme Charters	(External Non-Executive Director)
	Claire Needham	(Skilled Person)
	Keith Ashcroft	(Chief Financial Officer)

Composition of the ARCC

The members of the Audit, Risk and Compliance Committee (ARCC) as at 31 December 2025 are as stated above.

The ARCC is appointed annually by the Board and consists of at least five members, the majority of whom are either independent, external nonexecutive directors or skilled people with recent and relevant Regulatory, Risk, Financial and Audit experience.

No person may serve on the ARCC for more than nine years and only members of the Committee have the right to attend meetings. However, other individuals (e.g. Directors, Chief Executive, Compliance & Risk Officer, Departmental Managers, and Financial Controller) are invited to attend all or part of any meeting as and when appropriate.

Representatives of the External Auditor and Internal Auditors are also invited to attend meetings on a regular basis.

Meetings

The ARCC meets at least four times a year.

The ARCC receives written and/or verbal reports from the following:

- Chief Executive Officer;
- Chief Financial Officer;
- Chief Operating Officer;
- Compliance & Risk Officer;
- Chief Technology Officer;
- Other Senior Management;
- Society's Internal and External Auditors; and
- Society's Actuaries.

Four meetings of the ARCC were held during 2025. Representations from the Internal Auditors were made at each meeting and representatives of the External Auditor attended, as required, at two of those meetings. Building on the risk-focused engagement programme initiated in 2024, two further risk meetings were held during 2025, during which ARCC members met with Risk Owners from across the Society to discuss the identification, management and monitoring of risks within their areas of responsibility. These sessions have been valuable in developing first-line risk ownership and will continue into 2026.

Responsibilities of the ARCC

The ARCC has responsibilities in the following areas:

- Compliance & Prevention of Financial Crime;
- External Audit;
- Financial Reporting;
- Internal Audit;
- Risk Management and internal Controls and Procedures, including oversight and approval of the processes for the Society's Own Risk and Solvency Assessment (ORSA) and Solvency and Financial Condition Report (SFCR), with the ORSA and SFCR themselves approved by the Board; and
- Whistle blowing.

The overall role of the ARCC is to protect the interests of the Members as regards the appropriate management of risk, the integrity of the published Financial Information and the effectiveness of the various audits pertaining to the regulated business.

In late 2025 the Society received one whistleblowing report, which is being fully investigated in accordance with the Society's whistleblowing policy. The Society maintains whistleblowing arrangements consistent with SYSC 18, including confidential and anonymous reporting channels, an appointed Whistleblowers' Champion, and annual Board reporting on whistleblowing effectiveness. The ARCC receives periodic updates on themes and actions, preserving whistleblower confidentiality.

Risk Management Framework (RMF) and internal control

The Society's RMF is designed to create, protect, and enhance stakeholder value and the Society's viability by managing the principal uncertainties that could prejudice it achieving its objectives.

In maintaining a RMF the Society works towards the following objectives; the ARCC acknowledges, however, that these are not yet fully met:

Oversight: The Society seeks to ensure that all material risks are identified and managed under a holistic approach consistent with the Board's approved Risk Appetite Statements.

Ownership and Responsibility: The ownership of risk is assigned to Risk Owners who are responsible for identifying, evaluating and reporting risk exposures.

Assurance: The Board, Directors and Members have reasonable assurance that risk is being appropriately managed within the defined levels of risk appetite to bring value to the Society.

The RMF includes the strategies, Risk Appetite statements, policies, tools, processes and reporting procedures necessary to identify, measure, manage, monitor and report on the risks to which the Society is, or could be, exposed. The RMF operates around the proven 'three lines of defence' model for overseeing its internal control frameworks:

First line of defence: this encompasses the controls the Society has in place to deal with the day-to-day business. The controls are embedded within the Society's business departments' systems and processes to highlight control breakdown, inadequacy of process and unexpected events, and appropriately mitigate risk.

Second line of defence: this encompasses the Society's Sub Boards, Committees and key functions that are in place to provide an oversight of the effective operation of the internal control framework. The Society's Sub Boards and Committees review the management of risk in relation to the particular risk appetite of the business, as determined by the Board.

Third line of defence: this encompasses the independent assurance and challenge provided by the Society's ARCC and Internal Audit function, which undertake a programme of risk-based audits covering all aspects of both first and second lines of defence.

This model is widely accepted as best practice and has support from the Regulators.

The External Auditors provide independent challenge of the internal control framework in respect of financial reporting.

The Society's Compliance & Risk Officer has the day-to-day responsibility for the Society's RMF.

During 2025, with support from an external risk consultant, the Society undertook a review of the RMF. Although narrower in scope than initially envisaged, the review supported a clearer allocation of firstline ownership, including refreshed risk appetite statements and key risk indicators. A new risk system was implemented and is being embedded, with enhanced reporting expected through 2026.

The ARCC has increased its direct engagement with risk owners, challenging risk identification, measurements and mitigations. While improvements have been made, the ARCC cannot yet provide full assurance over the effectiveness of the RMF. Further strengthening is required in operational risk management, financial crime controls, and technology / information governance. The Committee will track clearly defined milestones and evidence of control operation throughout 2026.

The Compliance & Risk Officer provides the ARCC with assurance reports to confirm the adequacy and effectiveness of the Society's Compliance and Risk Management systems and controls, and that they are appropriate and proportionate to the Society's scale, complexity and business model.

Information Technology, Security and Governance

The Society continues to operate with significant information technology, security and governance risks.

The ARCC strongly supports the appointment of new senior IT leadership, which it has advocated for some time. Following a period of significant disruption in the IT function and underinvestment in key areas, the new Chief Technology Officer has a clear strategy for IT and is committed to developing an effective information security management system which can provide adequate assurance that the controls and systems are effective and fit for purpose. Historic risks, some of which were poorly documented or understood, have been reassessed and remediation plans are progressing. Management has provided the ARCC with a formal written IT and information governance remediation roadmap for each identified weakness. The ARCC will monitor delivery against this roadmap. This improved capability is considered essential to embedding sustainable improvements in IT strategy, governance, resilience and risk management.

The Society's approach to information governance (including data protection) also continues to require significant development. Although the visibility of risks has improved during 2025, and a remediation plan for these is in place, weaknesses and vulnerabilities require some fundamental system redesign and control improvements. The Society's Data Protection Officer has reviewed the information governance elements of this disclosure and confirmed that it accurately represents the remediation programme currently underway.

In line with the PRA/FCA operational resilience framework, the Society has identified its important business services and set impact tolerances. Work continues to ensure we can consistently remain within those tolerances, with targeted investments in technology, data governance and cyber controls.

Substantial further investment in data governance, security, enterprise architecture and oversight processes will be required during 2026 and into 2027 to ensure the Society can effectively meet business needs and manage information technology, security and governance together with related operational resilience risks. The ARCC anticipates being able to provide a much greater level of assurance over the IT and information governance elements of the risk management framework by Q4 2026 but accepts that a reasonable velocity of change means that aspects of the remediation plan will not be implemented until 2027.

Wider Governance

The ARCC has recommended to the Main Board that, given the expansion and evolution of the senior leadership team, ongoing changes in the regulatory environment, and increasing evidence of gaps in the oversight of risks relating to branch operations an urgent and fundamental review of the Society's governance arrangements is necessary. Such a review is important to support the Board in discharging its responsibilities for risk and internal control by establishing clearer reporting lines, strengthened accountability and more effective management and oversight of key risks across the Society, reducing the fragmentation of risk oversight. As matters currently stand, there is a material risk that responsibility for certain key risks sits ambiguously or falls between multiple functions. Historically, the ARCC has concentrated on risks relating to Unity Mutual; however, it has become increasingly evident that the current disparity in risk management approaches between branch operations and Unity Office creates residual risks that exceed the Society's risk tolerance. These differing approaches, standards and controls create gaps and inconsistencies that increase the risk of inadequate oversight across the Society. The Main Board has accepted the ARCC's recommendation that any governance review should include a specific focus on the regulatory and operational risks facing Branches, with the aim of establishing clearer expert oversight of key risks, and the harmonisation of standards to meet regulatory and operational expectations. The Main Board has accepted the ARCC's recommendation and has commissioned such a review in 2026. The terms of reference for the review have been agreed. The review will be conducted by an independent external party with no prior executive or advisory relationship with the Society, and is expected to be completed by Q3 2026. The scope includes Board composition and committee structure, delegated authorities and accountability frameworks, the effectiveness of the three lines of defence model, branch regulatory oversight, and the harmonisation of risk management standards across the Society; the effectiveness of the ARCC is also included within scope. The Main Board will be the primary recipient of the review's findings, with RMF-related matters also being reviewed by the ARCC.

The Chairman of the ARCC holds the role of the Society's Risk Champion with oversight responsibility for promoting and building a risk awareness culture within the Society.

Financial risk management objectives and policies

The Society's activities expose it to several financial risks including credit risk, cash flow risk and liquidity risk. The source of risk and further details around the management of risks which are faced by the Society are disclosed and discussed in greater detail within Note 25 in the Financial Statements.

The use of financial derivatives is governed by the Society's policies approved by the Board, which provide written principles on the use of financial derivatives to manage these risks.The Society does not use derivative financial instruments for speculative purposes. It should be noted that, throughout 2025, financial derivatives have not been utilised.

Assessment of internal controls

The Society has in place an internal control environment to protect the Society from the material risks which have been identified, as documented in the RMF and Internal Control section of this report. Improvements continue to be made to internal controls as raised by the Internal or External Auditors. Management is responsible for establishing and maintaining adequate internal controls over financial reporting and the ARCC provides oversight for ensuring the effectiveness of these controls.

The ARCC has reviewed the process by which the Society evaluated its control environment. Its work here was driven primarily by the Society's Internal Audit reports on the effectiveness of internal controls and any other operational issues reported.

The ARCC continues to review the effectiveness of the Society's systems of risk, governance and internal control. Whilst meaningful improvements have been made during 2025, the ARCC acknowledges that there remain areas where the current framework falls short of the standards required, and that further work is necessary to bring these arrangements to an appropriate level.

External Audit

The Society's External Audit service is provided by PKF Littlejohn LLP (PKF), who were appointed by the Society in March 2022 following a thorough tender process.

Audit planning and year end 2025 audit work was performed on site and remotely. As undertaken for a number of years, audit information and data has been shared via a secure data portal, which has enabled the external audit work to be performed as planned. The External Auditors attended meetings at which financial reporting was discussed and reviewed in accordance with FRC guidance.

As well as reviewing and monitoring the External Auditor's independence, objectivity and the effectiveness of the audit process, the ARCC undertakes a review of External Auditor effectiveness in line with the requirements of the UK Corporate Governance Code. This review was undertaken in March 2025 and no material concerns were identified.

Independence of External Auditor

The Audit, Risk and Compliance Committee is responsible for monitoring the relationship between the Society and the External Auditor, and as part of this process the Committee considers the External Auditor's effectiveness on an annual basis. There are no contractual obligations restricting the Society's choice of External Auditor. In order to ensure that the Auditor's objectivity and independence are safeguarded the following procedures are in place:

- ***Audit Partner rotation:*** Following the appointment of PKF in March 2022, the audit engagement partner is not yet due for rotation. The Partner can perform the role for a period of five years.
- ***Audit related services:*** This is work that the External Auditor performs in its capacity as Auditor, where the nature of the work is closely allied to that of the audit of the Reports and Financial Statements. Accordingly, this work is undertaken by the External Auditor unless unusual circumstances apply.
- ***Tender:*** Consistent with the UK tender regime for PIEs, the ARCC will keep under review the timing of the next mandatory audit tender.

Tax advice

As an insurance undertaking, the Society is a Public Interest Entity (PIE) for audit purposes. In accordance with the FRC Ethical Standard, the External Auditor is prohibited from providing most nonaudit services to the Society and its subsidiary, other than a narrow whitelist of audit related or legally required services, each subject to Audit Committee pre-approval and applicable fee cap rules. Tax advisory and many other nonaudit services are therefore not permitted and are procured from firms other than the External Auditor. PwC LLP were first appointed in 2017 as the Society's Tax Advisors and remain in position as at the end of 2025.

Significant Issues related to the Reports & Financial Statements

The Committee's role in monitoring financial reporting issues is fundamental to ensuring that all the Society's stakeholders maintain their trust in its activities and reporting. The External Auditor, PKF Littlejohn LLP, is used to help ensure that suitable accounting policies have been implemented and appropriate judgements have been made by management. The key significant risks which we considered during 2025 were as follows:

Code Provision	Explanation
Technical provisions assumptions	The ARCC received copies of the Commercial Board minutes regarding the Valuation Assumptions presentations and reports to the Commercial Board by the Society's Actuarial Technician, Chief Actuary and With-Profits Actuary. The ARCC were satisfied that the principal assumptions adopted were appropriate for the Society. The principal assumptions are disclosed in note 15 (b) on page 82.

Code Provision	Explanation
Integrity of the data used in the reserving process	The information provided to the Chief and With-Profits Actuary for inclusion in the reserving process is extracted directly from the Society's own financial information and a Data Report is presented to the Commercial Board detailing the data quality results and movement analysis. The information above sets out the governance processes and responsibilities of the ARCC including the oversight that the ARCC has over the Society's risk of inaccurate financial reporting.
Valuation of investment property	Inaccurate valuation of investment property would generate a significant change in the reported results and position of the Society. Property valuations are provided by independent property valuers and the ARCC considers the results of property valuations reported and External Audit reports in forming their opinion that values are not misstated.

The ARCC reviewed the Reports & Financial Statements and appropriately challenged management as to whether they had sufficiently addressed the Financial Reporting Council (FRC) areas of focus. In particular the disclosures of going concern, fraud risks, climate related risks and the revised auditing standard on risk identification and assessment.

Internal Audit of Unity Mutual

The Internal Audit service for Unity Mutual has been provided by RSM UK Risk Assurance Services LLP (RSM) since the start of 2022. This service is responsible for reviewing the Society's internal systems and controls and reports the outcome to each meeting of the ARCC, who continually monitor the planning and progress of this work.

The Internal Audit Plan was agreed by the ARCC following an assessment of the results of the audit work already undertaken, the Society's LTB Strategy and emerging regulatory themes.

The audit needs analysis was considered when developing the Internal Audit strategy, Strategic Plan and annual plan of work. All work follows a risk-based systems audit approach.

During 2025, internal audit work has been carried out using a hybrid approach, whereby initial review work was completed face to face and any follow-up work carried out remotely, using Zoom and secure file transfer.
The following internal audits were undertaken over the calendar year:

- Vulnerable Customer Management
- Unit pricing
- Data Governance
- AML Controls & Financial Crime Follow-up
- SM&CR
- Succession Planning

During the year a total of 20 observations were raised: 1 high priority, 10 medium priority and 9 low priority, with a further 4 advisory observations. All audit recommendations raised have been agreed by Management, save for one low priority action. The ARCC tracks Management's remedial actions against these recommendations to ensure they have been addressed satisfactorily and in a timely fashion.

RSM's work identified significant weaknesses in both the design and implementation of several controls. As structured and operated at the time of audit, they were not sufficiently robust to mitigate the associated risks but could be made so if the recommended actions are taken by Management.

