Annual Report and Financial Statements

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Our Chair's statement

In July 2025, Steve White stepped down as Chair, after nine years of dedicated leadership. Under his guidance, Moat has grown in strength and purpose, and I'm grateful for the foundations he's laid for our future. I joined Moat in September and in my first year, my focus has been – and will continue to be - working with the Board to make sure our governance is good, our decisions are financially sound, and we genuinely listen and act on what our customers tell us. Our aim is to provide great homes and services and the right support for our customers.

Over the last 12 months, we've worked in a challenging economic environment. Across the sector, the increased cost of debt and labour cost inflation has reduced surpluses and pushed up the price of repairs, maintenance, and remediation. I'm pleased to say that we've navigated these challenges well – we've improved on our financial performance with an operating margin of 33% (2025: 30%), strengthening our financial capacity to invest in both new and existing homes.

Our strong financial position enables us to respond to what customers have told us they want from their homes and our services and invest more where we need to. We know our customers have been let down by our responsive repairs service in the recent past – we're working hard to improve the service, and we've invested £25.4m this year to provide a dependable interim service while we procured the right long-term partner. As the new ten-year contract launches in 2026, we'll be investing more than £200m over its lifetime to deliver a reliable, high-quality service that offers good value and meets our customers' diverse needs.

Helen Evans
Chair of the Board

Alongside this, we need to invest more in proactively improving our existing homes. This will ensure that we meet our obligations to keep every customer's home safe and in good condition. This is a legal requirement under Awaab's Law and the Decent Homes Standard, and we are determined to achieve it because it is the right thing for our customers. This year, we invested £20.7m in improving our customers' homes, this includes £5.2m of fire safety works. In 2026/27, we'll roll out our largest planned works investment programme to date, earmarking over £28m to improve homes and communal spaces, in the ways customers have told us are important to them.

The last year has also brought political change, as we move further away from a two-party system. We know social housing is more important than ever and our social purpose is unwavering – we'll continue to advocate for government investment in social housing and work with all Local Authority partners to meet local need. Working together over the past year, we've built 329 new homes in places with high housing need and, as a result, moved 1,345 customers off waiting lists into a secure, low-cost home.

Many of our customers continue to feel the effects of the high cost of living. We have been able to provide financial support to over 1,781 households this year and, through our Benefits and Income Maximisation team, helped our customers access £1.67m of additional income. I'm proud of the work we do to help customers stay in their homes, from managing debt to accessing benefits, support from external organisations, and employment and training opportunities.

Good governance has been vital this year, as the Board has navigated new requirements, changing regulations, economic uncertainty, a challenging operating environment, and greater regulatory scrutiny. The Regulator's recommendations following our downgrade in 2024 have focused the way we govern and are governed. In the year ahead, we'll be building on our strategic oversight to manage risks effectively, comply with regulatory standards, and give our customers a stronger voice in decision-making, ensuring we're accountable, trusted, and deliver for and with our customers.

> "Our strong financial position enables us to respond to what customers have told us they want from their homes and our services and invest more where we need to."

Our Chief Executive's statement

The last 12 months at Moat have been about getting the basics right for our customers – ensuring that our services work, we listen, learn and do the right things for customers. What has this meant? Well, it started with improving our repairs service, making the customer voice more central to our decision-making, strengthening our governance, and starting to improve customer satisfaction across the board. We've made good progress – there's undoubtedly more work to do but we've made some positive first steps and are putting in place the foundations to take us to the next level.

We all know that the most important service for our customers is repairs. We made the difficult decision to change our arrangements, moved to an interim contract, and started the process of procuring a long-term partner committed to delivering great outcomes for customers. I'm pleased to report that so far, the plan is on track - we cleared over 7,000 outstanding jobs and significantly reduced the average time taken to complete routine repairs, down from 102 days in February 2025 to just 21 by April 2026. Better but still not good enough.

Working with customers, we're now in the process of awarding our long-term repairs contract to Mears Group. We're making sure we start on the right foot, with systems and processes that support excellent contract management, a strong partnership and, ultimately, a much-improved service for our customers going forward.

In 2024, following our regulatory downgrade, we also started working through a Governance and Consumer Standards Improvement Plan - a set of agreed actions that will ensure we're managed well and wisely, and we're accountable for decisions at all levels. This year, we completed all actions on the plan, reviewing our Board and Committee operating framework, introducing focus panels in key business areas, and improving services in line with the Consumer Standards.

We want the voice of our diverse customers to resound throughout our business and inform the decisions we make. That means creating more opportunities to meaningfully influence, shape and challenge what we do. Our new Customer Scrutiny Panel is an independent group of customers who'll choose and complete in-depth reviews from a customer perspective. Their first review, on Shared Ownership, was a fantastic piece of work – detailed, thoughtful and challenging – that looked closely at how we're performing and provided our Board with a great set of recommendations on what we could do better. Those improvements are already underway, including clearer communication, better support, and greater transparency on service charges.

Of course, we can talk all we like about the improvements we've made but it only matters if they improve outcomes for customers. Our customer satisfaction scores give us the best indication of how well we're doing to meet our customers' needs. This year, our scores improved in all areas - overall satisfaction was 65.9%, up from 61.6%, tenant satisfaction rose to 71.6% from 67.2%, and shared owner satisfaction improved to 48.2% from 43.8%. It's great we're moving in the right direction, but we're under no illusion that those improvements are good enough – our customers deserve the very best and our plans look to build on that momentum.

As we look towards the next 12 months, we'll be launching our new Corporate Strategy – Homes that Build Futures – starting with our social purpose and a clear golden thread that binds everyone at Moat towards a clear goal. We've taken a deeper look at what customers are saying about our services and what needs to change so we can deliver the service they want to see. It's clear, from what they told us, that we need to continue to work on getting the basics consistently right. Working in partnership with customers, we'll be doing that day in and day out to ensure we rebuild the trust of our customers, providing safe and affordable homes that make a real and lasting difference, supporting wellbeing, opening opportunities, and helping our customers and communities thrive.

"The last 12 months at Moat have been about getting the basics right for our customers – ensuring that our services work, we listen, learn and do the right things for customers."

Gavin Cansfield
Chief Executive

Moat in numbers

Finance

£176m
Turnover
2024/25: £164m

£2.0bn
Housing properties cost
2024/25: £1.9bn

£776m
Borrowings
2024/25: £738m

33%
Operating margin
2024/25: 30%

A3 stable
Moody's rating
2024/25: A3 stable

C2/G2/V2
Regulator of Social Housing
2024/25: C2/G2/V2

Customers

72%
Satisfaction: renters (TSM)
2024/25: 67%

70%
Satisfaction: responsive repairs
2024/25: 88%

48%
Satisfaction: shared owners (TSM)
2024/25: 44%

2.84%
Rent arrears: renters
2024/25: 3.41%

94
Complaints per 1,000 homes
2024/25: 126

Homes

23,368
Homes in management
2024/25: 23,108

383
New homes delivered
2024/25: 478

£46m
Spend on existing homes
2024/25: £63m

1,057
New homes in pipeline
2024/25: 1,192

£88m
Spend on new builds
2024/25: £81m

About us

Since Moat was founded in 1966, we've grown from managing a single block of flats in Chertsey to providing over 23,000 homes across Kent, Essex, Sussex and London. Through the decades, we've been led by our social purpose - providing safe, affordable homes that make a real and lasting difference by supporting wellbeing, opening opportunities, and helping our customers and communities thrive.

As a not-for-profit organisation, we reinvest surplus income into keeping our existing homes safe, healthy and in good repair and building new ones where they're needed most. Our long-established development history is an important part of our DNA, and we're proud of the great homes and communities we've helped build, with more in the pipeline.

Providing homes is at the core of what we do, but they're more than just bricks and mortar. Our passion lies in the transformative effect that great homes and services have on the lives of the families and individuals we home, recognising that not all customers have the same needs. That's why the customer voice is central to everything we do, driving real improvements to our services in ways that matter most to our customers.

Our homes	New homes in 2025-26	Homes managed and/or owned
General needs rented	61	9,121
Affordable rent	181	3,303
Housing for older people/supported - general needs rent	-	1,699
Housing for older people/supported - affordable rent	-	141
Low cost home ownership	141	5,882
Social leasehold	-	1,258
Other social	-	848
Non social housing	-	1,116
Total homes	**383**	**23,368**

Registered office

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Registered auditor

BDO LLP,
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London W1U 7EU

Principal banker

National Westminster Bank Plc, Europa House,
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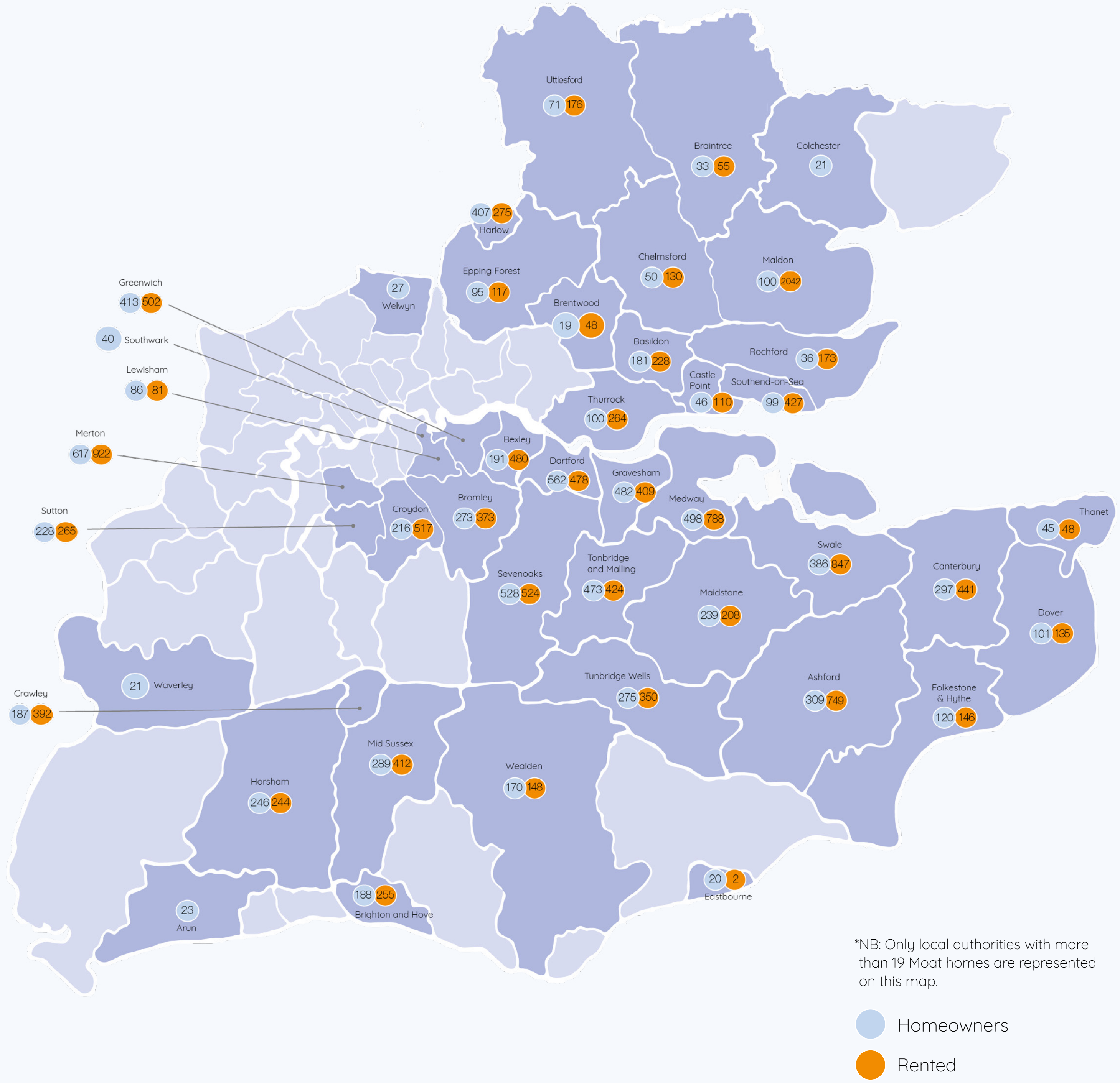
Our current homes



*NB: Only local authorities with more than 19 Moat homes are represented on this map.

Our values

Our values are the cornerstone of everything we do, and help us to deliver the best outcomes for our customers. They set out our shared commitment to how we behave and clear expectations for how we work, collaborate and deliver on our purpose every day.

Be the Change

Be flexible and adaptable to change, sharing ideas and focusing on solutions.

Our Standards
Be inclusive
Be a leader

Our Behaviours
Be adaptable
Be smart working

Better Together

Set high standards, working together and welcoming every opportunity to learn and improve.

Our Standards
Be knowledgeable
Be skilled

Our Behaviours
Be collaborative
Be smart working

Own it

Take personal responsibility for making things happen and seeing things through.

Our Standards
Show integrity
Be ethical

Our Behaviours
Be empowered
Be accountable

Lead by Example

We work hard for our customers and take pride in making a difference to their lives.

Our Standards
Be an advocate

Our Behaviours
Be supportive
Be nurturing

We recognise the significance of equality, diversity, and inclusion (EDI) in achieving success, and we're fully committed to being genuinely inclusive in everything we do. We expect all of our colleagues, as housing professionals, to show strong commitment to our approach to EDI and to our health and safety, compliance, and code of conduct policies and practices.

Our strategy

We've worked with our customers to refresh our Corporate Strategy, setting our priorities and shared vision for what we want to achieve over the next five years.

Our new Corporate Strategy is all about bringing our social purpose to life, ensuring that our homes build futures and are safe, secure, low-cost, and supported by consistently great services.

Over the past year, we've spoken to customers across our communities to better understand their experiences of our homes and services. Through initiatives such as the Big Door Knock and ongoing engagement activity, customers shared clear feedback about what matters most to them - safe homes, reliable repairs, clear communication and a landlord they can trust.

We know, from their feedback, that getting the basics right must remain the foundation of our strategy.

In response, we've refreshed our Corporate Strategy with a renewed focus on delivering these fundamentals while continuing to invest in homes and communities for the long term.