The ARCC monitors Management's implementation of agreed remedial actions and notes that, while Management is generally diligent in addressing these issues, certain agreed timelines have not been met, resulting in a backlog of remedial work, particularly in relation to IT. The ARCC will continue to monitor this closely throughout 2026, although has a greater level of assurance about Management's capability to now deliver this remedial work.

In respect of the AML Controls & Financial Crime audit, which received a Partial Assurance rating, the ARCC has satisfied itself that Management has complied with the Society's applicable regulatory obligations in respect of the matters identified and is monitoring completion of the agreed remediation actions. The Money Laundering Reporting Officer has provided the ARCC with written confirmation that all applicable regulatory notification obligations in respect of the AML control weaknesses identified have been assessed and, where required, fulfilled.

The Society's Head of Internal Audit attended most meetings, and provided the following overall opinion in respect of RSM's Internal Audits carried out in 2025:

> *'There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.'*

General feedback from RSM is that the Society maintains an 'audit friendly' culture. However, the ARCC shares RSM's view that the Society's approach to risk management must continue to improve to provide appropriate assurance to the Board and members. Management has provided the ARCC with a formal response to RSM's overall opinion, setting out the high level structural improvements planned to be made to the risk management and control framework. A fractional Chief Risk Officer has been appointed and it due to start in Q2 2026 to support this initiative.

The ARCC notes that its current internal audit programme focuses on Unity Mutual operations. In light of the concerns identified in relation to branch activities which carry Society-wide legal and regulatory risk, the scope of the internal programme will be reviewed in 2026 to consider whether aspects of these would be better to be brought within its remit.

Summary

The ARCC is empowered to act at any time it believes necessary, including reporting to the Board and the Annual Movable Conference.

The ARCC is mindful of the significant challenges the Society has faced during 2025 and continues to face, and of its responsibility to report candidly to the Board and to members. The Committee acknowledges meaningful progress in several areas, including the appointment of senior IT leadership, the roll-out of the new risk management system, improved vendor oversight, and the continuing development of risk ownership culture. However, significant further work is required to bring the Society's risk management framework, IT risk, information governance and wider governance arrangements to the required standard.

In particular, the ARCC is concerned that certain risks across the Society are not currently being managed within the Board's stated risk appetite. Completion of the wider governance review the ARCC has recommended to the Board will be a critical priority in 2026. The Committee will continue to exercise rigorous oversight and challenge to ensure Management achieves the improvements necessary to provide the Board and members with the level of assurance they are entitled to expect.

There were no exceptions that the Committee did not report to the Board during 2025.

Commercial Board:		
	Mike Perry	(Chairman) (External Non-Executive Director)
	Jane Nelson	(Chief Executive Officer)
	Keith Ashcroft	(Chief Financial Officer)
	John Mann	(MNED)
	Debbie Jex	(MNED)
	Karen Rose	(MNED)
	Bill Connolly	(Ext Non-Executive Director)
	Graeme Charters	(Ext Non-Executive Director)
	James Gilliver	(Chief of Operations)

The members of the Commercial Board as at 31 December 2025 are as stated above.

Directors are elected at the AMC and are allocated to one of the two Sub Boards. Those appointed to the Commercial Board are confirmed by resolution of the Board.

The Commercial Board consists of at least seven members including the Chairman of the Commercial Board, the Chief Executive Officer, the Chief Financial Officer, at least two Member Elected NEDs and at least one External NED. The Commercial Board appoints its own Chairman at the first meeting after the AMC.

The Commercial Board has access to the Actuary, Internal and External Auditors, Solicitors and any other advisors approved by the Board as required.

The Commercial Board is responsible for the tactical application of strategy and implementation of policy with regards to:

- Strategy and Management of the Society's Long Term Business (LTB) including:
  - Actuarial Valuation under Solvency II;
  - Annual expenditure budget for the LTB;
  - Bonus Recommendations;
  - Business Planning and new developments;
  - Consumer Duty;
  - Own Risk and Solvency Assessment (ORSA);
  - Regulatory Supervisory Report (RSR);
  - Reserves and Allocation of Free Assets; and
  - Solvency and Financial Condition Report (SFCR).

- Operational Management of the LTB including:
  - Investment Performance;
  - Consumer Duty and Conduct Risk;
  - Reviewing the effectiveness of the Society's policies, including oversight of the following Risk Management Framework (RMF) policies:
  - Asset & Liability Management;
  - Concentration Risk;
  - Data;
  - Investment Risk;
  - Liquidity Risk;
  - Market Risk;
  - ORSA/SFCR;
  - Reinsurance Risk;
  - Reserving; and
  - Underwriting Risk.

- Risk Management including overseeing risk in relation to the particular risk appetite statements to the business of the Commercial Board which includes Financial, Investments and LTB risks relating to the Society;
- Compliance and prevention of financial crime including review of the systems and processes by which compliance issues are identified and managed in addition to receiving reports on prevention, detection and investigation of fraudulent activity, financial crime or misconduct within or against the Society in relation to the Society's business; and
- Finance including determining the asset strategy of the LTB Funds which is determined in consultation with the Society's Chief Actuary.

The Commercial Board also acts as the Society's With-Profits Advisory Arrangement and is accountable to the Board for monitoring, controlling and directing the business affairs of the Society in relation to the Society's LTB, subject to matters reserved for the Board. In carrying out the role of the Society's With-Profits Advisory Arrangement, it shall:

- assess whether the LTB With-Profit funds are managed in accordance with the Principles & Practices of Financial Management ("PPFM") as detailed in the PPFM;
- assess whether the Society is complying with the principles and practices set out in the PPFM;
- assess whether the Society is addressing the rights and interests of its With-Profits policyholders compared with other stakeholders in a way that is consistent with treating customers fairly and the principles of Consumer Duty;

- assess the fair outcomes for policyholders taking into account any relevant historical provisions detailed in any relevant instrument of transfer;
- assess any future new product developments and, if supported by the With-Profits assets, the impacts on the surplus of the funds;
- assess the impact of any planned management actions;
- assess management information, including any policyholder complaints;
- assess the performance of the With-Profits Actuary at least annually;
- assess and consider the appropriateness of the costs and expenses incurred in running the funds;
- consider how bonus rates, smoothing and, if relevant, market value reductions have been calculated and applied;
- consider the relative interests of policyholders with and without guarantees;
- consider With-Profits customer communications, such as annual reports, bonus statements, product literature and reports to With-Profits policyholders;
- consider the effectiveness of the Society's arrangements for monitoring whether the outcomes its customers receive are consistent with Consumer Duty and identify and address any issues leading to poor outcomes as appropriate;
- identify surplus and excess surplus and the merits of distribution/retention;
- provide advice and guidance on any other issues that With-Profits policyholders might reasonably expect the Advisory Arrangement to be involved in; and
- review and update the Society's LTB Run-Off Plan.

Throughout the year the Commercial Board has received written and/or verbal reports from the Society's Executive Directors, Senior Management and the Society's Actuaries.

Regulatory Bodies
The Commercial Board continues to keep a watching brief on the regulatory frameworks. This includes the Solvency II environment, Consumer Duty regulation, and the regulatory feedback and consultation papers issued by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

Solvency
The Commercial Board continues to monitor the solvency position of the LTB funds on a quarterly basis and takes action to strengthen the solvency, through specific management actions, where appropriate.

Transfer of Engagements
The Commercial Board is committed to pursuing further transfers providing they prove to be in the interests of the Society's members and policyholders.

Strategic Development
The Society's membership base is a valuable asset and the Commercial Board believes that there exists an opportunity to increase product penetration through cross-selling new products. Going forward, under the Unity Mutual brand, it aims to consider new products that are seen to be appropriate for the Society.

Fraternal Board:		
	John Mann	(Chairman)
	Jane Nelson	(Chief Executive Officer/SOO)
	Barbara Needham	(MNED)
	Debbie Jex	(MNED)
	Karen Rose	(MNED)
	Alex Walker	(MNED)
	Sheila Martland	(MNED)
	Meirion Edwards	(MNED)
	Peter Mouland	(MNED)

The members of the Fraternal Board as at 31 December 2025 are as stated above.

Directors are elected at the AMC and are allocated to one of the two sub Boards. Those appointed to the Fraternal Board are confirmed by resolution of the Board.

The Fraternal Board consists of at least six members including the Grand Master, the Deputy Grand Master, the Chief Executive Officer/Secretary of the Order, the Immediate Past Grand Master and at least two Member Elected Non-Executive Directors. The Grand Master of the Order is traditionally the Chairman and is appointed at the first Fraternal Board meeting following the AMC.

The Fraternal Board has access to the Actuary, Internal and External Auditors, Solicitors and any other advisors approved by the Board as required.

The Fraternal Board is responsible for the tactical application of strategy and implementation of policy with respect to matters listed below:

- Administration and supervision of Branches including:
  - Amalgamations of Branches and transfers of engagements;
  - Branch Financial Statements;
  - Branch Internal Audits;
  - Branch Investments;
  - Branch Special Rules;
  - Oddfellows Halls;
  - Transfers of funds; and
  - Variations of Lodge Benefits.
- Appointment of Deputations;
- Benevolence including:
  - Convalescent and Care benefit;
  - Educational and Apprenticeship Awards;
  - Emergency Benevolence Grants;
  - HA Andrews Memorial Fund;
  - Legal Aid Scheme;
  - Orphan Gift Fund.
- Branch delivery of social and care;
- Branch training including Weekend Seminars;
- Group Conferences;
- Management of relationships with third parties;
- Making a Difference Awards;
- Oddfellows Brass;
- Public Relations;
- Recruitment and retention;
- Risk Management;
- Rules and Procedures;
- Society's Publications;
- Traditions of the Society; and
- Unity Unitised Funds.

A Branch Internal Auditor is employed at Unity Office to undertake the internal audit work at Branches. The outcome of these audits for financial administration and compliance is reported at all meetings of the Fraternal Board. Branch Internal Audits are carried out on a rolling basis, with the aim being that all Branches are internally audited every two years. A schedule of Branches due for visit is prepared and rationalised so that work in adjacent areas can be conducted where possible to minimise the Branch Auditor spending unnecessary time in travel. The process now followed also includes some pre work being requested from Branch Secretaries to ensure a more efficient and effective programme of internal audit visits.

In 2024, 45 Branch internal audit visits were completed and in 2025 a further 47 Branches were visited, all of which were reported to the Fraternal Board.

In the majority of cases any recommendations as a result of the Internal Audit visits were accepted and actioned by the relevant Branch Committee of Management. In 2025 there were no cases where re-visits were considered necessary, but some chasing up of actions and/or recommendations was required in a number of instances. There were no occasions in 2025 where a Deputation had to be appointed as a result of an Internal Audit visit. In general, the Branch administration in the majority of our Branches meets the requirements for basic financial administration and compliance. The Audit, Risk and Compliance Committee has, however, identified increasing evidence of gaps in the oversight of legal and regulatory risks relating to Branch operations, which it considers create residual risks that exceed the Society's risk tolerance. The Main Board has accepted the ARCC's recommendation that the forthcoming governance review include a specific focus on Branch regulatory and operational risks, and the scope of the internal audit programme will be reviewed in 2026 to consider whether certain Branch risks should be brought within its remit. Where there are similar themes emerging, the Fraternal Board seek to ensure that the Branches are guided to appropriate training that may be required. An example of this is the Committee of Management/Trustee and Chairmanship training that is available as well as other training, much of which is available via webinar on the Society's intranet.

All Branch audit reports and the responses of the Committee of Management to the recommendations of the Branch Internal Auditor are critically reviewed by the Fraternal Board, so that they can be satisfied that both the Branch function and the approach of their Committees, in general, is appropriate and 'fit for purpose'. To this end, Branches received a 'clear' Branch audit visit, with no recommendations being made, are written to on behalf of the Fraternal Board to congratulate them.

Where there is any doubt expressed that the Branch administration is in need of further scrutiny then the Fraternal Board are empowered to appoint a Deputation to ensure that all assistance necessary can be afforded to the Branches.

Unity Office has been the Regulator of all Branches since the Society became incorporated in 2013. Therefore, a greater degree of scrutiny will continue to appear within the Branch Audits to ensure total compliance of every Branch administration with the Society's Rules and Procedures.

The Fraternal Board is also responsible for managing the fraternal risks relating to the Society and for the passing of resolutions in furtherance of the aims and directives of the Society's strategy and in accordance with the policy of the Board which will receive and approve its minutes.

Governance Committee: Debbie Jex (Chairman)
Jane Nelson (Chief Executive Officer)
John Mann (MNED)
Barbara Needham (MNED)
Bill Connolly (External Non-Executive Director)
David Webster (External Non-Executive Director)
Alex Walker (MNED)
Sheila Martland (MNED)
Meirion Edwards (MNED)
Vicky Morley (Compliance and Risk Officer)

The members of the Governance Committee as at 31 December 2025 are as stated above.

The Governance Committee is responsible for monitoring the appropriateness of the Society's corporate governance arrangements. In doing so, it needs to take account of the regulatory matters that affect the Society and, where appropriate, makes recommendations based on its deliberations and conclusions to the Board, Sub Boards and Committees.

The Governance Committee has received written and/or verbal reports from the following during the course of 2025:

- Chief Executive Officer;
- Compliance & Risk Officer; and
- Society Secretary.

The Governance Committee undertook reviews and reported back on the following matters during 2025:

- The oversight and management of governance related risks within the Society's Risk Management Framework.
- The various matters that came about from the Prudential Regulatory Authority and the Financial Conduct Authority with regards the Senior Managers & Certification Regime, including the fitness and propriety of staff to perform their role;
- Consider the need to commission an externally facilitated Board evaluation;
- Review and update of the Director's Handbook;
- Review of the Society's compliance with the Association of Financial Mutuals (AFM) Corporate Governance Code (CGC), across six key Principles of good practice;
- Contributed to the Law Commissions' consultation and review of the Friendly Societies legislation
- The annual assessment of the on-going fitness and propriety of the Society's Regulated Persons;
- Review and update of the 'Becoming a Director of the Oddfellows' Booklet;
- Governance Committee Clause presented at the annual AMC;
- Continue to monitor PRA Rules on Board Diversity and Succession Planning;
- Review of Directors and Senior Managers Succession Planning including overseeing the succession arrangements for the role and appointment of the Secretary of the Order and redefinition of the role of Chief of Operations;
- Appointment of a working group to oversee the succession arrangements for the role and appointment of the Chief Executive Officer;
- Review and updating of Director & Skilled Persons Appraisal Forms;
- MNED Nominees Training; and
- The Terms of Reference for the Sub Boards and Committees.

The Governance Committee acts as the Society's Nominations Committee in respect of Member Nominated Non-Executive Directors. As part of the process by which the Board has to satisfy itself about a candidate's fitness and propriety to stand for election as a Member Nominated Non-Executive Director (MNED), potential candidates were invited to receive training prior to Branches submitting their nominations. The training covered the aspects for both the fraternal and regulatory expectations in respect of the role of a Director of an Incorporated Friendly Society.
The training that was held via zoom on 9 October 2025 was attended by two members, and by the deadline of 30 November 2025, two new MNED nominations had been received.