Our purpose remains unchanged - we provide safe and affordable homes that make a real and lasting difference by supporting wellbeing, opening opportunities and helping our customers and communities thrive.

Our refreshed strategy focuses on four strategic priorities:

1 Safe, affordable homes customers can trust

Customers should feel confident that their homes are safe, well maintained and managed by a landlord who delivers reliable services.

2 Supporting customers to live well and thrive

We recognise that customers have different needs and circumstances and will shape our services accordingly, providing additional support where it is needed most.

3 A confident, capable organisation delivering consistently

We will strengthen the foundations of our organisation by investing in our people, systems and data so that services are delivered consistently and effectively.

4 A responsible and resilient social business

We will manage our finances responsibly and ensure that every pound spent delivers value for customers while enabling us to invest in homes and communities for the long term.

Delivering our strategy

Each of our strategic priorities is supported by a core organisational strategy that provides depth and focus in key areas of our work:

- Customer Strategy
- Existing Homes Strategy
- New Homes Strategy
- People and Culture Strategy

Together these strategies guide decision-making across the organisation and help ensure that our social purpose is translated into meaningful outcomes for customers. During the year, we also introduced the Moat Offer, which clearly sets out the standards and services customers can expect from us as their landlord. The Offer helps bring our strategy to life by defining what delivering the basics well means in practice for customers.

Our plan on a page

The Plan on a Page (on page 15) illustrates the golden thread that connects our social purpose to our Corporate Strategy, supporting strategies and delivery across the organisation.

Delivery is supported through our Performance Management Framework, which translates strategy into delivery plans and objectives across teams and directorates. This ensures that strategy, performance and accountability are aligned and that every colleague understands how their work contributes to improving outcomes for customers.

Safe, affordable homes customers can trust

Supporting customers to live well and thrive

A confident, capable organisation delivering consistently

A responsible and resilient social business

Customer outcomes
Customer outcomes are what we deliver: safer homes, better services, stronger trust, greater stability and improved wellbeing.

Team plans and Individual objectives
These set how teams and colleagues turn strategy into practice – day-to-day actions and objectives aligned to customer outcomes and Basecamp sequencing.

Directorate Delivery Plans
These set out how each Directorate will deliver the supporting strategies, translating strategic actions into Directorate-level commitments.

Strategy: Customer Objectives
- Customers feel safe and confident in their homes
- Services are designed and improved with customers
- We understand customer circumstances and support sustainable tenancies.

Strategy: Existing Homes Objectives
- Fix the basics and restore confidence in the repairs service
- Put proactive asset management at the heart of what we do
- Strengthen safety, data and long-term investment decisions.

Moat Offer
Our clear service promise to customers.

Strategy: New Homes Objectives
- Focus growth where it has the greatest impact
- Deliver homes customers can trust – quality, affordability, longevity and sustainability
- Shape places with customers, stakeholders and community insight.

Strategy: People and Culture Objectives
- A culture of accountability, productivity and performance
- Systems and data that make work easier and smarter
- Change that delivers real customer value.

Executive Delivery Plan
This sets the collective outcomes the Executive Team is accountable for delivering – bridging Corporate Strategy priorities and supporting strategies into organisation-wide delivery commitments.

Corporate Strategy
This sets Moat's overall direction and strategic priorities – grounded in social purpose and defining what we aim to achieve for customers and communities.

Social purpose
We provide safe and affordable homes that make a real and lasting difference by supporting wellbeing, opening opportunities and helping our customers and communities thrive.

Basecamp 3
Leading the way as a trusted, customer-focused landlord.

Basecamp 2
Becoming a confident, high-performing landlord.

Basecamp 1
Getting the basics consistently right.

Cross-cutting themes and enablers
These apply across every layer of the organisation.

Value for Money, Equality, Diversity and Inclusion, Data, Governance, and Insight shape how we operate and improve.

Insight from customers and colleagues creates a continuous feedback loop, helping us understand what is working, where we need to improve, and how strategy and delivery should evolve.

Our progress against our strategic priorities

Safe, affordable homes customers can trust

During 2025/26, we:

- invested £46m (2025: £63m) in repairs, maintenance and planned replacements across our homes
- reduced the average customer wait time for routine repairs from 50 days at the end of March 2025 to 22 days at the end of March 2026.
- transitioned to an interim responsive repairs contract to stabilise performance while procuring a long-term solution.
- reduced responsive repairs work in progress from 5,742 jobs to 2,587 jobs during the year, completing over 41,000 responsive repair jobs throughout the year.
- completed 3,457 planned component replacements, including 2,071 windows, 504 doors, 185 kitchens and 146 bathrooms.
- invested £5.2m in fire safety compliance, including replacing 641 fire doors, £1.2m rolling programme of Fire Risk Assessments and related works.
- maintained strong compliance across all key building safety areas, including:
  - Fire safety – 100%
  - Gas safety – 99.97%
  - Electrical safety – 99.97%
  - Asbestos management – 100%
  - Legionella compliance – 100%
  - Lift safety – 97.5%

  Non-compliance with gas and electricity were due to 10 and 4 homes respectively where we could not gain access. Passenger and domestic lifts both have one property and one block overdue.
- improved the energy efficiency of our homes, so 84% of homes are at EPC band C or above. (2025: 81%)
- ensured 99.99% of Moat's homes meet the Decent Homes Standard. 21 homes are excluded from the Decent Homes Standard because the tenant chose not to have the work done, or the unit is void and scheduled for demolition.
- completed more Home Improvement Surveys - over 90% of our homes have had a survey done in the last five years.
- continued improvements to grounds maintenance and communal services across our estates.

During 2026/27, we will:

- continue to stabilise our core repairs service so that it becomes predictable, reliable and trusted by customers.
- mobilise the newly procured long-term responsive repairs and void work contract.
- introduce a more proactive asset management approach, using repairs data and home condition information to guide investment decisions.
- continue to strengthen our response to Awaab's Law, ensuring consistent triage and escalation across our homes.
- improve the quality and reliability of our asset and compliance data so that investment decisions are based on trusted information.
- continue investing in the safety, quality and sustainability of our homes.

These priorities reflect our focus on getting the basics consistently right as the foundation of our long-term strategy.

Supporting customers to live well and thrive

During 2025/26, we:

- introduced the Moat Offer, which clearly sets out the core services customers can expect from us and the standards we aim to deliver. The Offer provides clarity for both customers and colleagues and helps ensure our commitment to getting the basics right is consistently understood across the organisation.
- saw Tenant Satisfaction Measures (TSMs) improve during the year:
  - Overall satisfaction: 65.9% (2025: 61.6%)
  - Tenant satisfaction: 71.6% (2025: 67.2%)
  - Shared owner satisfaction: 48.2% (2025: 43.8%)

  While we are pleased to have seen an improvement, we are setting ourselves a target for 2026/27 of the median across the sector as we continue to improve our customer service.
- introduced improvements to our customer contact centre systems with greater use of technology, reducing call abandonment and improving response times.
- implemented new arrears management tools, helping reduce tenants' rent arrears levels to 2.84% (renters), down from 3.41%.
- provided financial support to over 1,781 households, including vouchers for food and energy costs. Our customers received £1.67m of additional income through working with our Benefit and Income Maximisation team – a small increase from the previous year.
- strengthened our customer influence framework; we have:
  - established the Customer Scrutiny Panel, a customer-led group which has completed two reviews on our shared ownership services and prevention of anti-social behaviour. The Shared Ownership review was completed in Q3 and recommended 46 actions, all of which were accepted with 29 having been completed; all other actions are on track for completion in 2026/27. The Prevention of ASB review was concluded at the end of 2025/26, with recommendations due to be presented in 2026/27.
  - continued working through the customer-chaired Repairs Forum (now the Existing Homes Forum), which directly shaped how we improve the repairs service. The forum has been critical in the procurement process to appoint a long-term repairs partner.
  - engaged 213 Customer Advocates in shaping services, policies and recruitment processes.
- handled 2,203 complaints (2025: 2,734), equivalent to 94 complaints per 1,000 homes (2025: 126 per 1,000), and strengthened our approach to learning from complaints. This improvement has been driven by a review of the complaints operating model, system enhancements and promoting a learning, collaborative and customer-led complaints policy and procedures to better capture insights and drive continuous improvement.

During 2026/27, we will:

- embed the Moat Offer consistently across rented, owned and managed homes so customers know what to expect from us.
- strengthen how we identify and respond to customers experiencing vulnerability, ensuring support is timely and consistent.
- improve how complaints insight and customer feedback drive service improvements.
- strengthen customer insight loops so that feedback informs earlier and more preventative service offers.
- continue strengthening our Customer Engagement Framework to ensure customers' voices shape our services.

This work reflects our commitment to listening to customers and ensuring services respond to the needs of those who rely on us most.

A confident, capable organisation delivering consistently

During 2025/26, we:

- launched our Performance Management Framework, creating a clear golden thread from our Corporate Strategy through delivery plans and individual objectives so that every colleague understands how their work contributes to customer outcomes.
- launched our People and Culture Framework, strengthening the behaviours and expectations that support consistent service delivery across the organisation.
- undertook a Culture and Values Assessment (CVA) with colleagues across the organisation, providing valuable insight into what helps colleagues perform at their best and where we must continue strengthening capability to deliver great services for customers.
- launched our Equality, Diversity and Inclusion Strategy, setting out our commitment to building a more inclusive organisation for both colleagues and customers.
- achieved the Sunday Times Best Places to Work accreditation for the third consecutive year.
- continued developing our data and technology capability, including expanded use of business intelligence tools to support performance reporting and decision-making.
- achieved Cyber Essentials Plus accreditation to protect our systems and customer data.

During 2026/27, we will:

- launch our People and Culture Strategy, strengthening leadership capability and ensuring colleagues are equipped to deliver consistent, high-quality services for customers.
- embed our Performance Management Framework so that strategic priorities are translated clearly into delivery plans, team objectives and individual accountability.
- strengthen how performance, risk and assurance are brought together, ensuring leaders and Board receive one clear view of organisational performance.
- continue investing in data and technology capability, improving the quality, ownership and reliability of core operational data used to manage homes and services.
- strengthen organisational resilience, including clearer succession planning and continuity arrangements for critical roles and services.
- continue embedding our Equality, Diversity and Inclusion Strategy, ensuring our organisation reflects the communities we serve and supports an inclusive culture.
- re-affirm our Cyber Essentials Plus accreditation.

These actions will strengthen the organisational foundations required to deliver reliable services and support the long-term sustainability of the organisation.

A responsible and resilient social business

During 2025/26, we:

- delivered 383 new social homes, (2025: 478), including 242 homes for rent and 141 shared ownership homes.
- invested £88m (2025: £81m) in new developments.
- began construction on 222 new social homes during the year.
- expanded our development pipeline to 935 homes in contract, with a further 122 approved for development.
- maintained the proportion of land-led opportunities at 61%, towards a target of 70%.
- maintained strong sales completion of 121 (2025: 112) first tranche sales.
- completed 160 (2025: 139) staircasing transactions and 235 (2025: 206) resales within our shared ownership portfolio.

During 2026/27, we will:

- deliver 434 new social homes, including 313 for rent and 121 for shared ownership.
- invest £88m in our development programme.
- continue growing our pipeline of new affordable homes while maintaining strong financial discipline.
- ensure that decisions on growth, acquisitions and investment remain aligned with our long-term financial resilience.
- prioritise development opportunities that strengthen our ability to invest sustainably in both new and existing homes.

This approach ensures that growth supports our social purpose while maintaining the financial strength required to invest in homes and services for the long term.

Our finances

Despite ongoing macroeconomic pressures and competing demands on resources, we are pleased to present another strong set of financial results. These demonstrate improved financial performance following the stabilisation of the repairs service.

Operating surplus increased to £58.9m (2025: £49.0m) with the overall surplus for the year nearly doubling to £23.9m (2025: £12.2m). This includes an adverse movement of £2.2m (2025: £5.4m) in fair value of financial instruments.

Summary statement of income	2025/26 £m	2024/25 £m	2023/24 £m	2022/23 £m	2021/22 £m
Income from social housing lettings	159.8	150.9	134.4	121.8	114.8
First tranche sale proceeds	11.8	11.1	15.1	17.3	29.4
Open market sales proceeds	1.6	-	2.2	17.8	34.6
Other income	2.7	2.4	2.7	2.9	2.5
Turnover	**175.9**	**164.4**	**154.4**	**159.8**	**181.3**
Operating costs from social housing lettings	(112.2)	(111.3)	(97.0)	(79.7)	(71.3)
Cost of first tranche sales	(10.4)	(9.4)	(13.2)	(14.5)	(24.3)
Cost of open market sales	(1.2)	-	(2.3)	(16.8)	(29.7)
Other operating costs	(6.0)	(6.0)	(5.6)	(2.9)	(6.2)
Gain on disposal of fixed assets (housing property, staircasings, disposals; redemptions)	12.8	11.3	8.3	15.8	14.3
Operating surplus	**58.9**	**49.0**	**44.6**	**61.7**	**64.1**
Movement in fair values	(2.2)	(5.4)	2.7	6.4	5.3
Net interest costs	(32.8)	(31.4)	(26.4)	(22.2)	(21.5)
Surplus for the year	**23.9**	**12.2**	**20.9**	**45.9**	**47.9**
Operating margin	**33%**	**30%**	**29%**	**39%**	**35%**
Operating margin: social housing lettings	**30%**	**26%**	**28%**	**35%**	**38%**

Operating margin

Overall operating margin increased to 33% from 30%, helped by increased operating surplus driven by the stabilisation of Moat's repairs contract.

Operating margin: social housing lettings

Social housing lettings covers our core business of social and affordable rent, shared ownership and housing for older people.

Rental and service charge income increased by £8.9m with inflationary increases for our existing homes and additional income from newly built properties.

The lettings operating margin increased by 4% due to operating costs only increasing by £0.9m from 2024/25. This below inflation increase was driven by the stabilisation of Moat's repairs contract through the implementation of an interim contract.

Sales

First tranche sales made a surplus of £1.4m (2025: £1.7m), a margin of 12.1% (2025: 15.4%) on sales proceeds of £11.8m (2025: £11.1m).

One existing market rent unit was sold on the open market, achieving a margin of 6%, prior to impairment reversal. There were no open market sales in 2025.