Remuneration Committee:

Sheila Martland	(Chairman)
Bill Connolly	(Ext Non-Executive Director)
David Webster	(Ext Non-Executive Director)
Karen Rose	(MNED)

The members of the Remuneration Committee as at 31 December 2025 are as stated above.

The Main Board delegates responsibility of overseeing the design, implementation and maintenance of the Society's Remuneration Policy to the Remuneration Committee.

The Remuneration Committee is responsible for:

- reviewing the framework or broad policy for the remuneration of Executive Directors and Non-Executive Directors and submitting it to the Board for approval; and
- determining targets for any performance-related pay schemes operated by the Society.

The Remuneration Committee had a joint meeting with the Governance Committee in March 2025 to consider Succession Planning in accordance with their respective Terms of Reference.

For the year 2025, the Committee again decided not to use the services of an external consultancy. As reported previously, this is largely because the data provided by the consultant previously engaged by the Society is capable of being collated internally and is also in the public domain. Furthermore, the market conditions in which the remuneration of the Society's Executive Directors was set did not warrant the expenditure that would have been incurred by engaging external support.

The main sources of data used to benchmark the remuneration of the Executive Directors were:

- Remuneration packages of comparable organisations of the Association of Financial Mutuals; and
- The published Reports and Accounts for those Societies considered to be the closest comparators to our Society.

The Chief Executive Officer is invited to attend meetings of the Committee to participate in the consideration of the remuneration of the Directors who report to her, and associated matters, but the CEO is excluded from discussions relating to her own remuneration. The Committee then makes recommendations to the Non-Executive Directors regarding the basis of the Executive Directors' remuneration.

Annual performance reviews of the Executive Directors are undertaken by the Remuneration Committee, based on the Executive Directors' objectives derived from the Society's Strategic Plan, and with a formal appraisal being held with each Director in this regard.

The Remuneration Committee reviews Executive Directors' remuneration annually. It considers it is in the Members' best interest for remuneration packages to be competitive in order to attract, retain and motivate people of the required calibre.

The details shown in the following tables reflect the remuneration arrangements that have been in place for the Executive Directors during 2025:

	Salary	Pension	Cash Allowance in lieu of pension	Taxable Benefits	Total	
					2025	2024
Chief Executive Officer/ Secretary of the Order	£241,994	-	£48,586	£14,629	£305,209	£306,679
Chief Financial Officer	£128,423	£12,749	-	-	£141,172	£134,592
Chief Executive Officer Designate	£43,846	£4,385	-	£3,518	£51,749	-
Total	£414,263	£17,134	£48,586	£18,147	£498,130	£441,271

Taxable Benefits currently offered are private medical insurance and car allowance. The Chief Executive Officer has a notice period of 12 months and the Chief Financial Officer has a notice period of six months.

Pension entitlements

The figures are in respect of benefits within the M U Pension Scheme.

Position	Accrued pension 31.12.25 (per annum)	Transfer value of accrued pension at 31.12.24	Transfer value of accrued pension at 31.12.25	Pension input amount over 2024 less Director's contributions	Pension input amount over 2025 less Director's contributions
Chief Executive Officer/ Secretary of the Order	£87,705	£1,332,758	£1,332,758	Nil	Nil

Notes:

- Mrs C J Nelson ceased accruing benefits in the Scheme and became a deferred pensioner on 31 March 2016. Therefore from this date onwards the pension input amounts and contributions are zero.
- The accrued pension is the deferred pension amount which the Director would be entitled to from normal retirement age based on accrued service prior to the relevant date.
- The transfer values represent the present value of the accrued deferred pension and associated benefits at the relevant date and have been calculated using a methodology set by M.U. Pension Trustees Limited, in accordance with the Pensions Regulator's guidance and applicable legislation.
- The deferred pension figures make no allowance for any future adjustments which may be required in relation to the equalisation of GMPs. However, the transfer value at 31.12.25 does include such an allowance, following the judgement in the Lloyds case.
- All accrued pensions and transfer values include the value of the Director's AVC benefits, where applicable.
- The Pension input amount represents the value of the increase in excess of inflation (where inflation is measured as the annual increase in the Consumer Prices Index to the September before the financial year end) of the accrued deferred pension over the period, less Director contributions. The increase in benefits has been calculated using HMRC methodology and then multiplied by a factor of 20 which is in line with our understanding of the Directors' Disclosure regulations.
- At retirement Mrs Nelson will receive a deduction to her pension in respect of the Annual Allowance tax charges paid her behalf via the "Scheme Pays" arrangement. The table above makes no allowance for Mrs Nelson's Scheme Pays arrangement.

External and Member Elected Non-Executive Directors

The structure is fee based for the Society's External and Member Elected Non-Executive Directors for June 2025 to May 2026 is as detailed below:

- A base fee of £6,678 pa is to be paid to all Member Nominated Non-Executive Directors who sit on the Main Board, the Commercial Board or the Fraternal Board.
- A base fee of £13,356 pa is to be paid to all External Non-Executive Directors who sit on the Main Board, the Commercial Board or Committees.
- An additional fee of £5,742 pa is to be paid to the Chairman of the Main Board.
- An additional fee of £1,401 pa is to be paid to the Chairmen of the Commercial and Fraternal Boards.
- An additional fee of £ £1,401 pa is to be paid to the Chairmen of the Audit, Risk & Compliance and the Governance Committees.
- An additional fee of £705 pa is to be paid to the Chairman of the Remuneration Committee, the Senior Independent Director and the Society's Conduct Risk Champion.
- An additional fee of £1,149 pa is paid to any Non-Executive Director who sits on both Sub-Boards.
- An additional fee of £1,401 pa is paid to the Grand Master in his year of Office.

The fees for NEDs are reviewed on an annual basis, the outcome of which is reported to the next Annual Movable Conference in the same way as is done for Executive remuneration. The NEDs are not employees of the Society.

The details in the following table show the remuneration arrangements that have been in place for the Non-Executive Directors and reflect the remuneration for the year ended 31 December 2025:

Director	Total Remuneration	
	2025	2024
David Webster (Chairman)	18,719	15,260
John Mann	10,145	8,845
Debbie Jex	8,189	6,353
Barbara Needham	8,793	9,757
Karen Rose	7,672	6,849
Alex Walker	6,599	6,261
Sheila Martland	7,195	6,355
Meirion Edwards	6,546	3,180
Peter Mouland	3,896	-
Bill Connolly	13,647	11,224
Peter Darragh	14,531	11,182
Mike Perry	14,188	10,523
John Midlane	13,091	9,920
Graeme Charters	13,091	6,360
David Ogden	3,210	7,522
Tony Luckett	-	3,083
Claire Needham	4,117	-
Total	**153,629**	**122,674**

Statement of Solvency

The Board considers that the value of the assets of the Society and its Branches at the end of the year, together with future income significantly exceeds future liabilities and operating expenses and is capable of providing adequate income to sustain the reasonable expectations of the members.

The Board confirms that the Society, at the end of the financial year, held eligible own funds to cover both the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR) as prescribed in the PRA rulebook for Solvency II firms.

Conflicts of Interest

The Society's code of conduct, regulatory Individual Conduct Rules and conflicts of interest policy requires any members of staff, Advisers or Directors to declare any potential or actual conflict of interest in respect of any business matter or transaction which is being considered.

In the event of such a conflict of interest, the individual must disclose to the Society any benefit they may receive from the business matter or transaction concerned. This requirement applies whether or not the Society sets aside the particular business matter or transaction concerned. It is not necessary for the individual concerned to have to account for the benefit if they are allowed to have an interest or duty by the rules of the Society and the interest or duty has been disclosed to and approved by the Board and/or Sub Board.

Charitable Donations

HA Andrews

Between 2022-2024 the Centre for Cancer Immunology at the University of Southampton received £100k total across three years (2022-2024), which had been funded through the H A Andrews Memorial Fund. The Fund sponsored the studies by Nur Zainal, a PhD student at the University. Her work looked into a specific gene, which it is believed can be manipulated to target cancer cells in a new vaccine. If successful, this could profoundly change outcomes for patients with cancer, particularly lung, breast, head and neck oesophageal and bladder cancers. Nur and her supervisor delivered a final presentation on the impact of the funding at the AMC in 2025.

At the Society's Annual Conference in 2025, the next research project was agreed which is supporting a two year study into investigating Breast Cancer prevention using a human tissue ex plant model with the total support being £67,068. The first instalment was presented to Prevent Breast Cancer on 2 October 2025 by the Grand Master and the CEO at the Manchester Cancer Research Centre (MCRC) at the Nightingale Centre, Wythenshawe Hospital.

Helping others

In addition, Branches continued to support local and national charities and, in 2025, donated over £150k (2024: £160k).

Holdings in Subsidiaries

The Society holds 100% of the Ordinary Share Capital issued by Oddfellows Support Services Limited, an entity incorporated in the United Kingdom and whose registered address is Oddfellows House, 184-186 Deansgate, Manchester M3 3WB.

Liability Insurance

The Society continues to effect Directors and Officers liability insurance for and on behalf of the Directors and executive management as permitted by the Friendly Societies Act 1992.

Each of the Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for members to assess the Society's performance, business model and strategy.

Going Concern and Viability Statement

The Board discussed the reasonable expectation of the Society being a going concern of at least 12 months after the date of signing the Accounts, and of its longer term viability, at the April 2025 Main Board meeting. The Board conducted this review with information available to it having considered its Actuarial Forward Looking Assessment of Solvency, both the latest Society Fraternal Strategic Plan for 2025-2027 and the Long Term Insurance business plan for 2025-2027 including a Sales and Marketing Plan for the period, the Society's Own Risk and Solvency Assessment (ORSA) and the Society's Medium Term Capital Management Plan which have been prepared in accordance with the requirements of the Solvency II directive.

The ORSA considers the Society's base and reasonably forecast stressed scenarios and the resultant solvency capital requirements. The future liquidity and cash flow requirements have been considered as well as actions that are available to management.

The Board has determined that the three year period to December 2027 is an appropriate period over which to provide its viability statement as it reflects the duration of the Society's business plan. In making its assessment, this period was selected for the following reasons:

- The projected capital under the forward looking assessment of own risks, as prepared within the ORSA, is performed using a look forward period to December 2029:
- The strategy and associated principal risks underpinning the Society's viability assessment are monitored over a forward looking three year period; and
- The level of confidence within the judgments made as part of the forward looking three year assessment is in line with the Society's risk tolerance and business objectives.

The Board also considered the appropriateness of the Principal Risks and Uncertainties as described on the Reports and Financial Statements.

Based on the results of this analysis, the Board considers that the Society has adequate resources to continue in business and meet its liabilities as they fall due over the assessment period recognising that future assessments are subject to a level of uncertainty that increases with time and therefore outcomes cannot be guaranteed or predicted with certainty.

Solvency

The Society's solvency has been consistently strong during 2025. There has been a resurgence in the financial markets despite inflation being above target and the impact of geopolitical uncertainty inflation. The Society's Insurance assets are largely invested in both fixed income, commercial and residential property. The Society's bonds are liability matched within agreed tolerances and have therefore been largely insulated against price movements, maintaining the Society's Solvency cover and being able to maintain our current investment strategy.

As such we have not been a forced seller of investments. We actively consider our Solvency Capital Requirements to ensure we take appropriate actions if required. Fraternal Branch assets are both invested on behalf of Branches in the Society's administered funds and consist of assets held directly by the Branches.

The positions on the Society's SCR cover ratio, on a quarterly basis during the year were:

31 December 2024	360%
31 March 2025	364%
30 June 2025	358%
30 September 2025	365%
31 December 2025	340%

During 2025 the Society has not experienced any material change to claims activity, other than what was expected as a result of policy terms. Similarly, there has been no unusual experience on surrenders, withdrawals, sickness claims or deaths and this too continues to be monitored. The level of solvency remains within the Society's risk appetite.

The level of claims in terms of numbers and values are consistent with the projected run-off and cash flows from the Solvency II model, and which include maturities on Society's products, assumptions for surrender and mortality including the Society's CTF book.

Liquidity

In relation to our LTB regulated business, our investments are held in both liquid and marketable assets where they can be accessed at very short notice, and illiquid property assets. The liquid assets consist of cash held at major banks, money market funds, gilts, investment grade corporate bonds, and listed UK equities or constituents of major stock indices, and for unit-linked business, a large holding in a UK tracker fund where prices and liquidity are available daily.

The liquid assets consist of the property portfolio which consists of both residential and commercial properties, worth £24m (2024: £23m), out of overall LTB assets of £366m (2024: £344m). This is considered proportionate as a % of overall assets. The Society actively manages the diversification of the portfolio by allowing all LTB funds to take partial investment in the fund as per the fund's investment strategy and asset thresholds.

Given the value of other investments in each of the LTB Funds, and the investments of the LTB overall, the illiquidity of the property portfolio as an asset class does not create any material concern.

Governance and operations

Taking into account the Society's scale and complexity, we are comfortable that we have taken appropriate and proportionate actions throughout the year to mitigate the principal risks and uncertainties posed to us, including the uncertainties and have the appropriate governance and controls in place to ensure the Society is able to meet is customer and regulatory obligations. As a regulated business we are focussed in continuing to meet the FCA's Consumer Duty expectations and Operational resilience framework as mandated by the FCA. From our assessments to date we have not identified anything of a material nature that will have an effect on the Society's Solvency or reputation that will affect its ability to operate as a Going Concern.

Taking all these matters into account, the Board have a reasonable expectation that the Society will be able to continue in operation and meet is liabilities as they fall due and continue as a going concern and therefore continue to adopt the going concern basis in preparing the Financial Statements.

Statement of Directors' responsibilities

The Friendly Societies Act 1992 ("the Act") requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Society at the end of the year and of its income and expenditure for that year.

Directors' Report

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records which must show and explain the transactions of the Society and disclose the financial position of the Society with reasonable accuracy at any time, and enable them to ensure that the Financial Statements comply with the Act and the regulations under it. They are also responsible for the systems of internal control, for safeguarding the assets of the Society and hence taking reasonable steps for the prevention and the detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditor

Each of the persons who is a Director at the date of this report confirms that, so far as each of them is aware, there is no information relevant to the audit of the Society's Financial Statements for the year ended 31 December 2025, of which the Auditor is unaware. Each Director has taken all steps that he/she ought to have taken in his/her duty as a Director to make himself/herself aware of any relevant audit information and to establish that the Society's Auditor is aware of that information.