Staircasings and equity loan redemptions demand remain strong, with increasing disposal gains of £10.2m (2025: £9.2m) and homebuy equity loan redemptions gains of £1.8m (2025: £1.4m). Staircasings and equity loan redemptions activity is demand driven, with the level of activity of staircasings increasing in the year.

Interest

Net interest payable on bank loans and bonds increased to £33.2m (2025: £31.5m). This is due to additional borrowings in the year to develop new homes, offset by lower variable rate borrowing costs following the reductions in Bank of England base rate. The weighted average cost of borrowings at 31 March 2026 decreased to 4.62% (2025: 4.89%).

Statement of Financial Position	2025/26 £m	2024/25 £m	2023/24 £m	2022/23 £m	2021/22 £m
Housing properties	2,008	1,927	1,855	1,702	1,639
Other fixed assets	47	47	49	51	55
Net current assets/(liabilities)	(9)	2	(26)	4	41
Housing loans, grants and other long term liabilities	(1,366)	(1,323)	(1,248)	(1,149)	(1,197)
Net assets	**680**	**653**	**630**	**608**	**538**
Capital and reserves	**680**	**653**	**630**	**608**	**538**
Gearing	**37%**	**37%**	**35%**	**31%**	**30%**

Housing properties

Housing properties are held at historic cost (less depreciation and impairment). The increase in net book value of housing properties of £81m includes £88m investment in building new homes, and £11m on work to existing homes, offset by depreciation and reduction for cost of sales. We have £528m of deferred capital grant in creditors.

Housing loans

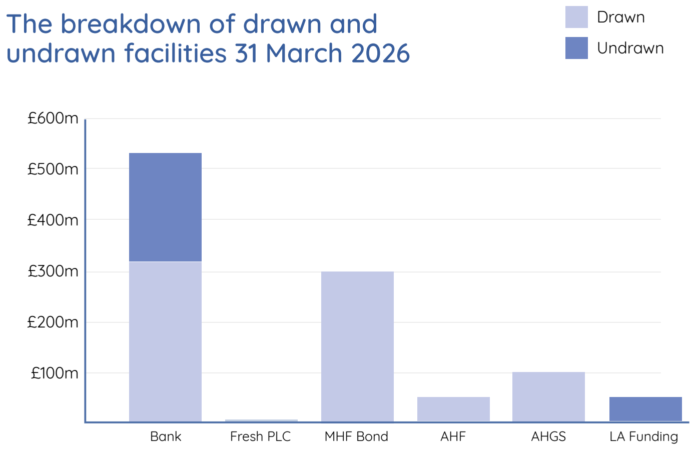
Borrowings at 31 March 2026 were £776m (2025: £738m) consisting of banks, building societies and local authority loans in the UK as well as from the capital markets through bond issuance.

The main factor affecting the amount and timing of borrowing is the pace of the development programme. Where relevant, the borrowings are secured by first fixed charges over housing properties, with 13% of the debt facilities being unsecured funding. Refinancing risk is managed by ensuring that a minimal proportion of the overall debt portfolio is repayable over the next three years.

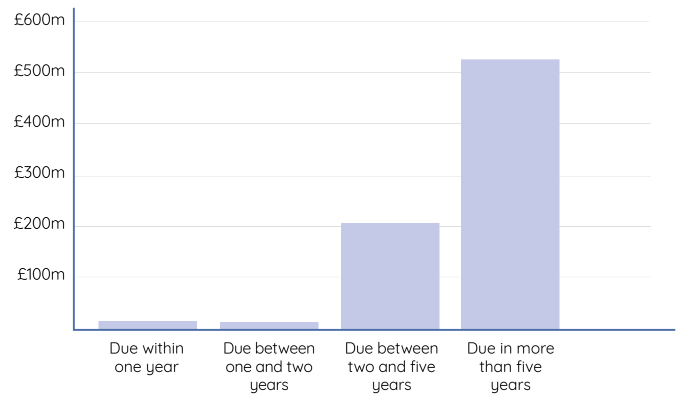
Public bond

The original £150m, 5%, 2041, secured bond was issued by Moat Homes Finance plc (MHF) in 2011 when £100m was sold to investors, and the remaining £50m was sold during 2013/14. The bond was tapped by the issue of a further £150m in November 2019, of which £50m was retained and sold in April 2021. The finance raised has been lent to Moat Homes Limited (MHL) under a secured loan agreement. The interest payable on the bond is fixed rate therefore there is no exposure to variable rate movements. The interest payable by MHL to MHF is at the same fixed rate. The bond is secured by a first fixed charge over housing properties, valued at market value subject to tenancy, which meets the asset cover ratio. The properties charged are owned by MHL and under a Security Trust Deed provide the security for the intergroup loan and the Bond.

The breakdown of drawn and undrawn facilities 31 March 2026



Maturity profile of existing drawn loan portfolio 31 March 2026



Hedging

Our hedging strategy seeks to manage interest rate risk by requiring between 60%-90% of our debt to be at fixed rates. In addition to fixed rate debt, the Group uses standalone interest rate derivatives to hedge against exposure to variable interest rates. The fixed to variable rate portfolio position at 31 March 2026, including interest rate swaps, was:

	2026		2025	
	£m	%	£m	%
Variable rate	243	31%	198	27%
Fixed rate	533	69%	540	73%
Total borrowings	776		738	

We actively monitor market conditions for opportunities to reduce future borrowing costs and if identified we may enter new swaps and/or break or modify existing swaps within the parameters of the Group's approved Treasury Strategy and Management Policy. As at 31 March 2026, we had swaps with a nominal value of £38m (2025: £38m).

Interest rate swaps are marked to market with movements in the fair value shown in the Statement of Comprehensive Income. Collateral provided at 31 March 2026 consisted entirely of property security. There has been an increase in the value of financial instruments of £0.4m (2025: £3.5m) in 2025/26, with £2.5m increase (2025: £8.2m increase) relating to our fully effective hedges shown in other comprehensive income.

Pensions

We operate one defined benefit scheme with no active members which is closed to new members. The pension liability reduced in the year by £1.7m to £5.9m.

Reserves

At 31 March 2026, we had reserves of £680m (2025: £653m), an increase of £27m. Our reserves are fully reinvested into maintaining and improving our existing homes and services and building new homes to address the ongoing housing shortage.

Cashflow	2025 /26 £m	2024 /25 £m	2023 /24 £m	2022 /23 £m	2021 /22 £m
Net cash generated from operating activities	67.0	56.6	58.3	58.0	94.8
Net cash outflow from investing activities	(63.5)	(76.2)	(159.0)	(56.2)	(57.1)
Net cash inflow/(outflow) from financing activities	1.1	24.1	80.5	(35.3)	(5.6)
Net increase/(decrease in cash/cash equivalents)	4.6	4.5	(20.2)	(33.5)	32.1
Cash and cash equivalents at 1 April	16.4	11.9	32.1	65.6	33.5
Cash and cash equivalents at 31 March	**21.0**	**16.4**	**11.9**	**32.1**	**65.6**

Liquidity

Available liquidity at 31 March 2026 was £276.4m (2025: £320.6m). This includes undrawn facilities of £263m (2025: £310.5m) together with cash of £11.4m (2025: £8.0m) and an overdraft facility of £2m (2025: £2m).

Cash surpluses are invested in highly rated UK regulated institutions. At 31 March 2026, we held £9m (2025: £6m) of short-term investments all with funders with a Fitch credit rating of above F1+.

Covenants

Our primary covenants on our debt facilities are set at borrowing entity level. We maintain interest cover and gearing covenants. All drawn debt, loans and public bond require the maintenance of required asset cover. Our covenants are closely monitored throughout the year and were complied with as of 31 March 2026.

Moody's rating

Our Moody's rating, as of February 2026, is A3 stable (2025: A3 stable).

Value for money

Value for Money (VfM) is embedded across all of Moat's strategies, processes, and decision-making, with a focus on maximising outcomes for customers by balancing cost, quality, and strategic priorities.

Performance is regularly monitored through a range of metrics, including financial results, operational indicators, and tenant satisfaction, with reporting reviewed monthly by management and summarised for Board oversight.

The Board retains overall responsibility for VfM, ensuring compliance with regulatory standards and overseeing delivery through a structured framework of strategic planning, financial management, and performance monitoring. This includes long-term financial planning, robust investment appraisal, and asset management to sustain and improve existing homes while supporting future development.

Procurement and change management processes are used to drive efficiency and continuous improvement, while maintaining service quality and regulatory compliance. Social value considerations are also integrated into decision-making, ensuring wider benefits for residents and communities alongside financial performance.

VfM metrics

The VfM Standard issued by The Regulator of Social Housing (RSH) requires registered providers to monitor their performance against seven VfM metrics. Our 2025/26 performance in each metric is compared to 2024/25 results and to targets based on the 2025/26 and 2026/27 budgets. We also benchmark our performance against our peers, based on 2024/25 reported data. A benchmarking report is presented to the Board annually.

Rather than compare and benchmark Moat to the sector in general, we have a Board selected peer group of developing RPs we benchmark against. This allows for a more useful comparison. The 14 peers are the G15 and CASE (Consortium of Associations in the South East) members: A2 Dominion, Abri, Clarion, Hyde, L&Q, Notting Hill Genesis, Orbit, Paradigm, Peabody, Southern, SNG, MTVH, Guinness and West Kent.

The sector continues to experience sustained financial pressure, driven by competing demands to invest in both existing homes and new supply. Increased requirements relating to building safety, energy efficiency, and maintaining stock decency, alongside higher repair costs, have resulted in continued upward pressure on expenditure. At the same time, development costs have also risen, reflecting broader increases in construction and supply chain costs.

Following several years of elevated inflation and rising borrowing costs, the financial performance of the sector has weakened. While inflation and borrowing costs showed some signs of easing during 2025/26, this trend has been partially offset by external factors, including geopolitical tensions in the Middle East impacting energy prices. As a result, the anticipated reduction in cost pressures has slowed, and the sector continues to operate in a challenging financial environment.

Against this challenging backdrop, the Group continues to perform strongly relative to its peers. In 2024/25, we ranked within the top four for five of the nine Value for Money (VfM) metrics, and performed above the peer group average across the majority of the remaining measures. The exceptions were non-social housing supply, which reflects the Group's strategic focus to remove non-social housing developments, and Return on Capital Employed (ROCE), which reflects the higher asset value of homes we own and manage in the South East.

Metric 1 – Reinvestment %

This measures our investment in new and existing homes as a percentage of the total value of properties held. We invested £88m in building new homes and £11m planned investment in replacing components such as kitchens and bathrooms in our existing homes. Investment in new homes was less than budgeted mainly due to delays in planned works as a result of a key supplier going into liquidation.

Metric 2 – New supply delivered

The new supply metric for social housing units sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units. We developed 383 new homes in the year, which was 95 lower than the previous year and 55 more than budgeted. We plan to deliver 361 homes in 2026/27.

The new supply metric for non-social housing units sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units unsold at period end. We currently have no plans to develop Open Market Sales.

Metric 3 – Gearing

This metric assesses the degree of reliance on debt finance by measuring total debt divided by housing properties at cost. Gearing remains at 37% and continues to be favourable against peer performance. Net debt increased by £31m and the cost of housing properties increased by £81m. This level of debt finance is a product of our plan to develop approximately 450 new homes per year.

Metric 4 – EBITDA MRI interest cover

The EBITDA MRI (Earnings Before Interest, Tax, Depreciation, Amortisation, and Major Repairs Included) interest cover ratio is a key indicator of liquidity and investment capacity, assessing the extent to which operating surplus exceeds interest obligations. Performance has strengthened in the current year, primarily due to an improved surplus position. This reflects the stabilisation of the repairs service, a reduction in capital expenditure compared with the prior year - when additional investment was undertaken following the receipt of Social Housing Decarbonisation Fund grant - and the impact of two Bank of England base rate reductions, which have lowered the organisation's weighted average cost of capital.

Metric 5 – Headline social housing cost per unit

The unit cost metric, which measures the cost of managing a social housing unit as defined by the Regulator, decreased by £738 per unit compared with 2024/25. This reduction reflects both a £13.4m decrease in total expenditure and an increase of 257 homes in management during the year. Maintenance expenditure reduced by £136 per unit, primarily due to the stabilisation of the responsive repairs contract. Major repairs costs decreased by £741 per unit, following the exceptional expenditure incurred in the prior year relating to the Social Housing Decarbonisation Fund programme and lower than budgeted spend.

Overall, the cost per unit was below target, largely due to lower than budgeted spend on planned investment. The 2026/27 target reflects the expected increase in planned investment in existing homes, which is anticipated to raise the cost per unit in future periods.

Metric 6 – Operating margin

The operating margin demonstrates the profitability of operating assets, measured as operating surplus divided by turnover.

Operating margin (social housing lettings)

Our operating margin for social housing lettings has increased, primarily driven by a stabilised repairs service, while procuring for a long-term repairs service partner.

Operating margin (overall)

The overall operating margin includes surplus first tranche sales but excludes any gain from the disposal of fixed assets. The overall margin again improved positively by the stabilised repairs service.

Metric 7 – Return on Capital Employed

This metric compares the operating surplus to total assets, less current liabilities and assesses the efficient investment of capital resources. We outperformed our target by 0.4% due to higher than budgeted operating surplus and reduce total assets (less current liabilities) due to reduced development and lower than budgeted planned investment.