The above report was approved by the Board and signed on its behalf by:



S Gallimore
Chief Executive Officer
12 June 2026

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INDEPENDENT ORDER OF ODD FELLOWS MANCHESTER UNITY FRIENDLY SOCIETY LIMITED

Opinion

We have audited the financial statements of The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited (the 'Society') and its subsidiary ('the Group') for the year ended 31 December 2025 which comprise the Group Consolidated and Society Balance Sheets, the Group Consolidated and Society Income and Expenditure accounts, the Group Consolidated and Society Statements of Other Comprehensive Income and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Society's affairs as at 31 December 2025 and of the Group's and Society's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Friendly Societies Act 1992.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Society's ability to continue to adopt the going concern basis of accounting included:

- reviewing the historical accuracy of the Group's and of the Society's forecasting process, including the consideration of post year-end performance; validating that calculations applied in the forecasts are mathematically accurate and in line with management's forecasting method;
- reviewing and challenging key inputs and assumptions applied by management for reasonableness and agreeing them to supporting evidence;
- reviewing the Society's significant correspondence with regulators up to the date of signing our audit report to understand any developments regarding the Society's regulated permissions and activities;
- reviewing the Society's current capital position and Own Risk and Solvency Assessment (ORSA) reports submitted during and post year-end and evaluating the appropriateness of the stress test scenarios performed by the directors; assessing the completeness of the key risks considered by the Group and Society, which include solvency risk, fraternal risk, long-term business risk, reputational risk, regulatory compliance risk, investment risk and climate change financial risk; and
- reviewing management's going concern disclosures to ensure they are fair, balanced and understandable to users of financial statements, as well as consistent with management's going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Society'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 directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We determined the overall materiality for the Group to be £862,000 (2024: £863,000) which is 0.28% of total invested assets (2024: 0.3%). The rationale for using invested assets is that these assets back the Long-Term technical provisions and are relatively stable. We set the Society's overall materiality at £862,000 which is the same level as the group overall materiality (2024: £863,000), recognising that the Society's subsidiary is immaterial to the results of the Group.

Based on our risk assessments of the Group and Society, together with our assessment of the Group's and Society's overall control environment, our judgement was that performance materiality be set at 60% (2024: 60%) of our overall materiality. This is due to the heightened risk of the engagement in respect of the high degree of estimation applied in calculating certain material balances. The performance materiality is £517,000 for the Group and the same threshold for the Society (2024: £518,000 for the Group and the same threshold for the Society).

We agreed with the Audit, Risk and Compliance Committee (the 'ARCC') that we would report to them all uncorrected audit differences in excess of £43,000 for the Group and the same threshold for the Society (2024: £43,000 for the Group and the same threshold for the Society), as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality as above and assessed the risks of material misstatement in the financial statements.

In particular, we looked at areas involving significant accounting estimates and judgements made by the directors and considered future events that are inherently uncertain. These areas included:

- Expense and lapse assumptions used in the valuation of technical provisions; and
- Completeness and accuracy of policyholder data used within the valuation of technical provisions.

We performed a combination of analytical procedures and substantive tests of details, including obtaining direct confirmations from third parties and engaging auditor's experts where we considered necessary, to address the risks of material misstatement for each financial statement line item.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter **Future expense assumptions used in the valuation of the Long Term Business provision within the technical provisions**	Significant judgement is required in the setting of assumptions that underpin the valuation of the Long-Term Business provision within the technical provisions ('TPs') and the Society appoints an actuarial consultant to assist in the determination of the TPs. We identified a key audit matter in relation to the future expense assumptions used given the sensitivity of the TPs to expense movements and the level of focus on the Society expense base from the members. In addition, there is judgement required in relation to the impact of potential transfers of future business into the Society on forward-looking expense assumptions. The use of an inappropriate assumption, whether through fraud or error, could result in a material misstatement particularly because of the high sensitivity of the provisions to this assumption. ***Refer to Note 1(a) Significant accounting policies, Note 1(b) Critical accounting judgements and key sources of estimation uncertainty, and Note 15 Long-Term Business provision to the financial statements.*** ***Technical provisions as at 31 December 2025 are £353,092k (2024: £331,441k). Out of the total technical provisions, the balance of the Long-Term Business Provision is £113,722k as at 31 December 2025 (2024: £111,551k).***
How our scope addressed this matter	In respect of the expense assumptions used in the valuation of the Long-Term Business provision within the technical provisions, we: • gained an understanding of the relevant internal controls implemented by management to manage the risks associated with setting the expense assumptions; • challenged the split of expenses between fund and product groups to ensure that this is consistent with the per policy expense assumptions; • challenged the appropriateness of the expense assumptions used within the modelling of TPs and reasonableness of future management actions with the support of our actuarial experts. As part of this work, we reviewed the adjustments to total expenses and the calculation of the policy expenses; • performed a retrospective comparison of the 2025 actual expenses to the 2025 budget, and a comparison of the on-going expenses included in the actuarial model and the 2026 budget; • agreed the actual expense base used in the assumption setting process through to the audited current year information to assess consistency; and • reviewed the appropriateness of the related disclosures in the financial statements in accordance with the applicable financial reporting framework.
Key observations	• We deemed that the expense assumptions included within the Long-Term Business provision within the TPs for the Group and Society are reasonable; and • We considered that the assumptions have been subject to appropriate governance and appropriately included within the year end actuarial models.

Key audit matter **Lapse assumptions used in the valuation of the Long-Term business provision within the technical provisions**	We identified a key audit matter in respect of the lapse assumptions used in the valuation of TPs. The technical provisions are sensitive to this assumption, in particular the CTF book. Inflation has stabilised and interest rates have reduced since last year end, however the economic environment continues to be volatile and there is relatively limited lapse experience. Limited data means setting a best estimate assumption is challenging and may be prone to error or misstatement. In this regard, there is judgement required in the lapse rate estimation with regards to economic and market conditions. The use of an inappropriate assumption, whether through fraud or error, could result in a material misstatement, particularly because of the high sensitivity of the provisions to this assumption. ***Refer to Note 1(a) Significant accounting policies, Note 1(b) Critical accounting judgements and key sources of estimation uncertainty, and Note 15 Long-Term Business provision to the financial statements.***
How our scope addressed this matter	In respect of the lapse assumptions used in the valuation of the Long-Term Business provision within the technical provisions, we: • gained an understanding of the relevant internal controls implemented by management to manage the risks associated with setting the lapse assumptions; • tested a sample of the data used in the experience analysis by agreeing to source system and policyholder documentation; • compared lapse experience during 2025 with prior periods to confirm our understanding of the reasons for any changes and how they have been factored into the assumptions set with the support of our actuarial experts; • challenged the overall appropriateness of the lapse assumptions used within the modelling of TPs with the support of our actuarial experts; and • reviewed the appropriateness of the related disclosures in the financial statements in accordance with the applicable financial reporting framework.
Key observations	• We determined that the lapse assumptions selected by management are reasonable based on the analysis of the experience to date, market practice and the financial and regulatory requirements relevant to the Group and Society; and • We considered that the assumptions have been subject to appropriate governance and appropriately included within the year end actuarial models.

Key audit matter **Completeness and accuracy of policyholder data used within the valuation of technical provisions**	The Society extracts data from a number of different platforms before passing this to the external actuarial consultant for processing through their actuarial models. We identified a key audit matter in relation to the completeness and accuracy of data used in the calculation of the TPs given the quantum of the balance. The use of incomplete or inaccurate data, whether through error or deliberate manipulation, could result in a material misstatement because the data extracted from the underlying platforms is integral to the material accuracy of the calculation at the year-end date. This key audit matter is also considered to be a fraud risk. ***Refer to Note 1(a) Significant accounting policies, Note 1(b) Critical accounting judgements and key sources of estimation uncertainty, and Note 15 Long-Term Business provision to the financial statements.***
How our scope addressed this matter	In respect of the completeness and accuracy of policyholder data used within the valuation of TPs, we: • gained an understanding and tested the relevant controls implemented to support the preparation, maintenance and integrity of the actuarial data extracts; • gained an understanding of the relevant controls implemented to support the completeness and accuracy of data input into the policyholder insurance systems; • gained an understanding of the relevant controls over data security including access privileges and change management on the policyholder administration systems with the support of IT specialists; • reconciled the number of policyholders included in the 2025 data extract to the 2024 audited data and tested a sample of the policyholder movements to supporting documentation to assess whether the data is complete and accurate; • reconciled the total policy count in the data extract provided to the external actuarial consultant to the totals included in the external actuarial consultant's portal which has been used in the TP calculation; and • tested a sample of policyholders from the data extract provided to the external actuarial consultant back to the details held on the policyholder systems and back to policyholder documentation.
Key observations	We determined based on our audit work that the data which is input into the actuarial models is complete and accurate.

Other information

The other information comprises the information included in the Reports and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Reports and Financial Statements. Our opinion on the Group and Society 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Friendly Societies Act 1992

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Society and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Friendly Societies Act 1992 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Society, or returns adequate for our audit have not been received from branches not visited by us; or
- the Society's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the Group and Society financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 Group and Society and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, review of board minutes and performing walkthroughs of the Group's and Society's controls.

- We determined the principal laws and regulations relevant to the Group and Society in this regard to be those arising from:
  - Friendly Societies Act 1992;
  - Friendly Societies (Accounts and Related Provisions) Regulations 1994;
  - AFM Corporate Governance Code;
  - Financial Conduct Authority (FCA) Handbook; and
  - Prudential Regulation Authority (PRA) Rulebook.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Society with those laws and regulations. These procedures included, but were not limited to:
  - discussing with management any potential instances of non-compliance;
  - inspecting correspondence with the FCA and PRA;
  - reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
  - reviewing the minutes of meetings of those charged with governance.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in relation to expenses and lapse assumptions used in the valuation of the Long-Term Business (LTB) provision within TPs, and completeness and accuracy of policyholder data used within the valuation of TPs. Refer to the key audit matters section for further details on how we addressed this.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. Supported by our external experts, we assessed whether the valuation of the Technical Provisions was reasonable. Refer to the key audit matters for further details.

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.

Other matters which we are required to address

We were appointed by the ARCC on 29 March 2022 to audit the financial statements for the period ending 31 December 2022 and subsequent financial periods. Our total uninterrupted period of engagement is four years, covering the years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Society and we remain independent of the Group and the Society in conducting our audit.

Our audit opinion is consistent with the additional report to the ARCC.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Section 73 of the Friendly Societies Act 1992. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Watson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
11 York Street, Manchester M2 2AW

12 June 2026

Group Consolidated Balance Sheet

ASSETS	Note	As at 31/12/2025 £'000	As at 31/12/2024 £'000
Investments			
Land and buildings	4	82,317	77,779
Other financial investments			
Shares and other variable yield securities	5	102,226	88,949
Debt and other fixed income securities	6	109,782	104,800
Loans secured by mortgage	7	78	172
Cash held for Investment	8	2,464	705
Assets held to cover linked liabilities	9	246,304	228,629
Debtors due within one year			
Other debtors	10	1,336	1,197
Other assets			
Tangible assets	11	3,311	4,846
Inventories		44	36
Cash at banks and in hand	8	7,146	14,836
Prepayments and accrued income		2,188	2,126
Pension scheme asset	17	7,752	7,105
		564,948	531,180

Group Consolidated Balance Sheet

		As at	
		31/12/2025 £'000	31/12/2024 £'000
LIABILITIES	**Note**		
Reserves			
Reserves provided for, by the rules and other specific purposes	**12**	890	2,575
Fund for future appropriations	**14**	15,767	14,026
Technical provisions			
Long term business provision	**15**	113,722	111,551
Claims outstanding		1,149	1,251
Technical provisions for linked liabilities			
Insurance & Investment contracts	**15**	238,221	218,639
Liabilities to Investing Branches	**13**	171,739	160,391
Creditors and accruals due within one year	**16**	3,289	2,690
Creditors, amounts falling due after more than one year	**16**	19,000	19,000
Deferred income		1,171	1,057
		564,948	531,180

These Financial Statements of the Independent Order of Odd Fellows Manchester Unity Friendly Society Ltd. Registered number 223F were approved by the Board on 10 April 2025 and were signed on its behalf by:



S Gallimore
Chief Executive Officer
12 June 2026



P Casey
Secretary of the Order
12 June 2026

Society Balance Sheet

	Note	As at 31/12/2025 £'000	31/12/2024 £'000
ASSETS			
Investments			
Land and buildings	4	82,317	77,779
Other financial investments			
Shares and other variable yield securities	5	102,226	88,949
Debt and other fixed income securities	6	109,782	104,800
Loans secured by mortgage	7	78	172
Cash held for investment	8	2,464	705
Assets held to cover linked liabilities	9	246,304	228,629
Debtors due within one year			
Other debtors	10	1,319	1,182
Other assets			
Tangible assets	11	3,311	4,846
Cash at banks and in hand	8	7,141	14,833
Prepayments and accrued income		2,188	2,125
Pension scheme asset	17	7,752	7,105
		564,882	531,125

Society Balance Sheet

LIABILITIES	Note	As at 31/12/2025 £'000	As at 31/12/2024 £'000
Reserves			
Reserves provided for, by the rules and other specific purposes	12	890	2,575
Fund for future appropriations	14	15,703	13,972
Technical provisions			
Long term business provision	15	113,722	111,551
Claims outstanding		1,149	1,251
Technical provisions for linked liabilities			
Insurance & Investment contracts	15	238,221	218,639
Liabilities to Investing Branches	13	171,739	160,391
Creditors and accruals due within one year	16	3,287	2,688
Creditors, amounts falling due after more than one year	16	19,000	19,000
Deferred income		1,171	1,058
		564,882	531,125

These Financial Statements of the Independent Order of Odd Fellows Manchester Unity Friendly Society Ltd. Registered number 223F were approved by the Board on 12 June 2026 and were signed on its behalf by:



S Gallimore
Chief Executive Officer
12 June 2026



P Casey
Secretary of the Order
12 June 2026

Group Consolidated Income and Expenditure Accounts

		Years ended	
		31/12/2025 £'000	31/12/2024 £'000
TECHNICAL ACCOUNT: Long Term Business	**Note**		
Earned premiums, net of reinsurance		1,248	1,311
Annual management charges for investment contracts		3,225	3,210
Investment Income	**18**	12,536	12,087
Unrealised gains on investments		46,272	10,909
Total technical income		63,281	27,517
Claims paid		(4,805)	(3,930)
Change in Long-Term Business Provision		(1,391)	3,569
Change in technical provisions for linked liabilities		(50,799)	(22,092)
Operating expenses	**21**	(4,227)	(3,613)
Investment expenses and charges		(267)	(275)
Tax	**19**	(434)	-
Transfer to Funds for Future Appropriations	**14**	(1,358)	(1,176)
Balance on the Long Term Business Technical Account		-	-

Group Consolidated Income and Expenditure Accounts

		Years ended	
		31/12/2025 £'000	31/12/2024 £'000
NON TECHNICAL ACCOUNT	**Note**		
Investment income	**18**	7,097	5,364
Gains/(losses) on realisation of investments		6,413	1,269
Unrealised gains on investments		4,171	3,760
Impairment (losses) on owner occupied property		(1,400)	-
Other income		3,345	2,996
Investment expenses and charges		(360)	(393)
Finance charges		(658)	(669)
Investment return to Investing Branches	**20**	(15,793)	(8,915)
Operating expenses		(4,564)	(3,969)
Non-contractual benefits		(200)	(295)
Pension scheme benefits (charge)/credit	**17**	254	(246)
Transfer from/(to) the reserves provided for by the rules and other specific purposes	**12**	15	(41)
Excess of expenditure over income	**14**	(1,680)	(1,139)

All the amounts above are in respect of continuing operations.

Society Income and Expenditure Accounts

		Years ended	
		31/12/2025 £'000	31/12/2024 £'000
NON TECHNICAL ACCOUNT	**Note**		
Investment income	**18**	7,097	5,364
Gains/(losses) on realisation of investments		6,413	1,269
Unrealised gains on investments		4,171	3,760
Impairment (losses) on owner occupied property		(1,400)	-
Other income		3,293	2,952
Investment expenses and charges		(360)	(393)
Finance charges		(658)	(669)
Investment return to Investing Branches	**20**	(15,793)	(8,915)
Net operating expenses	**21**	(4,522)	(3,908)
Non-contractual benefits		(200)	(295)
Pension scheme benefits (charge)/credit	**17**	254	(246)
Transfer from/(to) the reserves provided for by the rules and other specific purposes	**12**	15	(41)
Excess of expenditure over income	**14**	(1,690)	(1,122)

All the amounts above are in respect of continuing operations.

Note: The inclusion of OSSL in the Group Income and Expenditure Accounts only affects the Non Technical Account, hence a Society Technical Account has not been presented as it would be identical to the Consolidated Technical Account on Page 65.

Statement of other Comprehensive Income

Group Consolidated Statement of other Comprehensive Income

	Note	Years ended 31/12/2025 £'000	31/12/2024 £'000
(Deficit) on Non Technical Account	14	(1,680)	(1,139)
Reserves provided for by the rules and other specific	12	6	41
Pension Scheme Actuarial gains	17	393	1,435
Total comprehensive gain for the year		(1,281)	337

Society Statement of other Comprehensive Income

	Note	Years ended 31/12/2025 £'000	31/12/2024 £'000
(Deficit) on Non Technical Account	14	(1,690)	(1,122)
Reserves provided for by the rules and other specific	12	6	41
Pension Scheme Actuarial gains	17	393	1,435
Total comprehensive (loss)/gain for the year		(1,291)	354

1a SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited is a registered Friendly Society under the Friendly Societies Act 1992. The Society is an incorporated Friendly Society in the UK whose registered office is 184-186 Deansgate, Manchester M3 3WB. The nature of the Society's operations and its principal activities are set out in the Strategic Report on pages 3 to 19.

The Financial Statements have been prepared under the historical cost conventions, modified to include certain items at fair value, in accordance with Financial Reporting Standards 102 and 103 (FRS 102 and FRS 103) issued by the Financial Reporting Council. The Financial Statements are also drawn up in accordance with the rules set out in Schedule 6, Part III of the Friendly Societies (Accounts and Related Provisions) Regulations 1994 No.1983.

The functional currency of the Society is considered to be pounds sterling because that is the currency of the primary economic environment in which the Society operates.

Basis of Consolidation

The consolidated financial statements include the results of the Society and its subsidiary undertaking made up to 31 December each year. A subsidiary is an entity controlled by the Society. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The amounts in the consolidated financial statements all arise from continuing operations made up until 31 December each year. The notes to the accounts show the Group and Society position separately, only where there is a difference between the Group and Society figures.

The following UK subsidiary has taken advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 December 2025. Oddfellows Support Services Limited (the subsidiary) Company number 08309175 is 100% owned by the Society. In accordance with Section 479C of the Companies Act 2006, the Society will guarantee the debts and liabilities of the above subsidiary undertakings. As at 31 December 2025 the total sum of those debts and liabilities is £65,936 (2024: £55,409).

Classification of contracts

The Society classifies its products for accounting purposes as insurance or investment. Insurance contracts are defined as a contract under which one party accepts significant insurance risk. As a general guideline the Society defines a significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that is at least 10% more than the benefits payable if the insured event did not occur. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

A discretionary participation feature is a contractual right held by a policyholder to receive additional payments as a supplement to guaranteed benefits:

- That are likely to be a significant proportion of the total contractual payments; and
- Whose amount or timing is contractually at the discretion of the issuer and that is contractually based on: the performance of a specified pool of contracts or a specified type of contract; realised and/or unrealised investment returns on a specified pool of assets held by the Society; or the surplus or deficit of the Society, fund or other entity that issues the contract.

Such contracts are more commonly known as 'with-profit' or as 'participating' contracts. The terms and conditions of these contracts, together with UK regulations, set out the basis for the determination of the amounts on which the additional discretionary benefits are based and within which the Society may exercise its discretion. All with-profit contracts are classified as insurance contracts under the current accounting rules. Investment contracts are those which carry financial risk, with no significant insurance risk.

Insurance premiums
Premiums received/earned and reinsurance premiums paid relate to insurance and non-participating investment contracts. They are accounted for when due for payment except for recurring single premium in respect of unit-linked business, which are accounted for when the related liabilities are created.

Investment contract premiums and claims
Amounts collected on investment contracts, which primarily involve the transfer of financial risk such as long-term savings contracts, are accounted for using deposit accounting, under which the amounts collected, less any initial fees deducted, are credited directly to the Balance Sheet as an adjustment to the liability to the investor.

For claims and benefits paid on investment contracts, amounts are not included in the Income and Expenditure Account but instead deducted from investment contract liabilities in the period to which they relate.

Insurance claims incurred and claims outstanding
All valid claims and benefits notified in respect of 2025 are included in the Financial Statements whether or not they have been settled. All claims notified but not settled as at 31 December 2025 are included within claims outstanding on the Balance Sheet. Claims are stated as arising from either insurance contracts or investment contracts under FRS 103. In addition, the costs of administering the claims paid have been included in the claims incurred figure in accordance with The Friendly Societies (Accounts and Related Provisions) Regulations 1994 No.1983 Schedule 1, Part III.

Investment income
Investment income is included on an accruals basis. Dividends are included by reference to ex dividend dates. Income on fixed interest investments is adjusted for purchased accrued interest.

Realised gains and losses on investments
Realised gains and losses on investments, other than unit trusts held in the Long Term Business Fund, are calculated as the difference between net sales proceeds and the original cost. Realised gains and losses on unit trusts held in the Long Term Business Fund are calculated as the difference between net sales proceeds and the aggregate of additions at cost.

Unrealised gains and losses on investments
Unrealised gains and losses on investments, other than unit trusts held in the Long Term Business Fund, are calculated as the difference between the valuation of investments at the Balance Sheet date and the original cost. Unrealised gains and losses on unit trusts held in the Long Term Business Fund are calculated as the difference between the valuation at the Balance Sheet date and the aggregate of additions at cost and the previous Balance Sheet valuation. An adjustment to unrealised gains and losses is included for any occurring income as at 31 December which is also included in the valuation. All movements in unrealised gains and losses on investments arising in the year are shown in the respective Income and Expenditure accounts.

Unrealised gains and losses attributable to, and movements in the fair value of, linked investment contracts are included in ‘Unrealised gains/(losses) on linked investments' and 'Changes in technical provisions for linked liabilities' respectively, as income or expense in the Technical account.

Other Income
Other income recognised on the Non Technical account is recognised when earned and represents call on funds from the Branches and other miscellaneous income.

Leases
Payments under operating leases are charged to the Income and Expenditure accounts equally over the lease term.

Investments
Investments are stated in the Financial Statements at current value which is the equivalent of fair value. Information on all valuations is given in Notes 5, 6, 7 and 9.

All property owned by the Society is either freehold or long leasehold and is included under investments on the Balance Sheet at open market value, if not occupied by the Society for its own activities, in accordance with the Friendly Societies Act 1992 and the regulations made under them.

Owner-occupied property
Owner-occupied property is stated at its revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and impairment and is included under Tangible Assets on the Balance Sheet.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income and Expenditure account.

The decrease of an asset's carrying amount as a result of a revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised as a charge in the Income and Expenditure account.

Properties are professionally revalued at least every three years, in accordance with generally recognised methods of valuation. The Directors revalue the properties in the intervening years. It is the Society's practice to maintain these assets in a continual state of repair and to make improvements from time to time.

Loans secured by mortgage
Loans secured by mortgage are classed as basic financial instruments under FRS102 and are included at amortised cost.

Fixed assets and depreciation
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than owner-occupied property, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Motor Vehicles	4 years (after residual value allowance)
Office equipment	4 years
Central office computer equipment	3 years or 5 years dependent on expected useful life
Branch Computer equipment	1 year
Owner-occupied property	Nil

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Corporation Tax and Deferred Tax
As a registered Friendly Society only part of the Long Term Business is subject to corporation tax. Provision for tax has been included for 2024.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date using tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are only recognised when it is considered they are more than likely to be recovered.

Fund valuation
The assets and liabilities of the Society are valued as part of the Long Term Business annual investigation as at 31 December, pursuant to Solvency II rules, as adopted in the UK.

Copies of the Actuaries' reports on the appropriate assets and liabilities of all long term insurance funds of the Society may also be inspected at the Registered Office.

Debtors
Debtors are stated at their net realisable value after allowing for bad and doubtful debts.

Prepayments and Accrued Income
Prepayments and Accrued Income reflect payments made in advance for goods and services. Accrued Income represents income earned not yet received.

Creditors
As under normal accruals accounting principles, creditors, loans, bank overdrafts and borrowings are recognised at the contractually agreed amounts.

Financial liabilities
Financial liabilities are recognised on the Balance Sheet when the Society becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value.

Long Term Business provision
The Long Term Business provision is determined by the Society's Chief Actuary following the actuarial valuation. It is calculated on a basis to comply with the reporting requirements of the Prudential sourcebook and the Friendly Societies Act 1992. In broad terms the calculation uses a net premium valuation method to assess the amount of mathematical reserves. As such it includes explicit provision for regular bonuses declared at 31 December 2025, and regular bonuses declared as a result of the valuation. Wherever possible, implicit allowance is made for future bonuses by a margin in the valuation rate of interest. No provision is made for terminal bonuses as these are declared at the discretion of the Board.

Non-linked insurance contracts that have been designated as investment contracts are measured at fair value. The Society has elected to take the fair value option to measure non-linked insurance contracts that have been designated as investment contracts at fair value as the contracts managed, and whose performance is evaluated, are on a fair value basis.

Linked liabilities
For unit-linked business, the provision is calculated as the unit value of the individual accounts held by the Society for each member, plus any additional reserves considered necessary.

Going concern
The Board has considered in detail the Society's forecast performance, its capital and liquidity resource requirements. On this basis the Board has a reasonable expectation that the Society has sufficient capital and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future. Accordingly the Board has adopted the going concern basis in preparing these accounts. The Strategic Report provides further details of the Society's going concern assessment.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term deposits, with a maturity term of three months or less at the balance sheet date. Cash categorised as held for investment comprises cash held on deposit, with a maturity term of greater than three months as at the balance sheet date. The Society has taken advantage of the exemption for mutual life assurance organisations under FRS102 Section 7 Statement of cash flows and has not prepared a cash flow statement for the year.

Fund for Future Appropriations
The Fund for Future Appropriations represents all funds, the allocation of which has not yet been determined by the end of the financial year. Any surplus or deficit arising on the Technical Account – Long Term Business is transferred to or from the Fund on an annual basis.

Related party disclosure
Total income during the year received from Branches in respect of the levy was £3,282k (2024: £2,912k). Amounts due from Branches at 31 December 2025 in respect of goods and services was £107k (2024: £59k). Balances are settled within normal credit terms and there is no provision for doubtful debts related to these amounts. Investments held on behalf of Branches, are included with Fraternal Unity funds and other non-linked investments on the Balance Sheet in 'Other financial investments'.

Liabilities to Investing Branches
The Society manages a number of funds for Branches and the Society to invest in. The total assets of these funds are shown as Investments in the Society Balance Sheet and the proportion of the funds value due to Investing Branches are shown as 'Liabilities to Investing Branches.' Total investment income, gains and losses in the funds are shown in the Non Technical Account Income and Expenditure account with the proportion of the income due to iInvesting Branches shown as 'Investment Return to Investing Branches.

Investments are held at fair value on the balance sheet on behalf of both the Society and Branches. Liabilities to Investing Branches are recognised on the balance sheet as the fair value of the Investments held on behalf of the Branches.

This is calculated based on the proportion of the number of units held by the Branches compared with the total units held in the fund by the Society. The Branches share of investment income, realised and unrealised gains and losses are recognised in the Non Technical account.

Sums Denominated in Foreign Currencies

Monetary assets and liabilities in foreign currencies are expressed in sterling at the exchange rates ruling at 31 December 2025. Revenue transactions and those relating to the acquisition and realisation of investments including foreign fixed rate short term cash deposits have been translated at rates of exchange ruling at the time of the respective transactions.

Presentation of Group Consolidation Income and Expenditure Accounts - Technical Account

The Annual management charges for investment contracts are disclosed separately on the face of the Income and Expenditure Account, rather than the movement in Linked Investment Contract Liabilities. This reflects the income generated by the Society of its investment contract business.

1b CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, which are described in Note 1a, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Classification of long term contracts

The Society has exercised judgment in its classification of Long Term Business between insurance and investment contracts, which fall to be accounted for differently in accordance with the policies set out in Note 1a Accounting Policies. Insurance contracts are those where significant risk is transferred to the Society under the contract and judgment is applied in assessing whether the risk so transferred is significant, especially with regard to pension contracts, which are predominantly, but not exclusively, created for investment purposes.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed in the following.

Fair value of financial assets and unit-linked investments

Fair value measurement has been adopted to reduce volatility in reported earnings in the Income and Expenditure Account as the liabilities so determined are measured in a way which is consistent with the fair value of the underlying invested financial assets.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between willing, knowledgeable parties in an arms-length transaction. Fair values are determined by reference to observed market prices where available and reliable and are applicable to the fair valued assets' in notes - 5, 6, 7 and 9.

Estimates of future benefit payments arising from Long-Term Business insurance contracts

The Society makes estimates of the expected number of deaths for each of the years that it is exposed to risk. These estimates are based on standard mortality tables; adjusted to reflect the Society's own experience. The Society makes estimates of voluntary contract termination, investment returns and administration expenses at the inception of Long Term insurance contracts. These estimates, which are reconsidered annually, form the assumptions used to calculate the liabilities arising from these contracts. Within the expense assumptions, estimates are made relating to future acquisitions, which reduces the cost per policy and therefore the amount reserved.

When assessing assumptions relating to investment returns the Society makes estimates of the impact of defaults on the related financial assets. The estimates are reassessed annually. The assumptions used to establish insurance contract liabilities and appropriate sensitivities relating to variations in critical assumptions are disclosed in Note 15.

Accounting for pension plans

The Society participates in a defined benefit pension scheme based on final pensionable pay. The underlying assets and liabilities of the Scheme require an element of judgment in their valuation. The Pension Scheme is in surplus and is presented as an asset within the Balance Sheet. Further details underpinning the valuation of the Scheme liabilities are disclosed in Note 17.