		Target 2026/27	Actual 2025/26	Target 2025/26	Actual 2024/25	Peer group average 2024/25	Ranking v peer group 2024/25
Metric 1	Reinvestment %	4.9%	4.9%	4.1%	5.5%	6.2%	10th
Metric 2	New supply delivered (Social Housing Units) %	2.0%	1.8%	1.5%	2.3%	2.3%	2nd
	New supply delivered (Non-social Housing Units) %	0.0%	0.0%	0.0%	0.0%	0.0%	-
Metric 3	Gearing %	36%	37%	36%	37%	37%	1st
Metric 4	EBITDA MRI Interest Cover %	131%	160%	126%	101%	101%	4th
Metric 5	Headline social housing cost per unit (HSHC) £	£5,834	£5,127	£5,605	£5,865	£5,865	4th
Metric 6	Operating margin (social housing lettings only) %	30%	30%	29%	26%	26%	6th
	Operating margin (overall) %	25%	26%	25%	23%	23%	4th
Metric 7	Return on capital employed (ROCE) %	2.7%	2.9%	2.5%	2.5%	2.5%	8th

Leadership and governance

Board and Committee membership and attendance 2025/26

Name	MHL Board	MHG Board	Governance and People committee	Audit and Risk Committee	Investment Committee	Finance Committee	Customer and Communities Committee
Steve White *Independent* (resigned July 2025)	Chair 2/2	5/5	1/1	-	-	-	-
Mark Foster *Independent* (resigned April 2025)	-	-	-	1/1	-	-	1/1
Tim Boag *Independent*	8/9	7/8	Chair 3/3	-	Chair 3/3	Chair 1/1	-
David Brocklebank *Independent*	6/9 (2 COI)	Chair 6/8 (2 COI)	-	-	3/3	1/1 (1 COI)	-
Jeremy Ellis *Independent*	8/9	-	-	4/4	-	-	3/4
Andrew Farmer *Independent*	5/9	6/8	-	Chair 4/4	2/3	1/1	-
Jeremy Stibbe *Independent* (appointed February 2026)	1/1	-	-	-	1/1	-	-
Helen Evans *Independent* (appointed September 2025)	Chair 7/7	3/3	2/2	-	-	-	-
Caroline Ross *Independent*	5/9	-	3/3	-	-	-	Chair 4/4
Trafford Wilson *Independent* (resigned July 2026)	7/9	-	-	3/3	-	-	2/4
Faith Locken *Independent***	9/9	4/8	-	3/4	-	-	-
Gavin Cansfield *Executive*	8/9	7/8	-	-	-	-	-
Steve Nunn *Executive*	9/9	8/8	-	-	-	-	-
Gloria Yang *Executive*	9/9	8/8	-	-	-	-	-

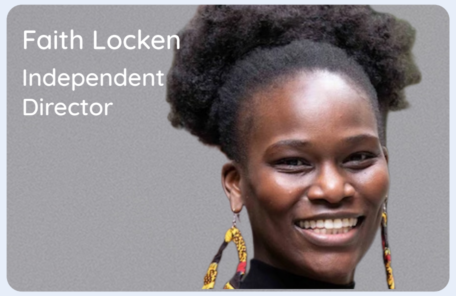
*did not attend all or part of the meeting due to conflict of interest (COI).
**co-optee until February 2026.

Our Non-Executive Directors

Helen joined Moat as Chair of the Board in September 2025, bringing over four decades of senior leadership experience across social housing, local government, and public services.

A highly respected executive and non-executive leader, Helen has built a distinguished career leading organisations through transformation, regulatory change, and strategic growth. Known for authentic and values-led leadership, she has a deep understanding of housing, health, and public sector partnership working.

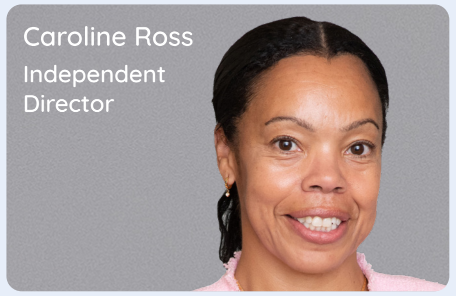
Jeremy joined the Board in January 2021. He enjoyed a long career at TUI Travel in a range of customer-centric roles and as Marketing and Customer Experience Director.



Faith joined the Board in February 2025 as a co-optee, and in February 2026, she was made a full Board member. She is a chartered commercial surveyor and the Founder of We Rise In, a business dedicated to improving EDI.

David joined the Board in January 2021. He is currently the Executive Managing Director of Wates Developments Group, having held several roles within the business since joining in 2001.

Our Non-Executive Directors



Caroline joined the Board in November 2020, bringing expertise in inclusive cultures, people development, leadership and change management. She is currently a Governor at Downe House School, following her former role as Chief People Officer at Asos PLC.

Tim joined the Board in December 2017 and is Chair of the Investment Committee and the Governance and People Committee. He has had an extensive career including roles in corporate and commercial banking.

Jeremy joined the Board in February 2026. He has 40 years of housing experience at both Executive and Non-Executive Director level, bringing expertise in delivering large-scale developments and commercial and property portfolios.

Andrew joined the Board in August 2023. He brings a wealth of operational finance and risk experience from his current role as the Chief Financial Officer of South East Water Ltd.

Mark Foster
Senior Independent Director
Resigned April 2025

Steve White
Independent Chair
Resigned July 2025

Trafford Wilson
Independent Director
Resigned July 2026

Full biographies for our Board and Executive Team are available on our website: moat.co.uk or click here.

Our Executive Team

Gavin joined Moat as Chief Executive in October 2024 and has over 30 years' experience working in housing, developing and delivering support services for homeless people, general needs housing, specialist housing for older people and inner-city regeneration.

Gavin has a strong commitment to social housing and its ability to transform people's lives.

Steve was appointed in April 2009 to lead on developing new homes. He was Acting Chief Executive from March to October 2024. He has a wide range of experience in housing management, operations, property services, asset management, shared ownership, estate and social regeneration and development. Steve is currently a board member of B3 Living and Chair of their Development Committee.

Carrie was appointed in early 2020 to lead and set the strategic direction for people and communications. Carrie joined the Executive Team in September 2021. Prior to joining Moat, Carrie worked for Medway Council where she was an assistant director leading on a large-scale transformation programme and the senior lead for a wide range of operational teams.

Gloria was appointed in April 2023 to lead on developing and maintaining financial resilience. Her career spans executive and non-executive finance roles at several housing associations. She is currently a member of the Credit Committee at MORhomes PLC and is a Fellow member of ACCA.

Our Executive Team

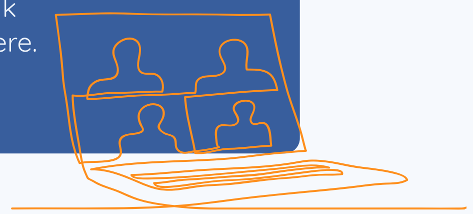
David joined Moat in September 2025 and leads on corporate governance, risk, legal and regulatory compliance, alongside strategy and policy development. He is a senior governance and risk professional with over 30 years' experience leading strategic transformation and regulatory compliance. He currently serves as a trustee on the board of Together for Mental Wellbeing, a national mental health charity.

Garry was appointed in September 2025 to lead on our strategy to maintain and improve our existing homes, and oversees long-term investment, repairs, maintenance and customer safety. Having worked in the construction sector, local authorities and housing associations for over 25 years, he has significant experience in leading transformational change and in delivering front line property functions to customers.

Marek was appointed in March 2025 to lead on customer experience within operational service delivery, and to help transform our customer journey. Having worked in the sector since 2000, he has experience in delivering resident led change within housing management, repairs and maintenance and asset management directorates.

Ian Morrison
Executive Director:
Property and Assets
Resigned August 2025

Full biographies for our Board and Executive Team are available on our website: moat.co.uk or click here.



Moat Homes Limited Board

Appoints Subsidiary Board Members

Moat Housing Group Limited
Registered under Cooperative and Community Benefit Societies Act 2014 No27943R
Registered Provider L4047
Non-charitable status

Moat Homes Finance plc
Registered under Companies Act 2006 No. 07743490

Moat Construction Services Limited
Dormant subsidiary of MHL
Registered under Companies Act 2006 No. 08172191

Moat Development Limited
Dormant subsidiary of MHG
Registered under Companies Act 2006 No. 04657544

Mariner Facilities Management Limited
Dormant subsidiary of MHG
Registered under Companies Act 2006 No. 06561610

Appoints Committee Members

- Audit and Risk Committee
- Investment Committee (formerly Finance Committee)
- Customer and Communities Committee
- Governance and People Committee

Moat
Moat Homes Limited Board
Registered under Cooperative and Community Benefit Societies Act 2014 NO.17434R.
Registered Provider L0386.
Charitable status.

Appoints Executive Team, who appoint

- Executive Team Strategy
- Health, Safety and Wellbeing Panel
- Senior Leadership Team
- Strategic Keeping Our Customers Safe Panel
- Operational Keeping Our Customers Safe Panel
- Executive Team Investment
- Data Steering Group
- Business Improvement and Project Panel
- Repairs Programme Board
- Colleague Forum

The Board

The Board is responsible for setting, monitoring and ensuring compliance with our values, vision, mission and strategic objectives and for ensuring Moat's long-term success. It establishes a positive culture that is focussed on the needs of our customers and embeds equality, diversity and inclusion in all that we do.

It is Moat's governing body and is made up of:

- Independent Non-Executive Directors, appointed through a competitive recruitment and selection process; and
- the Chief Executive and two Executive Directors.

The Board oversees the performance of the organisation and the work of the Executive Team. As part of the Regulator of Social Housing's (RSH) co-regulatory approach, the Board is also responsible for ensuring that Moat uses its resources effectively and complies with our regulatory requirements.

Committees

The Board has delegated some of its functions and detailed work on assurance to its Committees and has delegated the delivery of the strategy and operations to the Chief Executive. The Committees each have a group-wide remit with clear terms of reference.

Audit and Risk Committee

The Audit and Risk Committee reviews the effectiveness of Moat's internal control and risk management environment and oversees the appointment of the Internal and External Auditors.

Investment Committee (formerly Finance Committee)

The Investment Committee oversees current and future assets of Moat by scrutinising investments/disinvestment and regenration of existing assets, development activities of the Group, all within the parameters set by the Board.

Customer and Communities Committee

The Customer and Communities Committee provides assurance on landlord responsibilities and customer service provision. It also advises on customer influence and engagement.

Governance and People Committee

The Governance and People Committee reviews the effectiveness of our governance arrangements including overseeing the appointment process for independent directors and makes recommendations to the Board. It also reviews and recommends to the Board the remuneration for our non-executive and executive directors and the annual pay award to colleagues. The Committee monitors our performance in respect of equality, diversity and inclusion as well as data and technology and oversees people and culture developments.

Statement of effectiveness of internal controls

The Board has overall responsibility for establishing and maintaining the system of internal control and risk and for reviewing its effectiveness.

Its responsibility extends over matters covering strategic, operational, financial, and compliance issues.

The Audit and Risk Committee (the Committee) has delegated authority from the Board to ensure the correct implementation of the risk management framework and effective operation of processes and controls. It reports to Board on the adequacy and effectiveness of systems of governance, risk management and internal control.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage and reduce the risk of failing to achieve business objectives, giving reasonable, but not absolute, assurance against material misstatement or loss. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of Moat's assets and interests.

The Board has reviewed the system of internal controls for the year ended 31 March 2026 and has received sufficient assurance on the adequacy of controls in the year under review. There has been no major breach within the year and up to the date of signing the financial statements that requires disclosure.

Corporate planning and budgeting

The corporate planning and budgeting processes are used to set objectives, agree action plans and allocate resources.

At each Board and Committee meeting, reports outlining the latest operational and financial results compared to the target for the year, and statutory compliance reports, are presented to enable the Board to maintain oversight of Moat's strategic performance and ongoing compliance.

During the year, we have been developing and enhancing our approach to tracking corporate performance. We have developed a Performance Management Framework to show a clear 'golden thread' between corporate priorities and directorate and colleague objectives.

Report of the Audit and Risk Committee

The Committee reviews the effectiveness of Moat's internal control and risk management environment and oversees the appointment of the Internal and External Auditors.

The Board has delegated this responsibility to the Committee to ensure that these matters can receive the detailed oversight and challenge they require. The Committee operates in line with its terms of reference which are reviewed annually to ensure they remain fit for purpose and reflect best practice.

The Committee provides assurance to the Board on Moat's arrangements for risk management and internal control having itself been assured through:

- the work of the Executive Team and Senior Management as set out by the cycle of business and verified through Assurance Statements
- considering regular reports on risk management and internal control
- considering other sources of assurance as mapped in the risk register
- directing the work of the Internal and External Auditors and reviewing the findings and recommendations from their work.

The membership of the Committee is made up of four independent Non-Executive Directors, one of whom is the Chair of the Committee. Details of Committee members and their attendance can be found on page 27.

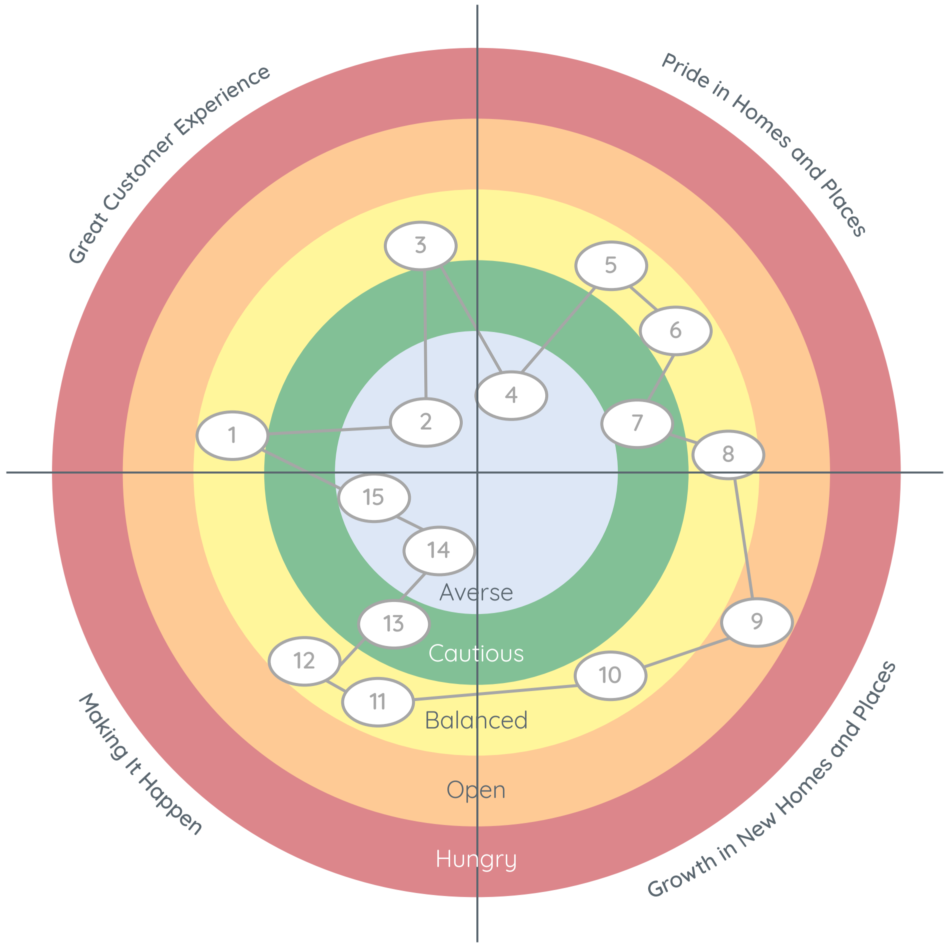
Throughout the year the Committee maintained a programme of scrutiny and review of key strategic and operational risk, controls and mitigations, core policies, procedures and oversight of external returns. The table opposite details the work programme of the Committee.