2 STAFF COSTS

	2025 £'000	2024 £'000
Gross contracted service salaries	2,886	2,593
Social security costs	351	275
Pension costs	269	323
	3,506	3,191

The average monthly number of employees during the year was as follows:

	2025	2024
Directors	16	16
Clerical	68	56
Printing, production and dispatch	4	4
	88	76

3 AGGREGATE AMOUNT OF DIRECTORS' EMOLUMENTS

	2025 £'000	2024 £'000
Gross salaries	567	477
Pension Contributions	18	12
Cash in lieu of pension contributions	49	62
Benefits and allowances	25	13
	659	564

	2025 £'000	2024 £'000
Highest paid Director	305	307
Directors emoluments:		
Up to £20,000	16	15
£50,000 to £60,000	1	-
£130,000 to £140,000	-	1
£140,000 to £150,000	1	-
£300,000 to £310,000	1	1

4 LAND AND BUILDINGS

Investment properties

	2025 £'000	2024 £'000
Valuation as at 1 January	77,779	84,272
Transfer of Engagements	175	-
Additions at cost	2,993	583
Disposals	(115)	(6,359)
Realised gains/(losses)	111	(439)
Movement in unrealised (losses)	1,374	(278)
Valuation as at 31 December 2025	82,317	77,779

Freehold and leasehold investment properties were valued at 31 December 2025 by CB Richard Ellis Limited, Chartered Surveyors of The Chancery, Spring Gardens, Manchester M2 1EW. The Directors have considered this valuation and consider it to remain appropriate.

Valuation on property transferred from the Druids Friendly Society was last valued at 31 December 2025 by Handley Gibson of Scott Hall House, Sheepscar Street North, Leeds LS7 3AF. The Directors have considered this valuation and consider it to remain appropriate.

Valuation on property transferred from the Kingston Unity Friendly Society was last valued at 31 December 2025 by Lambert Smith Hampton of 9 Bond Court, Leeds, LS1 2JZ. The Directors have considered this valuation and consider it to remain appropriate.

The valuations are based on fair value in accordance with the provisions of the RICS Appraisal and Valuation Manual. No allowances have been made for the costs of realisation. In order for the accounts to show a true and fair view it is appropriate not to provide for depreciation on land and buildings. Property valuers used to value the Society's Property are all independent of the Society.

5 SHARES AND OTHER VARIABLE YIELD SECURITIES

			Listed Equities	
	LTB £'000	Unity £'000	2025 £'000	2024 £'000
Valuation as at 1 January	10,295	78,654	88,949	76,431
Transfer of Engagements	471	-	471	-
Additions at cost	9,491	25,310	34,801	31,718
Disposals	(8,271)	(24,020)	(32,291)	(24,833)
Realised gains	68	6,929	6,997	3,462
Movement in unrealised gains	1,099	2,200	3,299	2,171
Valuation as at 31 December 2025	13,153	89,073	102,226	-
Valuation as at 31 December 2024	10,295	78,654	88,949	88,949

Listed equities, (quoted on the London Stock Exchange) were valued at 31 December 2025 by TrinityBridge of Wigmore Yard, 42 Wigmore Street, London W1U 2RY, Rathbones Investment Management of 30 Gresham Street, London EC2V 7QN and LGT LLP of 14 Cornhill, London EC3V 3NR.

6 DEBT AND OTHER FIXED INCOME SECURITIES

	LTB £'000	Unity £'000	2025 £'000	2024 £'000
Valuation as at 1 January	73,382	31,418	104,800	120,071
Transfer of Engagements	3,670	-	3,670	-
Additions at cost	24,380	6,688	31,068	13,678
Disposals	(25,388)	(6,692)	(32,080)	(24,729)
Realised (losses)	(2,541)	(467)	(3,008)	(2,978)
Movement in unrealised gains/(losses)	4,338	994	5,332	(1,242)
Valuation as at 31 December 2025	77,841	31,941	109,782	-
Valuation as at 31 December 2024	73,382	31,418	-	104,800

Listed bonds were valued as at 31 December 2025 by Rathbones Investment Management of 30 Gresham Street, London, EC2V 7QN and LGT LLP of 14 Cornhill, London EC3V 3NR.

7 LOANS SECURED BY MORTGAGE

	LTB £'000	Unity £'000	2025 £'000	2024 £'000
Outstanding as at 1 January	33	139	172	183
Advances	1	-	1	1
Repayments	(5)	(97)	(102)	(13)
Interest earned	-	7	7	1
Outstanding as at 31 December 2025	29	49	78	-
Outstanding as at 31 December 2024	33	139	-	172

8 GROUP CASH HELD

	LTB £'000	Unity £'000	2025 £'000	2024 £'000
Cash Held for Investment	-	2,464	2,464	705
Cash at Bank and in Hand	2,515	4,631	7,146	14,836
Outstanding as at 31 December 2025	2,515	7,095	9,610	-
Outstanding as at 31 December 2024	4,996	10,545	-	15,541

SOCIETY CASH HELD

	LTB £'000	Unity £'000	2025 £'000	2024 £'000
Cash Held for Investment	-	2,464	2,464	705
Cash at Bank and in Hand	2,515	4,626	7,141	14,833
Outstanding as at 31 December 2025	2,515	7,090	9,605	-
Outstanding as at 31 December 2024	4,996	10,542	-	15,538

9 ASSETS HELD TO COVER LINKED LIABILITIES

	Cash at Bank £'000	Unit Trusts 2025 £'000	Total 2025 £'000	Total 2024 £'000
Non Profit Fund	337	8,029	8,366	7,428
Ex-Nottingham Fund		56,057	56,057	52,151
Schoolteacher's Fund		72,136	72,136	67,865
Druids Fund		34,412	34,412	29,676
Kingston Unity Fund		62,358	62,358	61,375
Equity Fund		1,331	1,331	1,167
Corporate Bond Fund		175	175	212
Money Fund	211	-	211	200
UK Index Fund		11,258	11,258	8,555
Valuation as at 31 December 2025	548	245,756	246,304	-
Valuation as at 31 December 2024	550	228,079	-	228,629

Linked Liabilities were valued as at 31 December 2025 by Fidelity International of 25 Cannon Street, London EC4M 5TA.

Linked business investments were valued as at 31 December 2025 in accordance with the provisions of the Prudential Sourcebook.

Unrealised gains and losses on linked business investments are dealt with in the Long Term Business Technical Account.

Assets invested exceed the technical provision for linked liabilities by £8,083k (2024: £9,990k).

10 DEBTORS

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	859	915	842	900
Tax to be recovered	477	282	477	282
	1,336	1,197	1,319	1,182

11 TANGIBLE ASSETS

Group Tangible Assets

	Office & Computer Equipment	Occupied Premises	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
1 January 2025	3,270	4,006	22	7,298
Transfer of Engagements	64	-	-	64
Additions	104	-	-	104
Disposals	(1)	-	-	(1)
Impairment Loss		(1,400)		(1,400)
31 December 2025	3,437	2,606	22	6,065
Depreciation:				
1 January 2025	2,408	41	3	2,452
Transfer of Engagements	28	-	-	28
Charge	269	-	5	274
31 December 2025	2,705	41	8	2,754
Net Book Value:				
31 December 2025	732	2,565	14	3,311
31 December 2024	862	3,965	19	4,846

Property categorised as occupied Premises are properties owned and occupied by the Society and consist of one property in Manchester and one in Markfield, Leicestershire. The Manchester property is occupied by the Society for its central operations. The Markfield property is used for sponsorship activities.

The impairment loss of £1.4m relates to the revaluation of Oddfellows House, on a vacant possession basis, taking account of the building configuration and the refurbishment costs for any potential purchaser.

These properties are valued every three years and were last valued at 31 December 2025. The properties are independently valued.

12 RESERVES PROVIDED FOR BY THE RULES AND OTHER SPECIFIC PURPOSES

The reserves comprise those funds with specific purposes as laid down in the rules of the Society.

Movement in the year:	2025	2024
	£'000	£'000
Balance at 1 January	2,575	2,534
Transfer (to)/from Non Technical Account	(15)	41
Transfer to funds for Future Appropriations	(1,670)	-
Balance at 31 December	890	2,575

13 LIABILITIES TO INVESTING BRANCHES

Movement in the year:	2025 £'000	2024 £'000
Branch Investments as at 1 January	160,391	157,023
Increase in Fair Value of Branch Investments	11,348	3,368
Branch Investments as at 31 December	171,739	160,391

14 FUND FOR FUTURE APPROPRIATIONS

Group Fund For Future Appropriations

The fund for future appropriations comprises all funds, the allocation of which had not been determined by 31 December 2025.

Movement in the year:	2025 £'000	2024 £'000
Balance at 1 January	14,026	12,554
Transfer from Long Term Business Technical Account	1,358	1,176
(Deficit) on Non Technical Account	(1,680)	(1,139)
Net Pension Scheme Actuarial gain	393	1,435
Transfer from Reserves	1,670	-
Balance as at 31 December	15,767	14,026

Society Fund For Future Appropriations

Movement in year:	2025 £'000	2024 £'000
Balance at 1 January	13,972	12,483
Transfer from Long Term Business Technical Account	1,358	1,176
(Deficit) on Non Technical Account	(1,690)	(1,122)
Net Pension Scheme actuarial gain	393	1,435
Transfer from Reserves	1,670	-
Balance at 31 December	15,703	13,972

15 LONG TERM BUSINESS

(a) Capital Statement

The following summarises the capital resources and requirements of the Independent Order of Odd Fellows Manchester Unity Friendly Society Limited as determined for UK regulatory purposes.

Available capital resources

The life insurance business is made up of five funds, the MU Long Term Business Fund ("MU Fund"), the Schoolteachers Fund, the Druids Fund, the Kingston Unity Fund and the Non Profit Fund. The figures shown reflect the capital resources within the combined life insurance business.

	Total life insurance £'000	Other activities £'000	Total £'000
31 December 2025	10,893	3,130	14,023
31 December 2024	9,535	4,437	13,972

Movement in capital resources	Total Life insurance 2025 £'000	Total Life insurance 2024 £'000
Total available capital resources at 1 January	9,535	8,357
Change in assets		
Net premiums, claims, expenses and other items	(35,960)	(28,628)
Investment income	12,536	12,087
Realised and unrealised losses on investments	46,271	10,909
Total change in assets	22,847	(5,632)
Change in liabilities		
Change in provision for linked liabilities	19,581	2,080
Change in long term business provision	2,171	(8,890)
Total change in liabilities	21,752	(6,810)
Total available capital resources at 31 December (unrestricted)	10,630	9,535
Ring Fenced Restriction (Capital in KU only available to the KU Fund)	(693)	(813)
Total available capital resources 31 December (restricted)	9,937	8,722

Analysis of liabilities at 31 December 2025	Total Life insurance £'000
With-profit liabilities	68,301
Non-profit insurance business	19,123
Non-profit investment contracts	26,299
Unit-linked	238,220
Total provisions included in the Balance Sheet	351,943

Analysis of liabilities at 31 December 2024	Total Life insurance £'000
With-profit liabilities	72,292
Non-profit insurance business	15,499
Non-profit investment contracts	23,760
Unit-linked	218,639
Total provisions included in the Balance Sheet	330,190

Non-profit investment contracts are measured at fair value through profit and loss using stablised actuarial techniques utilising market observable data.

Management of risks in the life insurance business

The Society ensures that management of the Long Term Business is appropriate and proportionate for a directive society.

To accomplish this the Society will continue to ensure that:

- sufficient assets are set aside to meet Long Term Business liabilities;
- the strategy for the distribution of any free assets within the Long Term Business is appropriate for the business concerned, and in particular, the discretionary allocation of bonuses is decided by the Board;
- liquid investments are sufficient to meet benefit payments;
- workflow and resources are planned to ensure that Long Term Business can be administered in a proper manner; and
- due regard is paid to risks that might impact on how the Long Term Business is managed.

In implementing these measures, the Society adheres to the PRA principles, rules and guidance applicable to Long Term Business to ensure that the requirement and expectations of customers are met and that they are treated fairly.

Regulatory solvency position (unaudited)

In line with Solvency II requirements as adopted in the UK, the Society calculates its Solvency Capital Requirement (SCR) using the Standard Formula. All disclosures in respect of the SCR are unaudited.

As at 31 December 2025 the Society's SCR and corresponding eligible own funds were as follows:

	2025
Eligible Own Funds	£373.6m
SCR	£109.8m
Coverage (unrounded)	340%

Eligible own funds comprises reserves, inclusion of branch assets less liabilities to Investing Branches and other liability and matching adjustments.

Sensitivities of the capital position

The capital position is sensitive to changes in market conditions, which may affect the value of assets and/or liabilities. It is also sensitive to assumptions and experience relating to mortality, expenses and persistency, and to a lesser extent morbidity.

Management of insurance risk

The Society's management of insurance risk is a critical aspect of its business. The primary insurance activity carried out by the Society comprises the assumption of the risk of loss from persons that are directly subject to the risk. Such risks in general relate to life, accident, health and financial perils that may arise from an insurable event. As such, the Society is exposed to the uncertainty surrounding the timing and severity of claims under the related contracts. The principal risk is that the frequency and severity of claims is adverse to that expected. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. Insured events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. The risk under assurance policies is partly naturally hedged by risks under annuity policies where the exposure is to the risk of longevity.

The main insurance risks can be summarised as follows:

- Mortality – the risk that the Society's experience of life assurance policyholders is different from that expected. For life assurance the risk is that more policyholders die than expected;
- Morbidity – the risk that more of the Society's health insurance policyholders fall ill or become incapacitated than expected;
- Persistency – the risk that policies do not remain in force and are for any reason lapsed, made paid-up, surrendered or transferred prior to maturity or expiry. For policies without guarantees, the risk is generally that fewer policies remain in force than expected. For those with guarantees, the risk is generally that more remain in force than expected;

- Annuitant longevity – the risk that the annuitant lives longer than assumed in the pricing and reserving basis used; and
- Expenses – the risk that actual expenses are higher than those expected.

In addition, it is necessary for the Society to make decisions which ensure an appropriate accumulation of assets relative to liabilities. These decisions include the allocation of investments between classes, the setting of policyholder bonus rates and the setting of surrender terms.

The primary responsibility for managing insurance risk falls to the Commercial Board. The Commercial Board has responsibility for the setting of policy and for monitoring the levels of risk arising from mortality, morbidity, persistency and expenses. The Commercial Board also considers the Society's reinsurance coverage.

The management of insurance risk and information around sensitivity analysis is disclosed further within this Note.

Concentration risk

The Society has historically written a diverse mix of business across a diverse group of people and has no material concentrations of risk by product type. However, as the Society has written substantially all of their business in the UK, results are sensitive to demographic and economic changes arising in the UK. Concentrations of insurance risk are considered by the Commercial Board to ensure that the risk is within the Society's overall risk appetite.

The Society seeks to mitigate the risk of excess concentrations of risk through the use of reinsurance, portfolio analysis and risk limits.

The key risks to the Society's life insurance business are market risks, insurance risks and expense risks, particularly the inflation of expenses. The investment performance, expenses and other risks to the life insurance business are monitored regularly by the Board, or delegated to the Commercial Board as appropriate.

In the event of an adverse situation arising, the Society would take action to reduce the impact. These actions may include:

- reducing the rates of terminal bonus and/or reversionary bonuses;
- immediate sale of higher risk assets; and
- reducing overheads (to the extent possible without affecting the operation of the life assurance business).

(b) Provision

The principal assumptions used in the calculation of the long term business provision in 2025 were as follows:

Class of Business	Mortality tables
Annuities	70% IML IFL922 - 3 years
UL CTF (DFS, NFS, SFS) and UL JISA / ISA (UIEF)	10% AM/FC00
Limited Claims	60% AM/FC00
All other policies	60% AM/FC00
KU Non-CTF (under 17)	100% ELT 16
KU Non-CTF (17 and over)	84% AM/FC00
KU CTF (under 17)	41% ELT 16
KU CTF (17 and over)	84% AM/FC00
TEES	160% ELT17

The method of the calculation of the calculation of the long term business provision is described in the accounting policy note.