Agenda item	Frequency	Content
Assets and Liabilities Register	Each meeting	Oversight of the process for meeting the Governance and Viability Standard to maintain a thorough, accurate and up to date record of our assets and liabilities
Cyber security update	Each meeting	Update on the external environment and our work to maintain safe and secure systems
Data Protection	Each meeting	Report on any data protection issues and updates on any work to improve or maintain compliance with legislation
Economic Standards	Annually	Review of compliance with Regulator of Social Housing's economic standards
Environmental, Social and Governance Report (ESG)	Annually	Review of ESG report in line with Sustainability Reporting Standard for Social Housing
External Audit and Financial Statements	Annually	Review of the Audit Planning Report and Audit Completion Report. Approval of Financial Statements
Fraud, Whistleblowing and Money Laundering monitoring	Each meeting	Report of any suspected fraudulent or money laundering activity. Report of any disclosures made under whistleblowing arrangements. Annually approving the report of the Fraud Register to the Regulator
Health and Safety report	Each meeting	Report covering KPI performance for FLAGEL and colleague H&S, key risk areas, health and safety audit findings and other relevant management information
Insurance overview and renewal	Each meeting and annually	Review of the ongoing performance, and review of the terms of renewal and receiving assurance that adequate insurance is in place to protect the organisation's assets and activities
Internal Audit Report	Each meeting	Review of each audit report, the management response and follow up of the implementation of recommendations. Annual approval of Internal Audit plan
Key policy reviews	Annually	Review of policies central to managing key risks and controls, such as Risk Management Policy and Framework, Accounting Policies, Tax Strategy, Anti-Fraud, Tax Evasion, Bribery Policy and Speaking Up Policy, Business Continuity Policy, Disaster Recovery Policy
Risk and Assurance Update	Each meeting	Review of strategic and operational risk registers, risks on the horizon and adequacy of assurance
Work Programme	Each meeting	Review of the Committee's rolling 12-month work programme including deep dive topics

Risk management

The Board is responsible for risk management. It agrees the nature and extent of the risks that we are willing and able to take as a business and sets risk appetite.

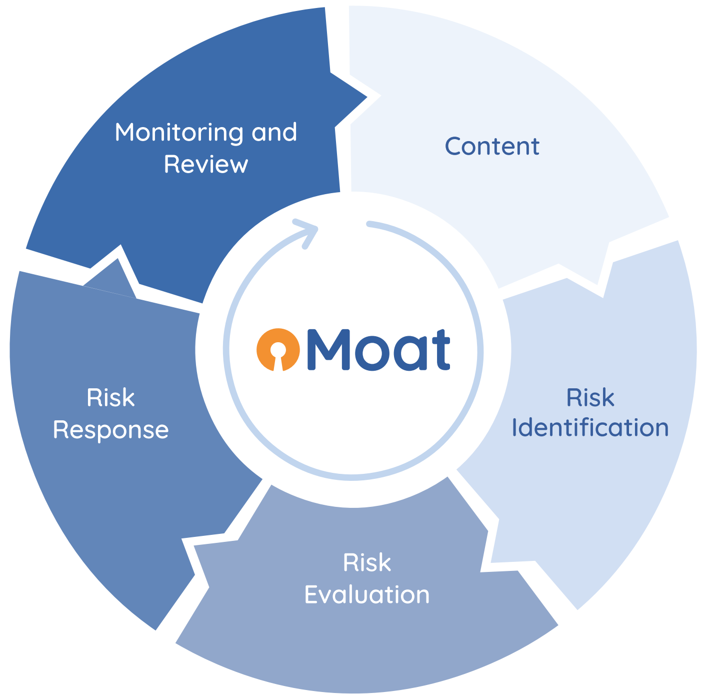
The risk appetite is reviewed annually, or more frequently if needed, and sets out our attitude toward risk and reward. Our appetite is set out for key areas of our four strategic pillars as summarised in the following diagram:



ID	Appetite Title
1	Customer services
2	Data and insight
3	Technology
4	Property safety and decency
5	Sustainability
6	Active asset management
7	Mergers
8	Sense of place
9	Housing market exposure
10	Land-led opportunities
11	Culture supported by ways of working
12	Financial capacity
13	Financial viability and credit worthiness
14	Cyber security
15	Governance

During the year, the Board and Executive Team attended a workshop to discuss the risk appetite statement for 2026/27. Outcomes from the workshop were included in discussions at the stress-testing workshop and Board Away Day.

The Risk Management Policy and Framework sets out our approach to managing risks including identifying controls and assurances. The following diagram summaries the key steps in our process:



The policy and framework is updated and reviewed by the Committee every three years. It was approved by the Board in March 2024. Strategic and operational risks are monitored, with risks ranked using agreed scoring criteria for inherent and residual risks. Each risk is also assigned a target risk score, and actions needed to reach that score documented and monitored.

The Strategic Risk Register is reviewed by the Committee and Board at every meeting. The appropriateness of the risks, the risk score and whether any additional risks should be added is assessed. The annual Board Away Day includes a review of the external landscape and operating environment to help identify any new or potential risks.

The Executive Team and Senior Leadership Team are responsible for the delivery of strategy, operational performance and managing risks. Risk management is considered across all activities, through implementation of our strategy and business plans, financial planning, stress testing, major projects, operational delivery, and third-party management.

Our risk management culture is open and transparent, supporting good decision making and ensuring effective corporate performance. All colleagues, in line with the risk policies and framework, are expected to identify and manage internal and external risks facing the business and to minimise the impact of such risks on strategy (customers, service delivery, existing homes and growth), finance, legal compliance and reputation.

Our outsourced internal audit function undertakes a comprehensive annual plan of reviews and control testing activity, and provides independent, objective assurance on the effectiveness of risk management, business systems and controls. Moat also receives additional assurance from other independent sources across a range of matters and business activity, such as our in-house health and safety assurance function, appropriate subject matter experts, specialist technical reviews and legal advice. Assurances are mapped for each strategic and operational risk.

Key strategic risks	Key Controls and Actions
The property repairs and maintenance service fails to achieve expected levels of performance or customer satisfaction.	• Repairs Steering Group (which includes Executive Team) • Weekly monitoring of Core KPIs • Weekly contract management meetings and real-time customer feedback • Lessons learned from previous and interim contracts and previous procurement processes
Services to customers are not delivered in line with our great customer experience objective, to the high standards expected or in line with regulatory requirements and expectations.	• Customer oriented policies and procedures • CRM system to support case management and monitoring • New business partnering model within Customer Resolutions Team • Embedding improvements to the support offered to vulnerable customers
Our culture and processes do not align, meaning we're less agile, adaptable, and skilled in delivery of quality services (right first time) for our customers.	• People policies and procedures – including performance management and recruitment • Behavioural framework (including our professional standard) linked to performance • Professional development programme • Moat-specific customer service training • Cultural Values Assessment individual team action plans
Failure to manage and govern data effectively leading to unreliable or inaccessible data, a reduced opportunity to use data to tailor services, plans and inform performance and overall decision making.	• Data Governance Framework and Data and Technology Strategy • Data Maturity Delivery Plan outlining the key strategic areas of focus and milestones to improve data management, supported by Data Maturity assessment • Data owner and steward training • Development of Performance Management Framework
Compromised IT systems and/or data arising from a significant cyber security breach.	• Workforce mandatory training and support regarding cyber-attacks • Cyber security testing, both cyclical and unplanned, including phishing simulations • Robust email and file scanning and interception software • Cyber Incident Response Plans, which are regularly tested • Fully hosted Managed Detect and Respond services
External economic and political factors hinder our ability to achieve our strategic objectives, realise our mission and remain viable for the long term.	• Strong liquidity pipeline • Prudent set of assumptions used in annual Board approved financial plan and quarterly plan update • Comprehensive range of stress tests and mitigation plan details the actions to be taken under a stress situation • Externally facilitated, periodic Board and leadership team stress testing workshop • Golden rules are designed to ensure significant headroom against covenant requirements • Contractor viability checks and monitoring

Key strategic risks	Key Controls and Actions
Low growth, ineffective financial planning and mitigation resulting in lower golden rule, covenant and liquidity headroom, limiting ability to make the most impactful investment decisions for customers and communities.	• Value For Money Framework • External review of investment appraisal assumptions • External treasury advisory and assurance • Annual Board treasury strategy and management policy review and approval
Our homes do not remain safe or fit for our customers to live in and we fail to maintain robust compliance of all landlord obligations.	• Monitoring of KPIs covering landlord health and safety obligations, decent homes and stock condition • Dedicated internal skilled resources and retained third party expertise • All high rise buildings have been registered, building safety cases in place for each high-rise building • Review of Data Governance approach underway
A significant economic downturn may impact sales values of and demand for shared ownership.	• VfM and deliverability tests on build costs for new projects • Reduced exposure in development pipeline to shared ownership only

Internal Audit

Moat continues to believe that outsourced provision of the internal audit function best supports an independent and detailed review of key procedures and controls across the business. It oversees the appointment of the Internal Auditors and agrees the annual audit plan, which is risk based, in advance. The Internal Auditors present their reports at each Audit and Risk Committee meeting.

During the year, the Audit and Risk Committee oversaw delivery of the internal audit plan by Menzies (formerly Beever and Struthers), reviewed thirteen audit reports, discussed findings with Menzies, and monitored the completion of action plans against agreed timelines.

Compliance with Regulatory Standards

As a registered provider of social housing, we have a duty to comply with the regulatory standards set out by the Regulator of Social Housing (RSH).

The RSH published the latest regulatory judgment in November 2025, following the annual stability check. We were assessed by the Regulator of Social Housing (RSH) against those Standards and evaluated our performance in three areas: consumer standards (C), governance processes (G), and viability (V). This resulted in a compliant rating of C2/G2/V2.

- C2 means that the RSH found 'some weakness in our delivery of the outcomes of the consumer standards and improvement is needed.'
- G2 means that we 'meet governance requirements but need to improve some aspects of our governance arrangements to support continued compliance.'
- V2 means that we 'meet viability requirements. That we have the financial capacity to deal with a reasonable range of adverse scenarios but need to manage material risks to ensure continued compliance.'

In response to the weaknesses identified in the 2024 inspection, at its 27 March 2025 meeting the Board approved the Governance and Consumer Standards Improvement Plan. Throughout the year the Board have maintained oversight of the delivery of the Improvement Plan, with the agreed actions delivered by 31 March 2026. We have continued to actively engage with the RSH to provide assurance that areas for improvement have been delivered and get their feedback.

Assets and Liabilities Register

A review of our assets and liabilities registers is completed quarterly.

Employees

The strength of Moat, and its ability to meet its corporate objectives and its commitments to customers lies in the quality, commitment and contribution of its employees.

Moat provides information to its employees throughout the year on its objectives, progress and activities through regular team meetings, and briefings from the Executive Team. The organisation has a People and Culture Strategy in place, which recognises the importance and contribution of the employees to the ongoing success of the organisation. The Strategy was reviewed and updated by Governance and People Committee in October 2025.

In addition to this, we have a number of colleague wellbeing groups that cover a variety of topics, including race and religion, disability, mental health and neurodiversity, gender, sexual orientation and menopause. These are open groups for any colleague to join that meet quarterly and are consulted on for colleague related policies and frameworks, including the EDI Strategy.

Moat is aware of its responsibilities on all matters relating to health and safety and has detailed health and safety policies and a robust safety management system in place and provides training and education to all staff on health and safety matters appropriate to their role. During the year an independent review of occupational health and safety was commissioned. The results of this review confirmed that relevant health and safety law is complied with. Actions to modernise some areas of policy development, along with greater stakeholder engagement have been agreed and will be delivered during 2026/27.

The Chief Executive is responsible for the day-to-day running of the business, is appointed by, and reports directly to, the Board, and works closely with the Board to develop and execute Moats strategic objectives. This is supported by a range of key performance indicators set by and reported to the Board at each meeting.

Gender Pay Gap

Our Gender Pay Gap Report is on our website moat.co.uk.

Compliance with the National Federation Code of Governance

The Board formally adopted the principles of the NHF Code of Governance (with effect from 1 April 2024) at its meeting on 30 January 2024. In July 2025 a refreshed set of Terms of Reference for all Committees and Board were approved, incorporating any updates required to maintain compliance with the NHF Code of Governance.

During the final quarter of 2025/26, an independent Board Effectiveness Review has been undertaken to assess compliance with the NHF Code of Governance. This review will report during 2026 and any actions arising from the review will be agreed and implemented during 2026/27.

Fraud and Whistleblowing

Moat complies with the Regulator's requirements with respect to fraud and has a clear anti-fraud policy that has been approved by the Board.

The Whistleblowing Policy (Speaking-up) was approved by the Committee on 27 February 2025. The Anti-Fraud Tax Evasion Bribery Policy was reviewed and updated during the year and approved by Committee on 26 February 2026.

Both policies require a register to be maintained of all actual and attempted fraud. All such cases are reported to the Board through the Committee, and all cases are reported to the Regulator of Social Housing. There were no instances of fraud during the year, other than tenancy fraud.

Directors' and Officers' Liability Insurance

Moat has insurance policies in place which indemnify its Board members and Executive Directors against liability when acting on behalf of the organisation. No excess applies to Board Member/Executive liability, with an overall limit of £5m. This is clearly outlined within Board Members and Executives' contracts. There is also corporate liability which carries a £5k excess with an overall limit of £2.5m.

Going Concern

In March 2026, the Board approved the budget for 2026/27. The budget outperforms the golden rules set by the Board (operating margin, gearing and interest cover) and delivers to the approved risk appetite. The budget is the base year of the 30-year financial plan.

In May 2026, the Board reviewed and approved the 30-year financial plan. The projected performance remains strong. The plan maintains the 10-year development pipeline, totaling 4,300 new social homes, while provides for a robust investment profile in existing homes, reflecting the high inflation environment. The base plan is fully compliant with all external covenants and with Moat golden rules throughout the 30-year period. Detailed stress tests which focus on the key risks applicable to Moat and look to test the plan to breaking point have been carried out, a total of 26 different sensitivities (individual and multiple). They highlight that Moat is most sensitive to higher interest rates, high inflation with capped rent increases, and reduction in sales income. Based on the results of the stress testing, the plan is compliant under all sensitivities for the first two years, apart from the Black Swan scenario which is created to break the covenant compliance within the first two years. If we have 2 years or more to take management action between a stress event and a failure, this is deemed sufficient time for the business to take corrective action as set out in the mitigation policy. Top mitigations are all under management control, do not require asset disposal, and information is readily available from the Asset and Liabilities Register.

In line with our Treasury Management Policy, we maintain sufficient liquidity to cover 18 months net cash requirement (including all committed developments), excluding all sales income.

Although the Group reports a net current liability position, the Board is satisfied that this does not affect the going concern assessment. The majority of liquidity is held in undrawn revolving credit facilities rather than as cash on the balance sheet. These committed facilities can be drawn within two days, providing readily accessible liquidity sufficient to meet all current liabilities as they fall due.

The Board has concluded that there is a reasonable expectation that Moat has adequate resources to continue in operational existence for at least 12 months after the signing of these accounts. It therefore continues to adopt the going concern basis in the financial statements.

Viability Statement

The Board has undertaken an assessment of the future prospects of Moat taking account of its current position and principal risks. This assessment was made using Moat's core business processes, including the following:

- 30-year financial plan – as set out in the Statement of Going Concern section above, the 30-year financial plan is fully compliant with all external covenants and with Moat golden rules throughout the 30 year period. Stress testing also indicates that there is sufficient headroom on covenants to allow for remedial action to be taken in the event of adverse external conditions or if the assumptions used in the plan change.
- Risk management – as set out in the Risk management section, Moat has a structured approach to the management of risk and the principal risks identified are reviewed regularly by the Board.
- Liquidity – based on the output of the 30-year financial plan and regular re-forecasting of cash flows, the Board regularly reviews an analysis looking at the forecast working capital requirements, cash flow, committed borrowing and other facilities available to Moat.
- Viability and credit rating – our viability rating from the RSH is V2, credit rating from Moody's is A3 stable.

In undertaking this review, a period of three years has been selected. For the initial year, there is a greater level of certainty because a detailed annual budget has been prepared and regularly re-forecast. The quarterly cash flow forecasts reviewed by the Board cover a rolling three-year period. The largest single area of spend is the development programme and if we stopped commissioning development, it would take less than three years to build out the committed development programme. Whilst development spend and required facilities are planned over a longer term than three years, the period chosen ensures that Moat is viable beyond its usual development commitment timeframe.

Political and Charitable Donations

During the year Moat made no political contributions, and any charitable contributions were made within the normal activities.

Modern Slavery Act

The Board is aware of its responsibilities under the Modern Slavery Act 2015 and can confirm that they are not aware of any modern slavery or human trafficking incidents having occurred within Moat or its supply chain during 2025/26 and will continue to act vigilantly in line with the Act. Its Statement confirming compliance with the Act is available **here**.

Health and Safety

Moat is aware of its Health and Safety responsibilities and has a policy statement in place, supported by a robust framework of policies and procedures and receives regular reports on health and safety issues arising from across the organisation. No HSE engagement or intervention has taken place within the last 12 months at Moat.

Criminal Finances Act 2017

The Board is aware of its responsibilities under the Criminal Finances Act 2017 and is committed to promoting the highest standards of probity in the business activities that Moat carries out directly, and those that are associated through our procurement arrangements and supply chains. The practices that are already in place to detect and prevent any form of fraud, corruption and money laundering, have been built upon to prevent the criminal facilitation of tax evasion in line with the Act.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- It can be confirmed there has been no breakdown in internal control resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year and up to the date of the signing of the accounts.

Approved by the Board and signed on its behalf by:

Helen Evans

Helen Evans
Chair of the Board

Montpelier Avenue, Whitstable

Moat Financial Statements 2025/2026
Report of the Independent Auditor

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group and of the Association's affairs as at 31 March 2026 and of the Group and the Association's surplus for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Moat Homes Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2026, which comprise:

- the Consolidated statement of comprehensive income;
- the Association statement of comprehensive income;
- the Consolidated statement of financial position;
- the Association statement of financial position;
- the Consolidated statement of changes in reserves;
- the Association statement of changes in reserves;
- the Consolidated statement of cash flows; and
- notes 1 to 33 the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Association and we remain independent of the Group and the Association in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Association's ability to continue to adopt the going concern basis of accounting included:

- we obtained management's assessment that support the Board's conclusions with respect to the disclosures provided around going concern;
- we assessed the internal forecasting process to confirm the projections are prepared by appropriate personnel who are aware of the detailed figures in the forecast and also have a high level understanding of the Group's market, strategy and profile in the customer base, and the potential impact that current economic pressures might have on these projections.
- we considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considered the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis;
- we challenged management on the suitability of the mitigating actions identified in their assessment and the quantum and period ascribed to these mitigating actions;
- we tested the mechanical accuracy of the forecasts;
- we obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- we assessed the facility and covenant headroom calculations; and
- we reviewed the wording of the going concern disclosures and assessed its consistency with management's forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Association's ability to continue as a going concern.

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

Overview		2026	2025
Key audit matters	Management Override of Controls	Yes	
	The recoverable amount of property developed for sale		Yes
	The KAM identified in the prior year has been reassessed, mainly due to the reduction in the level of properties developed for sale held by the Group. This, together with the absence of significant estimation uncertainty over selling prices and costs to complete and sell, means this area is no longer considered a matter of most significance for the current year audit.		
Materiality	Group financial statements as a whole: £42.2m (2025: £30.6m) based on 2% (2025: 1.5%) of total assets.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

There are 6 entities within the Group, including the Parent Association. The nature of the entities in the Group is as follows:

- 2 of these entities are registered providers of social housing, including the Group's main operating entity Moat Homes Limited;
- 1 entity is the funding vehicle, which holds a bond and on lends to Group members;
- 3 entities are dormant and have no financial impact on the financial statements.

We performed risk assessment procedures to identify areas in the Group's financial statements that may be at risk of material misstatement. We used both qualitative and quantitative factors to perform this assessment including evaluating the size, complexity, and nature of each entity's activities, reviewing significant transactions or estimates and any changes in the business environment. The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

We identified the specific areas that could lead to a material misstatement at Group level. As part of our Group audit, we assessed each component against the risks of material misstatement identified.

The three dormant entities, which have limited financial impact on the consolidated financial statements, have not been considered as components.

As part of performing our Group audit, we have determined Moat Homes Limited to be the only component in scope. For the component in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included procedures on the entire financial information of the component, including performing substantive procedures.

Procedures performed at the component level

Procedures were performed on the entire financial information of Moat Homes Limited.

The remainder of the components were not identified as contributing to identified Group risks of material misstatement and the financial information of these components were principally subject to analytical review procedures performed by the Group audit team.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

The group operates a centralised IT function that supports IT processes for all components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that 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		How the scope of our audit addressed the key audit matter
Management Override of Controls	Management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively. We are required to consider this as a significant risk of material misstatement due to fraud. Our risk assessment indicates that the areas of the accounting records most susceptible to management override are the posting of journals and the judgements involved in accounting estimates within the financial statements, including: • Whether there are any indicators of impairment in relation to housing properties; • The assumptions used in the assessment of recoverable amount of housing stock for sale; • Estimated useful lives of fixed assets; • Anticipated first tranche percentage of shared ownership property; • Rent arrears provision; and • Assumptions used in the valuation of pension scheme assets and liabilities, including key actuarial assumptions. Accordingly, given the level of work performed on the journals and significant estimates testing in the current year, as well as the senior resource allocated to these areas, we have considered this to be a key audit matter.	**Our audit procedures included the following:** • We obtained a complete list of journals and, using information gathered during the audit and our understanding of the entity, we defined criteria for unusual journals, including those posted to revenue and cash accounts, as these are considered most susceptible to management override and manipulation; we then tested those journals that meet the risk criteria by agreeing them to supporting documentation. • Additionally, we tested a random sample of the remaining journals by agreeing them to supporting documentation. • A critical review of the consolidation and, in particular, manual or late journals posted at consolidated level. • Review of unadjusted audit differences for indications of bias or deliberate misstatement. We reviewed the judgments and estimates made by management, using benchmarking and engaging both experts and specialists as required, including but not limited to: • Reviewing potential impairment indicators across housing schemes and challenging management's assessment of whether impairment was required. • Reviewing management's impairment assessments for a sample of property developed for sale schemes. • Benchmarking useful economic lives of fixed assets against sector peers and assessing whether component replacement activity indicated a need to revisit assigned lives. • Assessing reasonableness of anticipated first tranche sales assumptions through comparison to historical and post year-end sales activity and considering the resulting accounting impact. • Assessing adequacy of the rent arrears provision by comparing management's assumptions with actual cash collection rates, evaluating historical experience of amounts written off, and benchmarking provisioning policy against those adopted by comparable registered housing providers of similar size. • Engaging actuarial experts to support our assessment of pension liabilities and the related actuarial assumptions, and pension specialists to support our assessment of pension assets and associated valuation assumptions. **Key observations** Our procedures did not identify any instances of inappropriate or unusual journal entries that indicated management override of controls. No evidence of management bias was identified in the significant accounting estimates. No material exceptions noted.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Materiality	Group financial statements		Association financial statements	
	2026 £m	2025 £m	2026 £m	2025 £m
Financial statement materiality				
Materiality	£42.2m	£30.6m	£42.1m	£28.5m
Basis for determining materiality	2% of total assets	1.5% of total assets	2% of total assets	1.5% of total assets
Performance materiality	£31.7m	£22.9m	£31.6m	£21.3m
Basis for determining performance materiality	75% of materiality	75% of materiality	75% of materiality	75% of materiality
Specific materiality				
Specific materiality	£3.6m	£3.8m	£3.5m	£3.5m
Basis for determining specific materiality	2% of revenue	2% of revenue	2% of revenue	2% of revenue
Specific performance materiality	£2.7m	£2.8m	£2.6m	£2.6m
Basis for determining specific performance materiality	75% of materiality	75% of materiality	75% of materiality	75% of materiality

Rationale for the benchmarks applied

A housing association's key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions.

We have determined that 75% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £2.1m (2025: £600k) in relation to financial statement materiality and £175k in relation to specific materiality (2025: £70k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of responsibilities of the Board, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members 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 financial statements, the Board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance;
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, tax legislation, Financial Conduct Authority ("FCA") regulations, the Regulator of Social Housing's Regulatory Standards, data protection, building safety and health and safety legislation.

Our procedures in respect of the above included:

- enquires of management whether there were any litigations and claims;
- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- involvement of forensic specialists in the audit at the planning stage to challenge our planning review and the assumptions we were making over the areas in which fraud would most likely be perpetrated.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above are set out in the relevant Key Audit Matter section of our Audit Report. The procedures described in that section represent our audit response to the fraud risk identified.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 Board on 20 January 2017 to audit the financial statements for the period ended 31 March 2017.

Our total uninterrupted period of engagement is 10 years, covering the periods ended 31 March 2017 to 31 March 2026.

Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Use of our report

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

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

DocuSigned by:
BDO LLP
C7998D5EC4924F4...

BDO LLP
Statutory Auditor
30 July 2026 London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

For the year ended 31 March 2026

	Notes	2026	2025
		£000	£000
Turnover	3	175,899	164,448
Operating costs	3	(118,152)	(117,316)
Cost of sales	3	(11,603)	(9,385)
Gain on disposal of housing properties (disposals, staircasings, redemptions and right to buy/acquire)	3,4	12,791	11,291
Gain / (Loss) on disposal of other fixed assets	3,4	10	(5)
Operating surplus	**3**	**58,945**	**49,033**
Interest receivable and similar income	7	719	466
Interest payable	8	(33,158)	(31,493)
Other finance costs	9	(393)	(441)
Movement in fair value of financial instruments	26	(2,173)	(5,362)
Surplus before taxation	**10**	**23,940**	**12,203**
Taxation	11	-	-
Surplus for the year		**23,940**	**12,203**
Movement in fair value of hedged financial instruments	26	2,527	8,157
Remeasurement of pension liability	29	367	1,020
Total comprehensive income for the year		**26,834**	**21,380**

The notes on pages 58 to 94 form part of these financial statements.
All amounts relate to continuing activities.
Movements in reserves are shown in the consolidated statement of changes in reserves.

Association statement of comprehensive income

For the year ended 31 March 2026

	Notes	2026	2025
		£000	£000
Turnover	3	174,172	164,270
Operating costs	3	(117,957)	(117,224)
Cost of sales	3	(10,372)	(9,374)
Gain on disposal of housing properties (disposals, staircasings, redemptions and right to buy/acquire)	3,4	12,791	11,291
Gain / (Loss) on disposal of other fixed assets	3,4	10	(5)
Operating surplus	**3**	**58,644**	**48,958**
Interest receivable	7	1,369	1,186
Interest payable	8	(33,158)	(31,489)
Other finance costs	9	(393)	(441)
Movement in fair value of investments	15	-	-
Movement in fair value of financial instruments	26	(2,173)	(5,362)
Surplus before taxation	**10**	**24,289**	**12,852**
Taxation	11	-	-
Surplus for the year		**24,289**	**12,852**
Movement in fair value of hedged financial instruments	26	2,527	8,157
Remeasurement of pension liability	29	367	1,020
Total comprehensive income for the year		**27,183**	**22,029**

The notes on pages 58 to 94 form part of these financial statements.
All amounts relate to continuing activities.
Movements in reserves are shown in the association statement of changes in reserves.