(c) Movements in the technical provision (Gross of Reinsurance)

	2025 £'000	2024 £'000
Balance at 1 January		
Long Term Business provision	111,551	120,441
Provisions for linked liabilities	218,639	216,559
Premiums Received from policyholders	1,248	1,311
Contributions for investment contracts	20,118	8,785
Total payments to policyholders	(4,805)	(3,930)
Withdrawals from investment contracts	(51,719)	(30,907)
Annual management charge for investment contracts	3,225	3,210
Other policy and investment movements	53,686	14,721
	351,943	330,190
Balance at 31 December	113,722	111,551
Long Term Business provision	238,221	218,639
Provisions for linked liabilities	351,943	330,190

Within the changes in technical provisions is a £2.5m increase (2024: £0.7m increase) in the non-profit investment contract provision.

(d) Assets

The total amount of assets representing the Long Term Business fund valued in accordance with the Friendly Societies (Accounts and Related Provisions) Regulations 1994 at 31 December were £368m (2024: £344m).

16 CREDITORS AND ACCRUALS

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year				
Trade creditors	285	201	283	200
Other creditors and accruals	2,302	2,483	2,302	2,482
Tax creditor	702	6	702	6
	3,289	2,690	3,287	2,688
Amounts falling due after more than one year				
Loan facilities due for renegotiating in April 2027	19,000	19,000	19,000	19,000

17 PENSION SCHEME BENEFITS

The funds of the Scheme are actuarially valued by Willis Towers Watson Limited every three years. The most recent full valuation was carried out at 31 March 2024. The Scheme is a funded, Final Salary Defined Benefit Pension Scheme regulated by The Pensions Regulator. The Scheme has been closed to new members since 1 April 2020.

Total employer contributions in the accounting period ended 31 December 2025 were £0.33m (2024: £0.45m). The employer contribution rate was 20% with effect from 1 April 2025 (previously 31.5%). The Balance Sheet position for the Scheme has improved, from a surplus of £7.1m to a surplus of £7.8m over the accounting period. This was predominantly due to a decrease in expected future inflation over the year as well as an increase in discount rate which, along with slightly higher than expected asset returns has resulted in an improved funding position overall. The actuarial gain of £0.37m comprises of a gain of £0.461m due to changes in economic assumptions, and a loss of £0.09m as a result of allowing for known inflation over the period.

Discretionary benefits

The following discretionary benefits have been allowed for as a constructive obligation in the DBO at the end of the year.

- 2% pa pension increases in payment on pension earned prior to 6 April 1997 (in excess of GMP) for all future years

Calculation methodology

As in previous years, the results are based on a roll-forward of the cashflows from the most recent triennial valuation. Year end liabilities have been calculated using a roll-forward approach, with appropriate adjustment for changes in mean terms over the period. Within the roll-forward calculations since the most recent triennial valuation, the impact of actual inflation since that valuation has been considered by making allowance for actual inflation up to two months prior to the year-end date (allowing for a slight lag in available inflation information). This is consistent with the approach taken at the previous year end.

The liability value includes an allowance for the impact of GMP equalisation, which is a 0.5% loading on the liabilities as at 31 December 2025 which is consistent with the loading adopted as at 31 December 2024. This allowance is assumed to suitably reflect the 20 November 2020 High Court ruling on equalising historic transfer value payments from the Scheme.

Scheme provisions and assumptions

The benefits provided under the Scheme are uncertain to the extent that the impact of GMP equalisation has not yet been fully reflected in Scheme benefits. An allowance has been included in the liabilities to reflect the expected value of these additional benefits.

We understand that investigations into historic Scheme Deeds for the potential impact of the Virgin Media case and other possible execution issues have not yet been completed, and so the position is currently uncertain. In addition, the UK Government announced in June 2025 that it will introduce legislation to allow schemes to retrospectively obtain actuarial confirmation of historical benefit changes, if necessary. A draft amendment was incorporated into the Pensions Bill in September 2025 although the Bill is not expected to get Royal Assent until mid-2026. As instructed, we have therefore made no allowance for any potential impact within this year's disclosures.

Description of funding arrangements

The UK's scheme specific funding regime, contributions are payable in line with the Schedule of Contributions from the most recent formal actuarial valuation.

Date of the most recent comprehensive actuarial valuation

The most recent comprehensive actuarial valuation was carried out by the Trustee of the Scheme as at 31 March 2024 for funding purposes. The Society has employed an independent actuary to approximately update that actuarial valuation allowing for differences between the actuarial assumptions used by the Scheme for funding purposes and those adopted by the Society to measure the DBO, as well as adjusting for benefit accrual and benefits paid from Scheme between 31 March 2024 and 31 December 2025.

The Society revalues most of members' deferred pensions between their date of leaving and date of retirement in line with inflation in accordance with statutory requirements. Consumer Price Index ("CPI") is the effective indexation for deferred pension increases and has been used as the basis for the pension increases in deferment in producing these FRS 102 disclosures.

FRS 102 Disclosures

The calculations carried out by the Society's Advisor have been undertaken using the accounting information of the Scheme as at 31 December 2025 and have been based on the participant information used in the valuation as at 31 March 2024.

Census Date	31/03/2025
Active Participants	
Number	44
Average Annual Pensionable Salary	£32,000
Average Age	53
Participants with Deferred Benefits	
Number	33
Average Annual Deferred Benefits at census date	£5,200
Participants Receiving Benefits	
Number	82
Average Annual Benefits in Payment at census date	£9,000

Mortality

The mortality tables used for males and females are 106% and 102% respectively of SAPS 4 "All" tables (S4PXA) based on members' years of birth, projected in line with CMI 2023 projections from 2017 with a 1.5% pa long term trend rate and an initial addition to mortality improvements of 0.25% pa.

Expected lifetime

The expected lifetime of a participant who is age 65 and the expected lifetime (from age 65) of a participant who will be age 65 in 15 years are shown in years below based on the above mortality tables.

Age	Males	Females
65	21.2	24.0
65 in 15 years	22.3	25.3

Income & Expenditure	2025 £'000	2024 £'000
Current service cost	132	127
Past Service Cost – Plan Amendments	-	490
Net interest cost on net defined benefit liability	(399)	(280)
Defined benefit cost recognised in Income & Expenditure	(267)	337
Administration costs incurred during the period	340	363
Employer contribution	(327)	(454)
Cost recognised in Income & Expenditure	(254)	246
Other Comprehensive Income (OCI)		
Actuarial (gain) arising during period	(370)	(2,678)
Return on plan assets less / (greater) than discount rate	(23)	1,243
Remeasurement effects recognised in OCI	(393)	(1,435)
Total Defined Benefit Cost		
Cost recognised in Income & Expenditure	73	700
Remeasurement effects recognised in OCI	(393)	(1,435)
Total defined benefit cost	(320)	(735)

Assumptions Used to Determine Defined Benefit Cost	2025	2024
Discount rate	5.45%	4.50%
Price inflation (RPI)	3.50%	3.35%
Price Inflation (CPI)	2.85%	2.65%
Expected return on assets	5.45%	4.50%
Rate of salary increase	4.50%	4.35%
Pension increases for in-payment benefits:		
• pension increases for pre-1997 benefits (in excess of GMPs)	2.00%	nil
• pension increases for 1997 – 2006 benefits (RPI capped at 5% pa)	3.30%	3.20%
• pension increases for post 2006 benefits (RPI capped at 2.5% pa)	2.20%	2.15%
Penson increases for deferred benefits	2.85%	2.65%

[1]These beginning of year assumptions were used to calculate the defined benefit cost recognised through Income & Expenditure. Rates are expressed on an annual basis.

Development of Net Balance Sheet Position	2025 £'000	2024 £'000
Defined benefit obligation (DBO)	(16,775)	(16,795)
Fair value of assets (FVA)	24,527	23,900
Defined benefit surplus	7,752	7,105

Reconciliation to the Balance Sheet	2025 £'000	2024 £'000
Net defined benefit liability at end of prior period	7,105	5,916
Current service cost	(132)	(617)
Net interest on net defined benefit liability	399	280
Remeasurement effects recognised in OCI	393	1,435
Employer contributions	327	454
Administration costs incurred during the period	(340)	(363)
Net defined benefit asset/(liability) at end of current period	7,752	7,105

Assumptions and Dates Used for Measurements	2025	2024
Discount rate	5.50%	5.45%
Price inflation (RPI)	3.20%	3.50%
Price Inflation (CPI)	2.65%	2.85%
Expected return on assets	5.50%	5.45%
Rate of salary increase	4.20%	4.50%
Pension increases for in-payment benefits:		
• pension increases for pre-1997 benefits (in excess of GMPs)	2.00%	2.00%
• pension increases for 1997 – 2006 benefits (RPI capped at 5% pa)	3.05%	3.30%
• pension increases for post 2006 benefits (RPI capped at 2.5% pa)	2.10%	2.20%
Pension increases for pre 2009 deferred benefits	2.65%	2.85%
Pension increases for post 2009 deferred benefits	2.50%	2.50%

Change in Defined Benefit Obligation (DBO)	2025 £'000	2024 £'000
DBO at end of prior period	16,795	18,641
Current service cost	132	127
Interest cost on the DBO	894	822
Remeasurement of the DBO	(370)	(2,678)
Scheme participants contributions	122	142
Benefits paid from Scheme assets	(798)	(749)
Past Service Cost – Plan Amendments	-	490
DBO at end of current period	16,775	16,795

Change in Scheme Assets	2025 £'000	2024 £'000
Fair value of assets at end of prior period	23,900	24,557
Interest income on Scheme assets	1,293	1,102
Return on plan assets (less)/greater than discount rate	23	(1,243)
Employer contributions	327	454
Scheme participants' contributions	122	142
Benefits paid	(798)	(749)
Administrative costs paid	(340)	(363)
Fair value of assets at end of current period	24,527	23,900

Scheme Asset Information

	Target Allocation Range	Allocation Percentage 31/12/25	Allocation Percentage 31/12/24
Equity securities*	30.00%	24.61%	30.03%
Debt securities	70.00%	72.68%	67.68%
Real estate/property	0.00%	0.00%	0.00%
Cash	0.00%	2.71%	2.29%
Other	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%
Fair value of Society assets (£'000)		£24,527	£23,900

*Includes Diversified Collective Investments and absolute return funds.

18 INVESTMENT INCOME

	2025 £'000	2024 £'000
Technical account: Long Term Business:		
Investment Property	1,580	1,701
Shares and other variable yield securities	7,786	8,208
Debt and other fixed income securities	2,691	2,593
Bank and building society interest	27	51
Gaims(losses) on Realisation of Investments	452	(466)
	12,536	12,087

Non Technical Account:	2025 £'000	2024 £'000
Land & Buildings	3,642	1,791
Shares and other variable yield securities	1,546	1,656
Debt and other fixed income securities	1,437	1,476
Bank and sundry interest	472	441
	7,097	5,364

19 TAXATION

(a) Analysis of the tax charge for the year is	Society 2025 £'000	Society 2024 £'000
Corporation tax		
Current year policyholder tax (credit)	-	-
Prior year policyholder charge/(credit)	-	-
Deferred tax		
Timing differences, origination and reversal	434	-
Prior year charge	-	-
Total tax charge/(credit) for the year	434	-

The tax charge for the group is £434,159 (2024: £nil).

The applicable UK corporation tax rate is 25% for the subsidiary (2024: 25%)

The Society primarily writes tax exempt business, with a small proportion of taxable business on which the Society is taxable on behalf of its policyholders. The UK rate of income tax applicable to this business is 20% (2024: 20%). Deferred tax in the Society has been measured using the effective rate of 20% that is expected to apply in the period.

As announced during the Autumn Budget 2025, the basic rate of income tax on savings will increase from 20% to 22% from April 2027, which is expected to apply to the Society's taxable business. Once this has been substantively enacted, deferred tax in the Society will be measured using the effective rate of 22%. This would have increased the Deferred tax liability at YE25 by £22,692 to £249,614.

At 31 December 2025, the group did not hold any provisions for uncertain tax positions.

(b) Reconciliation of total tax (credit)/charge	Society 2025 £'000	Society 2024 £'000
Deficit of income over expenditure before tax	(1,700)	(1,122)
Tax on result	(425)	(280)
Factors affecting tax charge:	-	-
Accounting profit not subject to policyholder tax	425	280
Items taxed on a different basis	-	-
Total tax charge/(credit) for the year	-	-

(c) Analysis of deferred tax asset/(provision)	Society 2025 £'000	Society 2024 £'000
Fixed Asset Timing differences	(2)	(2)
Deferred tax provision on unrealised gains	(1,003)	(367)
Deferred tax asset on acquisition expenses	-	6
Losses recognised	778	570
Total recognised deferred tax asset	(227)	207
Unrecognised deferred tax assets	-	557
Total tax charge for the year	(227)	764

(d) Movement in recognised deferred tax asset/(provision)	Society 2025 £'000	Society 2024 £'000
Provision at start of the period	207	207
Deferred tax (charge)/credit to Technical Account – Long-term business	(434)	-
Deferred tax charge to Non Technical Account	-	-
Provision at end of the period	(227)	207

Taxation services are provided by PwC LLP and their remuneration for services in 2025 was £52k excluding VAT (2024: £38k).

20 INVESTMENT RETURN TO INVESTING BRANCHES

	2025 £'000	2024 £'000
Investment income	(5,590)	(4,945)
(Gains)/losses on realisation of investments	(6,149)	(1,225)
Movement in unrealised (gains) on investments	(4,054)	(2,745)
	(15,793)	(8,915)

21 NET OPERATING EXPENSES

	2025 £'000	2024 £'000
Technical Account		
Staff Costs	1,372	1,328
Operating And Administrative Expenses	748	1,051
Actuarial Fees	407	366
Audit & Other Professional Fees	288	491
Computer Systems and Development	877	251
Marketing and Sponsorship	535	126
	4,227	3,613

	2025 £'000	2024 £'000
Non Technical Account		
Staff Costs	1,815	1,677
Operating and Administrative Expenses	851	754
Audit & Other Professional Fees	232	189
IT Costs	949	672
Marketing & Sponsorship	449	448
Depreciation	226	168
	4,522	3,908

Auditor's remuneration
During the year the Society obtained Audit services from PKF Littlejohn LLP. Total fees payable amounted to £248k (2024: £239k). No other services were undertaken.

Total Minimum lease payments payable under non-cancellable operating leases amounted to £2k (2024: £2K) Other financial commitments payable within one year not provided for in the accounts amounted to £40k (2024: £40k).

22 CHIEF ACTUARY

The Society has requested the Chief Actuary to furnish to it the particulars specified in Section 77 of the Friendly Societies Act 1992 and the particulars furnished pursuant to the request are identified below:

(a) The Chief Actuary of the Society, between 1 January 2025 and 31 December 2025, was Mr Scott Robinson FIA, of Zenith Actuarial Limited. Mr Robinson is not a member of the Society.

(b) Mr Robinson had no other pecuniary interest in any transaction between the actuary and the Society subsisting at any time during the year save their interests in respect of the amounts disclosed in (c) below.

(c) Mr Robinson was an employee of Zenith Actuarial Limited during the period of his appointment . The only remuneration was the fees for professional services paid to Zenith Actuarial Limited for the services provided by the firm, and the amount payable in this respect amounted to £369,739.97 exclusive of Value Added Tax.

(d) Mr Robinson did not receive, nor will receive any other pecuniary benefit.

23 RELATED PARTY DISCLOSURES

The Society is controlled by its members through an Annual Movable Conference of Deputies. The Board governs the affairs of the Society between each conference. The Society is a related party to the following:

MU Pension Scheme
MU Pension Trustees Limited
Manchester Unity Housing Association Limited

In every case members of the Society's Directors including the Chief Executive have substantial control or influence by their involvement in the management structure of each organisation.

The Society operates disbursement accounts with the concerns as appropriate. In addition, the Society provides financial support and sponsorship to the Unity Credit Union Limited in respect of direct overhead costs, which totalled £17k (2024: £21k).

24 CONTINGENT LIABILITIES

The Society's General Rule 77D contains provisions to underwrite liabilities and guarantee performance of all Branches.

The Directors are not aware of any such potential liabilities arising at 31 December 2025 (2024: £Nil).

25 FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. The tables below show the determination of fair value according to a three-level valuation hierarchy. Fair values are generally determined at prices quoted in active markets (level 1). However, where such information is not available, the Society applied valuation techniques to measure such instruments.

These valuation techniques make use of market observable data for all significant inputs where possible (level 2). Where inputs for the assets or liabilities are not based on observable market data (that is unobservable), fair values are classified as level 3. There are no non-recurring fair value measurements as at 31 December 2024 and 2025.The majority of the Society's instruments are valued based on quoted market information or observable market data. Owner-occupied and investment properties are stated at their revalued amount, as assessed by qualified external valuers in line with the Society's valuation policy on Pages 70-71.

The investment contract liabilities in level 2 of the valuation hierarchy represent the fair value of linked and non-linked liabilities valued using established actuarial techniques utilising market observable data for all significant inputs, such as investment yields. There have been no transfers between levels 1, 2 and 3 in 2025.

In the case of investment properties and owner-occupied properties, there are limited market observable inputs and therefore the fair value is determined using a valuation technique based on numerous assumptions. The assumptions used with in the determination of the fair value may depend on inputs drawn from the Society's own data, including; tenure, letting, floor space, condition, environmental matters, statutory and local authority requirements.

Fair value measurement at 31 December 2025				
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Shares and other variable yield securities	102,226	-	-	102,226
Debt and other fixed income securities	109,782	-	-	109,782
Assets held to cover linked liabilities	245,918	386	-	246,304
Investment properties	-	-	82,317	82,317
Total	**457,926**	**386**	**82,317**	**540,629**
Financial liability				
Investment contracts at fair value through profit and loss	-	262,484	-	262,484
Total	**-**	**262,484**	**-**	**262,484**

Fair value measurement at 31 December 2024				
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Shares and other variable yield securities	88,949	-	-	88,949
Debt and other fixed income securities	104,800	-	-	104,800
Assets held to cover linked liabilities	228,629	-	-	228,629
Investment properties	-	-	77,919	77,919
Total	**422,378**	**-**	**77,919**	**500,297**
Financial liability				
Investment contracts at fair value through profit and loss	-	240,442	-	240,442
Total	**-**	**240,442**	**-**	**240,442**

Management of financial risk

The risk management strategy forms an integral part of ensuring that risks are managed on alignment with the Society's objectives and business strategy and to maintain the financial stability of our policyholders, our reputation, employees and assets. Further detail on corporate governance structure and the impact of current market conditions are provided in the Strategic Report on Pages 3 to 19.

The key financial risks faced by the Society are as follows:

- Market risk;
- Insurance risk;
- Credit risk;
- Operational risk; and Liquidity risk

Market risk

The Society manages its market risks within asset liability matching (ALM) frameworks that have been developed to reduce the degree to which asset and liability values diverge when investment markets change. The following table presents an analysis of the Balance Sheet for each distinct category of assets and liabilities which are referred to in this Note:

31 December 2025	With-profit business	Non-profit business	Unit-linked	Other	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Land and buildings	14,828	9,141	-	58,348	82,317
Shares and other variable yield securities	8,346	5,145	245,792	88,524	347,807
Debt and other fixed income securities	48,153	29,687	175	31,942	109,957
Loans secured by mortgage	18	11	-	49	78
Other debtors	-	-	-	1,318	1,318
Tangible assets	-	-	-	3,311	3,311
Cash at bank and in hand	1,556	959	548	7,090	10,153
Other assets	775	478	-	8,687	9,940
Total assets	**73,676**	**45,421**	**246,515**	**199,269**	564,881
Liabilities					
Reserves provided for, by the rules and other specific purposes	-	-	-	2,570	2,570
Insurance contract provision	37,795	19,123	2,036	-	58,954
Investment contract provision	30,505	26,299	236,185	-	292,989
Claims outstanding	1,149	-	-	-	1,149
Other liabilities	-	-	-	209,219	209,219
Total liabilities	**69,449**	**45,422**	**238,221**	**211,789**	**564,881**

Asset price risk

31 December 2024	With-profit business	Non-profit business	Unit-linked	Other	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Land and buildings	15,249	8,095	-	54,575	77,919
Shares and other variable yield securities	6,725	3,570	227,867	78,653	316,815
Debt and other fixed income securities	47,936	25,446	213	31,418	105,013
Loans secured by mortgage	22	11	-	139	172
Other debtors	-	-	-	1,182	1,182
Tangible assets	-	-	-	4,706	4,706
Cash at bank and in hand	3,263	1,733	550	10,541	16,087
Other assets	760	403	-	8,068	9,231
Total assets	**73,955**	**39,258**	**228,630**	**189,282**	**531,125**
Liabilities					
Reserves provided for, by the rules and other specific purposes	-	-	-	2,576	2,576
Insurance contract provision	38,452	15,499	1,957	-	55,908
Investment contract provision	33,840	23,760	216,682	-	274,282
Claims outstanding	1,251	-	-	-	1,251
Other liabilities	-	-	-	197,108	197,108
Total liabilities	**73,543**	**39,259**	**218,639**	**199,684**	**531,125**

Equity risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market prices, other than those arising from interest rate risks. Those changes may be caused by factors specific to the asset or liability, or its issuer, or by factors affecting all similar assets or liabilities.

The Society's exposure to this risk arises principally from its holdings in equities and investment properties. The Board sets the Society's investment policy and strategy. Day to day responsibility for implementation is delegated to the Society's investment management with monitoring procedures in place.

The investment management agreement in place between the Society and the Investment Manager specifies the limits for holdings in certain asset categories. Asset allocation and performance benchmarks are set, which ensure that each fund has an appropriate mix of assets and is not over or under-exposed to a particular category or specific investment. The Society's Commercial Board monitor the actual asset allocation and performance against the benchmark.

A sensitivity analysis to changes in the market prices of equities and property is included in Sensitivity below.

Liquidity

Liquidity risk is the risk that adequate liquid funds are not available to settle liabilities as they fall due and is managed by forecasting cash requirements and by adjusting investment management strategies to meet those requirements. Liquidity risk is generally mitigated by holding sufficient investments which are readily marketable in sufficiently short timeframe to allow the settlement of liabilities as they fall due. The Society's substantial holdings of money market assets also serve to reduce liquidity risk. The table below represents our best estimate of the undiscounted claim profile arising from the in force contracts. The claim profile allows for full and partial surrenders, regular withdrawals, death claims and retirements as well as maturities. All assumptions on expected rates are consistent with our valuation assumptions.

31 December 2025						
Carrying values and cash flows arising from:	0-5 years	5-10 years	10-15 years	15-20 years	>20 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
GIB	16,498	-	-	-	-	16,498
Non-Linked (exc GIB)	42,327	19,746	12,663	7,131	12,413	94,280
Unit Linked	154,273	66,607	40,864	1,884	8,526	272,154
Total	**213,098**	**86,353**	**53,527**	**9,015**	**20,939**	**382,932**

31 December 2024						
Carrying values and cash flows arising from:	0-5 years	5-10 years	10-15 years	15-20 years	>20 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
GIB	14,492	-	-	-	-	14,492
Non-Linked (exc GIB)	42,795	19,631	12,893	6,743	10,504	92,566
Unit Linked	138,002	45,776	64,032	2,795	5,503	256,108
Total	**195,289**	**65,407**	**76,925**	**9,538**	**16,007**	**363,166**

Cashflows shown include claims, premiums and expenses for all guaranteed benefits considered on Solvency II basis. Cashflows relating to future discretionary benefits are excluded.

All cashflows assume best estimate assumptions and investment return based on the Solvency II risk free curve prescribed by the PRA.

Interest rate

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will vary as market rates of interest vary. For the Society, interest rate risk arises from holding assets and liabilities – actual or notional – with different maturity or re-pricing dates, creating exposure to changes in the level of interest rates, whether real or notional. It mainly arises from the Society's investments in debt and fixed income securities, which are exposed to changes in interest rates.

Exposure to interest rate risk is monitored using scenario testing, stress testing and asset and liability duration control.

The Society manages interest rate risk using performance benchmarks with appropriate durations. A sensitivity analysis to interest rate risk is included in section below.

Sensitivity

All sensitivities consider the change in Solvency II Own Funds.

It is assumed that the Risk Margin and liabilities relating to Future Discretionary Benefits are unchanged from the base position under all of the sensitivities considered.

Approximations have been made in the derivation of some of the figures backing these sensitivities.

The Expense sensitivity considers a ± 10% change in the expense assumption alongside a ± 1% change in expense inflation.

It is assumed that the decrease sensitivity would lead to an equal and opposite change in Own Funds compared to the increase sensitivity.

The equity price sensitivity considers the changes in prices of UK and other equities as defined under Solvency II. This is a change in equity prices of ± 36.10% for Type 1 equities.

It is assumed that the increase sensitivity would lead to an equal and opposite change in Own Funds compared to the decrease sensitivity.

The interest rate sensitivities shown are based on the Solvency II Standard Formula interest rate stresses which are expressed as a duration dependent multiplicative factor applied to the base curve.

This stress is not applied symmetrically which results in a more onerous increase sensitivity (compared to the decrease sensitivity) when interest rates are low.

The property value sensitivity considers a ± 25% change in property values. It is assumed that the increase sensitivity would lead to an equal and opposite change in Own Funds compared to the decrease sensitivity.

31 December 2025	Expenses		Equity prices		Interest rates		Property values	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Change in LTB Own Funds	(4,256)	4,256	10,281	(10,281)	(1,173)	1,188	5,992	(5,992)

31 December 2024	Expenses		Equity prices		Interest rates		Property values	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Change in LTB Own Funds	(3,948)	3,948	9,361	(9,361)	(1,058)	1,584	5,836	(5,836)

Credit risk

The Society has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Society is exposed to credit risk are:

- Counterparty risk with respect to debt securities and cash deposits;
- Reinsurers' share of insurance liabilities;
- Amounts deposited with reinsurers in relation to investment contracts;
- Amounts due from reinsurers in respect of claims already paid; and
- Insurance and other receivables.

In addition, there will be exposures to individual policyholders, on amounts due on insurance contracts. These are tightly controlled, with contracts being terminated or benefits amended if amounts owed are outstanding for more than a specified period of time, so that there is no significant risk to the results of the Society. The Society structures the levels of credit risk taken in by placing limits on their exposure to a single counterparty, or group of counterparties. Such risks are subject to at least an annual review, whole watch lists are maintained for exposures requiring additional review.

Although the Society holds a significant proportion of financial assets in debt securities, the risk of default on these is mitigated to the extent that any losses arising in respect of unit-linked assets backing the insurance and investment contracts which the Society issue, would effectively be passed on to the policyholders and investors through the unit-linked funds backing the insurance and investment contracts.

The following table presents the assets of the Society which are subject to credit risk and reconciliation to the balance sheet carrying value of each item:

31 December 2025			
	Amounts not subject to credit risk	Amounts subject to credit risk	Balance Sheet carrying value
	£'000	£'000	£'000
Shares and other variable yield securities	102,226	-	102,226
Debt and other fixed income securities	-	109,782	109,782
Assets held to cover linked liabilities	246,304	-	246,304
Loans secured by mortgage	-	78	78
Cash at banks and in hand	-	9,605	9,605
Total	**348,530**	**119,465**	**467,995**

31 December 2024			
	Amounts not subject to credit risk	Amounts subject to credit risk	Balance Sheet carrying value
	£'000	£'000	£'000
Shares and other variable yield securities	88,949	-	88,949
Debt and other fixed income securities	-	104,800	104,800
Assets held to cover linked liabilities	228,629	-	228,629
Loans secured by mortgage	-	172	172
Cash at banks and in hand	-	15,538	15,538
Total	**317,578**	**120,510**	**438,088**

The amounts presented above as not being subject to credit risk, represent unit-linked assets where the risk is borne by the holders of unit-linked insurance and investment contracts, except for (i) reinsurers' share of insurers' contract provisions and (ii) amounts deposited with reinsurers in respect of investment contracts.

The amounts in the table above represent the maximum exposure to credit risk as at 31 December 2025.

Credit rating						
31 December 2025						
	AAA	**AA**	**A**	**Below A**	**Unrated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Shares and other variable yield securities	-	-	-	-	102,563	102,563
Debt and other fixed income securities	3,166	49,053	18,194	12,323	27,046	109,782
Assets held to cover linked liabilities	-	-	211	-	245,756	245,967
Loans secured by mortgage	-	-	-	-	78	78
Cash at banks, building societies and in hand	-	-	6,207	-	3,398	9,605
Total	**3,166**	**49,053**	**24,612**	**12,323**	**378,841**	**467,995**

Credit rating						
31 December 2024						
	AAA	**AA**	**A**	**Below A**	**Unrated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Shares and other variable yield securities	-	-	-	-	88,949	88,949
Debt and other fixed income securities	-	42,455	17,723	16,895	27,727	104,800
Assets held to cover linked liabilities	-	-	550	-	228,079	228,629
Loans secured by mortgage	-	-	-	-	172	172
Cash at banks, building societies and in hand	-	-	10,580	-	4,958	15,538
Total	-	**42,455**	**28,853**	**16,895**	**349,885**	**438,088**

No credit rating exposures were exceeded during the year ended 31 December 2025 or 2024.

26 TRANSFER OF ENGAGEMENT

The completion by transfer of engagements, of Tees Mutual was made effective on 28 February 2025.

Approximately 3,400 Tees members joined the Society, transferring across approximately 15,500 policies and £4.5m assets.

27 POST BALANCE SHEET EVENTS

No material events or transactions occurred after the reporting date that would require disclosure in the financial statements.

The Oddfellows is the trading name of The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited,
Incorporated and registered in England and Wales No. 223F. Registered Office Oddfellows House,
184-186 Deansgate, Manchester M3 3WB. Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration No. 109995