Consolidated statement of financial position

As at 31 March 2026

	Notes	2026	2025
		£000	£000
Fixed assets			
Housing properties	13	2,008,019	1,927,201
Investment properties	15	621	621
Other tangible fixed assets	16	15,198	14,281
Homebuy loans receivable		30,043	32,289
Derivative financial instruments- assets	26	629	275
		2,054,510	**1,974,667**
Current assets			
Housing stock for sale	17	11,761	32,482
Debtors	18	22,020	16,508
Cash and cash equivalents		21,033	16,426
		54,814	65,416
Creditors - amounts falling due within one year	19	(63,468)	(63,538)
Net current (liabilities) / assets		**(8,654)**	**1,878**
Total assets less current liabilities		2,045,856	1,976,545
Creditors - amounts falling due after more than one year	20	(1,360,338)	(1,316,141)
Pension liability	29	(5,878)	(7,598)
Net assets		**679,640**	**652,806**
Capital and reserves			
Called up share capital	28	-	-
Reserves - Revenue reserve		693,989	669,682
- Cash flow hedge reserve		(14,349)	(16,876)
Total reserves		**679,640**	**652,806**

The notes on pages 58 to 94 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 31 July 2026 and signed on its behalf by:

Helen Evans
Chair

Andrew Farmer
Board Member

David Betteridge
Secretary

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Association statement of financial position

As at 31 March 2026

	Notes	2026	2025
		£000	£000
Fixed assets			
Housing properties	13	2,007,631	1,926,807
Investment in subsidiaries	14	50	50
Investment properties	15	621	621
Other tangible fixed assets	16	15,198	14,281
Homebuy loans receivable		29,993	32,239
Derivative financial instruments- assets	26	629	275
		2,054,122	**1,974,273**
Current assets			
Housing stock for sale	17	10,286	11,462
Debtors	18	22,106	25,334
Cash and cash equivalents		20,366	15,759
		52,758	52,555
Creditors - amounts falling due within one year	19	(63,456)	(63,518)
Net current liabilities		**(10,698)**	**(10,963)**
Total assets less current liabilities		2,043,424	1,963,310
Creditors - amounts falling due after more than one year	20	(1,369,987)	(1,315,336)
Pension liability	29	(5,878)	(7,598)
Net assets		**667,559**	**640,376**
Capital and reserves			
Called up share capital	28	-	-
Reserves - Revenue reserve		681,908	657,252
- Cash flow hedge reserve		(14,349)	(16,876)
Total reserves		**667,559**	**640,376**

The notes on pages 58 to 94 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 31 July 2026 and signed on its behalf by:

Helen Evans
Chair

Andrew Farmer
Board Member

David Betteridge
Secretary

Statement of changes in reserves

For the year ended 31 March 2026

Consolidated	Revenue reserve £000	Cash flow hedge reserve £000	Total reserves £000
Balance at 1 April 2024	**656,459**	**(25,033)**	**631,426**
Surplus for the year	12,203	-	12,203
Movement in fair value of hedged financial instruments	-	8,157	8,157
Remeasurement of pension liability	1,020	-	1,020
Balance at 1 April 2025	**669,682**	**(16,876)**	**652,806**
Surplus for the year	23,940	-	23,940
Movement in fair value of hedged financial instruments	-	2,527	2,527
Remeasurement of pension liability	367	-	367
Balance at 31 March 2026	**693,989**	**(14,349)**	**679,640**

Association	Revenue reserve £000	Cash flow hedge reserve £000	Total reserves £000
Balance at 1 April 2024	**643,380**	**(25,033)**	**618,347**
Surplus for the year	12,852	-	12,852
Movement in fair value of hedged financial instruments	-	8,157	8,157
Remeasurement of pension liability	1,020	-	1,020
Balance at 1 April 2025	**657,252**	**(16,876)**	**640,376**
Surplus for the year	24,289	-	24,289
Movement in fair value of hedged financial instruments	-	2,527	2,527
Remeasurement of pension liability	367	-	367
Balance at 31 March 2026	**681,908**	**(14,349)**	**667,559**

Consolidated statement of cash flows

For the year ended 31 March 2026

	2026 £000	2025 £000
Net cash generated from operating activities (note 30)	67,040	56,608
Cash flow from investing activities:		
Purchase of housing properties	(96,885)	(102,614)
Purchase of other fixed assets	(2,257)	(1,252)
Proceeds from sale of tangible fixed assets	27,850	23,716
Grants received	7,398	1,540
Social housing decarbonisation fund (SHDF) grant received	-	2,005
Interest received	412	466
Net cash outflow from investing activities	**(63,482)**	**(76,139)**
Cash flow from financing activities:		
Interest paid	(37,006)	(35,970)
Swap break fees	-	(719)
Interest element of finance lease rental payment	(1)	(2)
New loans	5,000	100,000
Drawdown of revolving credit facility	47,478	42,165
Repayment of borrowings	(14,422)	(81,413)
Net cash inflow from financing activities	**1,049**	**24,061**
Taxation	-	-
Net increase in cash and cash equivalents	**4,607**	**4,530**
Cash and cash equivalents at 1 April	16,426	11,896
Cash and cash equivalents at 31 March	**21,033**	**16,426**

Net debt analysis	At 31 March 2025 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2026 £000
Cash and cash equivalents				
Cash and cash equivalents	16,426	4,607	-	21,033
Debt				
Borrowings due within one year	(17,120)	14,442	(20,748)	(23,426)
Borrowings due after one year	(769,655)	(52,521)	22,828	(799,348)
Derivative financial liabilities	275	-	354	629
	(786,500)	(38,079)	2,434	(822,145)
Total net debt	**(770,074)**	**(33,472)**	**2,434**	**(801,112)**

1. Principal accounting policies

Basis of preparation

MHL is a public benefit entity. The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Statement of Recommended Practice for registered social housing providers 2018 (SORP), published by the National Housing Federation. The financial statements have been prepared on the historic cost basis except for modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

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

Basis of consolidation

The consolidated financial statements of MHL incorporate the financial statements of its subsidiaries - Moat Housing Group Limited, Moat Development Limited, Mariner Facilities Management Limited, Moat Homes Finance Plc and Moat Construction Services Limited.

Intercompany transactions and balances between group companies are eliminated in full.

Disclosure exemptions

In preparing the group financial statements, advantage has been taken of the exemption not to disclose transactions, eliminated on consolidation, with wholly owned group undertakings.

In preparing the separate financial statements of the parent association, advantage has been taken of the exemption available in FRS102 not to present a statement of cash flows and related notes.

Going concern

The Board has undertaken an assessment of the future prospects of Moat taking account of its current position and principal risks. This assessment focuses on a period of five years and was made using Moat's core business processes, including the following:

- 2026/27 budget - in March 2026, the Board approved the budget for 2026/27. The budget outperforms the golden rules set by the Board (operating margin, gearing and interest cover) and delivers to the approved risk appetite. Performance against budget is reviewed monthly and regularly reforecast. The budget is the base year of the 30-year financial plan.
- 30-year financial plan – in May 2026, the Board reviewed and approved the 30-year financial plan. The projected performance remains strong. The plan maintains the 10-year development pipeline, totaling 4,300 new social homes, while provides for a robust investment profile in existing homes, reflecting the high inflation environment. The base plan is fully compliant with all external covenants and with Moat golden rules throughout the 30-year period.
- Detailed stress tests which focus on the key risks applicable to Moat and look to test the plan to breaking point have been carried out, a total of 26 different sensitivities (individual and multiple). They highlight that Moat is most sensitive to higher interest rates, high inflation with capped rent increases, and reduction in sales income. Based on the results of the stress testing, the plan is compliant under all sensitivities for the first two years, apart from the Black Swan scenario which is created to break the covenant compliance within the first two years. The Board focus on any covenant failure within a 5 year period, ensuring there is sufficient time to take corrective action as set out in the mitigation policy. Top mitigations are all under management control, do not require asset disposal, and information is readily available from the Asset and Liabilities Register.
- Risk management – as set out in the Risk management section, Moat has a structured approach to the management of risk and the principal risks identified are reviewed regularly by Board.
- Liquidity – based on the output of the 30-year financial plan and regular re-forecasting of cash flows the Board regularly reviews an analysis looking at the forecast working capital requirements, cash flow, committed borrowing and other facilities available to Moat. In line with our Treasury Management Policy, we maintain sufficient liquidity to cover 18 months net cash requirement (including all committed developments), excluding all sales income.
- Although the Group reports a net current liability position, the Board is satisfied that this does not affect the going concern assessment. The majority of liquidity is held in undrawn revolving credit facilities rather than as cash on the balance sheet. These committed facilities can be drawn within two days, providing readily accessible liquidity sufficient to meet all current liabilities as they fall due.

The Board has a reasonable expectation that Moat has adequate resources to continue in operational existence for at least 12 months after the signing of these accounts. It therefore continues to adopt the going concern basis in the financial statements.

Turnover

Turnover represents the following material income streams which are measured at the fair value of the consideration received or receivable:

- Rent and service charge income receivable (net of void losses), fees receivable, revenue grants from public authorities are all recognised on an accruals basis as they fall due.
- Proceeds from first tranche sales of low-cost home ownership properties and from properties developed for open market sales are recognised on legal completion of the sale.
- Social Housing Grant (SHG) is amortised to turnover over the useful economic life of the property to which the grant relates.

Housing properties

Housing properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, interest capitalised during the development period, directly attributable development and administration costs, and expenditure incurred in respect of improvements which modernise and extend the life of existing properties.

Housing properties for rent are split between land, structure and major components with a substantially different economic life.

Shared ownership property costs are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset. The fixed asset portion is split between land and structure as the rights and obligations towards improving the property reside with the shared owner.

Housing properties in the course of construction are stated at cost and are not depreciated. They are transferred to completed properties when they are ready for letting or sale.

Gains and losses on disposal of housing property fixed assets are determined by comparing the proceeds with the carrying amount and incidental costs of sale. Gains/losses on staircasings and redemptions are recognised in operating surplus. Gains on stock rationalisation disposals are shown within gain/loss on disposal of fixed assets below operating surplus.

Housing properties - Depreciation

Depreciation is charged on a straight line basis over the expected economic useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

Structure	100 years
Kitchens, doors	20 years
Bathrooms, windows	30 years
Heating	15 years
Roofs	50 years
Electrical wiring	40 years
Insulation (cavity wall, loft, roof, under floor)	25-40 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Non component works to existing properties

Expenditure incurred on existing housing properties is capitalised if it provides an incremental future benefit, including an increase in the rental income over the life of the property, a reduction in future maintenance costs, or a significant extension to the life of the property. Expenditure incurred on major repairs, cyclical and day-to-day repairs to housing properties is charged to operating expenditure in the consolidated statement of comprehensive income in the year in which it is incurred.

Interest capitalised on housing properties

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised. Interest is capitalised at the weighted average effective interest rate on the Group's borrowings.

Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the asset. No depreciation is provided on freehold land. The estimated useful lives are as follows:

Office buildings	50 years
Motor vehicles	3 years
Office equipment, fixtures and fittings	5-10 years
Computer equipment	3 years
Scheme furniture and equipment	3-40 years

Notes to the financial statements
For the year ended 31 March 2026

Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Assets acquired by way of finance leases are capitalised as tangible fixed assets at their fair value (or, if lower, the present value of the minimum lease payments as determined at inception of the lease) and are depreciated over the shorter of the lease term and useful life. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to interest in the consolidated statement of comprehensive income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Payments (excluding costs for servicing and insurance) made under operating leases are recognised in operating expenditure in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, when the payments are recognised as incurred. Lease incentives received are recognised over the term of the lease as an integral part of the total lease expense.

Impairment of fixed assets (excluding investments)

The carrying amounts of the Group's fixed assets (excluding investments) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets are grouped into the smallest group of assets that generates cash flows from continuing use.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its estimated recoverable amount and is recognised in operating expenditure in the consolidated statement of comprehensive income.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Social Housing Grant (SHG)

SHG is recognised as deferred grant income and released as turnover in the consolidated statement of comprehensive income over the life of the structure of housing properties in accordance with the accrual model. Grants relating to expenditure on tangible fixed assets are credited to turnover at the same rate as the depreciation on the assets to which the grant relates. The deferred element of the grants is included in creditors as deferred income.

On disposal of properties, all associated SHG is transferred to the Recycled capital grant fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime

Investments in Homebuy

Under the Homebuy scheme, the Group receives Homebuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as fixed asset investments in the consolidated statement of financial position. The Homebuy grant provided by the government to fund all or part of a Homebuy loan is shown as deferred income in creditors due in more than one year.

In the event that the property is sold, the Group recovers the equivalent loaned percentage of the property at the time of the sale. The grant is reclassified to the recycled capital grant fund when the loans are redeemed up to the amount of the original grant and to the extent the proceeds permit. The Group retains any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the value of the property. If there is a fall in the value of the property the shortfall of proceeds is offset against the grant.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are not depreciated but are held at fair value. Changes in fair value are recognised in surplus for the year in the consolidated statement of comprehensive income. Rental income from these properties is taken to turnover.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Housing stock for sale

Completed properties and properties under construction for open market sales and the first tranche portion of shared ownership properties are recognised at the lower of cost and estimated sales price less all further costs of completion and disposal. At each reporting date, the housing stock for sale is assessed for any adjustment. If a write down is necessary the carrying amount is reduced to its selling price less costs to complete and sell. The loss is immediately recognised in the consolidated statement of comprehensive income.

Interest incurred on borrowings relating to the development of open market sale properties is expensed as it is due.

On disposal, sales proceeds are included in turnover and the cost of sales, including costs incurred in the development of the properties, marketing and other incidental costs, are included in operating expenses

Mixed tenure developments

Where a mixed tenure development includes shared ownership or open market sales, the costs incurred in acquiring and developing the land attributed to each element of the scheme reflect the different tenure types.

Leasehold sinking funds

Charges which are made to leaseholders for future major repairs such as replacement windows and roofs and the replacement of equipment within their estates are ring fenced for use on their properties/estates only. Such funds are disclosed in the statement of financial position as creditors.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial instruments

Debtors and creditors

Debtors and creditors with no stated interest rate and are receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in operating costs.

Recoverable amount of rental and other trade receivables

The recoverable value of rental and other receivables is estimated and the debtor is impaired by appropriate amounts.

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term call deposits with original maturities of three months or less.

Other financial instruments (not considered to be basic financial instruments)

Derivative financial instruments

The Group uses certain financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the surplus for the year immediately unless the derivative is designated and effective as a hedging instrument, see below.

Hedge accounting

The Group designates certain derivatives as hedging instruments in cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the surplus for the year. Amounts previously recognised in other comprehensive income are reclassified to surplus for the year when the hedged item is recognised in surplus for the year or when the hedging relationship ends.

Impairment of financial assets

Financial assets not carried at fair value are assessed for indicators of impairment at each reporting date. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Impairment losses are recognised in the surplus for the year.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

When a subsequent event causes the amount of the impairment loss to decrease, the decrease is reversed through the surplus for the year.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which services are rendered by employees. The Group participates in an existing Aviva defined contribution plan, closed to new members, and the Moat Homes Retirement Savings Plan (MHRSP) defined contribution plan which is open to all new employees and current employees have the opportunity to switch into it.

Defined benefit plans

The Group participates in the Moat Homes Pension Scheme (MHPS) operated by The Pensions Trust.

The amounts charged to operating surplus are the costs arising from the employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Re-measurement amounts of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained triennially and are updated at each reporting date.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment.

Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised as the best estimate of the amount required to settle the obligation at the reporting date.

Annual leave

A provision is made for the difference between the annual leave accrued based on an employee's entitlement and the amount of leave taken as at 31 March. The provision is measured at the salary cost payable for the period of absence.

Agency managed accommodation

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the consolidated statement of comprehensive income includes only that income and expenditure which relates solely to the Group such as rental income in turnover and repairs in operating costs.

Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

VAT

Moat Homes Limited, Moat Housing Group Limited, Mariner Facilities Management Limited and Moat Homes Finance Plc are registered as a VAT group. A large proportion of the Group's income comprises rental income, which is exempt for VAT purposes and gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT. Recoverable VAT arising from partially exempt activities is credited to the consolidated statement of comprehensive income.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, described in note 1, 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

Critical judgements

In preparing these financial statements, the key judgements have been made in respect of the following:

Impairment

As explained in note 1, a review of the carrying value of housing properties is carried out annually to determine whether there are any indicators of impairment. Indicators considered included indicators in paragraph 27.9 of FRS 102 and paragraph 14.6 of Housing SORP 2018. In the review, we have taken schemes to be cash-generating units as these represent groups of properties in the same location where the same services are provided. If a different level of cash generating unit had been used (e.g. individual properties within a particular scheme) the conclusion on impairment may have been different. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Impairment is assessed by comparing carrying value to the higher of value-in-use and fair value less costs to sell. If the carrying value is greater than the higher of value in use and fair value less costs to sell, an impairment provision is made. Value-in-use requires management estimates of timing of cash flows, discount rate and life of the asset. Management use estimates to determine fair value less costs to sell based on information available regarding sales of similar properties and depreciated replacement cost.

- **Rented properties**

  When assessing potential indicators of impairment on our rented schemes, we have considered the impact of increased maintenance costs. Having considered the impact on the value in use of our existing properties, we do not consider there to be general indicators of impairment on our rented properties. We have also considered the high level of voids in the year. As this is being driven by delays in works being completed rather than the quality of our properties, we do not consider this to be an indicator for impairment. A review has been carried out on individual schemes and where we have identified specific trigger events we have performed an impairment assessment. This has resulted in one scheme being impaired in the year.

- **Low cost home ownership properties**

  Indicators of impairment for the fixed asset portion of completed shared ownership properties have been assessed for the year ending 31 March 2026. We have monitored the impact on housing values throughout the year through third party reports on the market and staircasing activity which suggest that the fair value of social housing stock is not likely to have materially reduced. Therefore, we determine that there is no general indicator of impairment.

- **Schemes in development/land banked**

  All development schemes are assessed using an investment appraisal model, which is reviewed annually by the Investment Committee, to ensure the appropriateness of assumptions. During development the schemes are reviewed against the investment appraisal for any fluctuations in costs or anticipated sales values which adversely affected the net present value of the scheme, highlighting any schemes which needed to be assessed for impairment. We calculate the recoverable amount on these schemes as the higher of the fair value and the value- in-use. In line with Housing SORP 2018, in order to take into account the service potential of the scheme, we use depreciated replacement cost as a measure of value-in-use. For schemes where additional costs highlighted a negative net present value, we carried out an impairment review. The review did not result in an impairment being recognised. Land banked schemes where there is no current investment appraisal are reviewed to compare the carrying value to the estimated fair value if the land is sold. No new schemes required an impairment and there were no changes to existing impairment amounts.

Housing stock for sale

Housing stock for sale is recognised at the lower of cost and recoverable amount, which is expected sales proceeds less costs to complete and sell. In assessing the recoverable amount, management considers publicly available information and forecasts on future sales activity.

We have reviewed the sales value of our homes for sale, both available for sale and in construction. This includes a review of costs to complete and sell. Information from actual sales values achieved, mortgage valuations provided to potential residents, and discussions with developers and estate agents have been used to review current sales values.

There is no indication that the recoverable amount is lower than cost and no write down of the value of stock is required.

Key sources of estimation uncertainty

Estimated useful lives

Fixed assets are depreciated over their estimated useful lives. The components into which housing properties are split and their associated estimated lives are considered to be the appropriate level based on knowledge of the repairs and maintenance programme carried out. The actual lives of individual components can however vary based on factors such as product life, wear and tear, maintenance programmes and environmental factors.

Housing property cost allocation

In mixed tenure developments, costs are allocated between different tenures on a floor area basis. The allocation of the cost of shared ownership properties between housing properties and housing stock for sale is based on the estimated first tranche sale portion. We predict the amount to be sold by reviewing historic sale portions, current economic conditions and location.

Rent arrears

The value of arrears that will not be collected is estimated based on our past experience of collection of different types of debt. The impact of Universal Credit has been estimated based on our experience of known customers on Universal Credit.

Pensions

The liability for future pension payments depends on a number of complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase and mortality rates. Qualified actuaries are engaged to provide expert advice in each of the pension schemes of which the Group is a member. The principal actuarial assumptions provided by the actuaries have been reviewed and considered to be applicable to the Group.

Interest rate swaps

Uncertainties in the valuation of interest rate swaps include future interest rates and counterparty credit risk. Moat uses a debt and derivative advisory company, regulated by the Financial Conduct Authority, to value its derivatives. The key assumptions used in the valuation are a discount rate of six months SONIA and in order to calculate the effective/ineffective values, the dollar offset method on a cumulative basis is used.

Operating segments

The provision of social housing is the principal activity. Segmental information is disclosed in note 3 where social housing lettings activity is split into different tenures and into other social housing activities such as sale of social housing and development administration. Housing property cost is split into different tenures and stages of construction in note 13. The Board does not routinely receive any further segmental information.

3. Particulars of turnover, operating costs, cost of sales and operating surplus - Group

	2026				
	Turnover	Operating costs	Cost of sales	Gain on disposal of fixed assets	Operating surplus
	£000	£000	£000	£000	£000
Social housing lettings	159,759	(112,194)	-	-	47,565
Other social housing activities					
Contracted services	927	(577)	-	-	350
Development administration	-	(2,315)	-	-	(2,315)
Shared ownership property sales	11,804	-	(10,372)	-	1,432
Staircasing activity on low cost home ownership	-	-	-	10,172	10,172
Redemption of equity loans	-	-	-	1,814	1,814
Right to buy/right to acquire	-	-	-	691	691
Disposal of housing properties	-	-	-	114	114
Disposal of other fixed assets	-	-	-	10	10
Investment in communities	-	(1,665)	-	-	(1,665)
Other	1,611	(1,210)	-	-	401
Non-social housing activities					
Market renting lettings	193	(93)	-	-	100
Open market sales	1,605	-	(1,508)	-	97
Writeback of impairment charges	-	-	277	-	277
Other	-	(98)	-	-	(98)
Total	**175,899**	**(118,152)**	**(11,603)**	**12,801**	**58,945**

	2025				
	Turnover	Operating costs	Cost of sales	Gain on disposal of fixed assets	Operating surplus
	£000	£000	£000	£000	£000
Social housing lettings	150,891	(111,269)	-	-	39,622
Other social housing activities					
Contracted services	862	(421)	-	-	441
Development administration	5	(2,987)	-	-	(2,982)
Shared ownership property sales	11,082	-	(9,374)	-	1,708
Staircasing activity on low cost home ownership	-	-	-	9,242	9,242
Redemption of equity loans	-	-	-	1,351	1,351
Right to buy/right to acquire	-	-	-	31	31
Disposal of housing properties	-	-	-	667	667
Disposal of other fixed assets	-	-	-	(5)	(5)
Investment in communities	-	(1,390)	-	-	(1,390)
Other	1,364	(1,160)	-	-	204
Non-social housing activities					
Market renting lettings	244	(50)	-	-	194
Open market sales	-	-	(11)	-	(11)
Writeback of impairment charges	-	-	-	-	-
Other	-	(39)	-	-	(39)
Total	**164,448**	**(117,316)**	**(9,385)**	**11,286**	**49,033**

3. Particulars of turnover, operating costs, cost of sales and operating surplus - Group (continued)

	2026				2025
	General needs and affordable rent	Low cost home ownership	Housing for older people / supported housing	Total	Total
	£000	£000	£000	£000	£000
Turnover from social housing lettings					
Rents receivable	93,417	33,258	9,769	136,444	128,539
Service charge income	7,483	7,841	2,111	17,435	16,793
Net rental income	100,900	41,099	11,880	153,879	145,332
Amortisation of government grant	4,333	991	556	5,880	5,559
Total turnover from social housing lettings	**105,233**	**42,090**	**12,436**	**159,759**	**150,891**
Operating costs of social housing lettings					
Management	(20,166)	(8,629)	(4,225)	(33,020)	(31,072)
Service charge costs	(8,044)	(8,208)	(2,071)	(18,323)	(16,575)
Routine maintenance	(22,157)	-	(3,254)	(25,408)	(29,407)
Planned maintenance	(3,719)	(71)	(548)	(4,338)	(2,670)
Major repairs expenditure	(4,745)	(13)	(539)	(5,297)	(6,896)
Rent losses from bad debts	(138)	(5)	(50)	(193)	(352)
Depreciation of housing properties	(19,520)	(3,781)	(2,035)	(25,336)	(24,297)
Impairment of housing properties	-	-	(276)	(276)	-
Total operating costs on social housing lettings	**(78,489)**	**(20,707)**	**(12,998)**	**(112,194)**	**(111,269)**
Operating surplus on social housing lettings	**26,744**	**21,383**	**(562)**	**47,565**	**39,622**
Void losses	(3,617)	-	(843)	(4,460)	(4,080)

Total spend in relation to fire safety cost is £5,168k, of which £2,648k is capitalised and £2,520k is included within social housing lettings operating costs.

Total spend in relation to zero carbon costs is £2,009k, of which £1,289k is capitalised and £719k is included within social housing lettings operating costs.

3. Particulars of turnover, operating costs, cost of sales and operating surplus - Association

	2026				
	Turnover £000	Operating costs £000	Cost of sales £000	Gain on disposal of fixed assets £000	Operating surplus £000
Social housing lettings	159,736	(112,177)	-	-	47,559
Other social housing activities					
Contracted services	927	(577)	-	-	350
Development administration	-	(2,315)	-	-	(2,315)
Shared ownership property sales	11,804	-	(10,372)	-	1,432
Staircasing activity on low cost home ownership	-	-	-	10,172	10,172
Redemption of equity loans	-	-	-	1,814	1,814
Right to buy/right to acquire	-	-	-	691	691
Disposal of housing properties	-	-	-	114	114
Disposal of other fixed assets	-	-	-	10	10
Investment in communities	-	(1,665)	-	-	(1,665)
Other	1,611	(1,210)	-	-	401
Non-social housing activities					
Market renting lettings	94	(13)	-	-	81
Total	**174,172**	**(117,957)**	**(10,372)**	**12,801**	**58,644**

	2025				
	Turnover £000	Operating costs £000	Cost of sales £000	Gain on disposal of fixed assets £000	Operating surplus £000
Social housing lettings	150,866	(111,254)	-	-	39,612
Other social housing activities					
Contracted services	862	(421)	-	-	441
Development administration	5	(2,987)	-	-	(2,982)
Shared ownership property sales	11,082	-	(9,374)	-	1,708
Staircasing activity on low cost home ownership	-	-	-	9,242	9,242
Redemption of equity loans	-	-	-	1,351	1,351
Right to buy/right to acquire	-	-	-	31	31
Disposal of housing properties	-	-	-	667	667
Disposal of other fixed assets	-	-	-	(5)	(5)
Investment in communities	-	(1,390)	-	-	(1,390)
Other	1,364	(1,160)	-	-	204
Non-social housing activities					
Market renting lettings	91	(12)	-	-	79
Total	**164,270**	**(117,224)**	**(9,374)**	**11,286**	**48,958**

3. Particulars of turnover, operating costs, cost of sales and operating surplus - Association (continued)

	2026				2025
	General needs and affordable rent £000	Low cost home ownership £000	Housing for older people / supported housing £000	Total £000	Total £000
Turnover from social housing lettings					
Rents receivable	93,396	33,258	9,769	136,423	128,517
Service charge income	7,482	7,841	2,111	17,434	16,792
Net rental income	100,878	41,099	11,880	153,857	145,309
Amortisation of government grant	4,332	991	556	5,879	5,557
Total turnover from social housing lettings	**105,210**	**42,090**	**12,436**	**159,736**	**150,866**
Operating costs of social housing lettings					
Management	(20,161)	(8,629)	(4,225)	(33,015)	(31,069)
Service charge costs	(8,041)	(8,208)	(2,071)	(18,320)	(16,573)
Routine maintenance	(22,154)	-	(3,254)	(25,412)	(29,403)
Planned maintenance	(3,719)	(71)	(548)	(4,338)	(2,670)
Major repairs expenditure	(4,745)	(13)	(539)	(5,297)	(6,896)
Rent losses from bad debts	(138)	(5)	(50)	(193)	(352)
Depreciation of housing properties	(19,514)	(3,781)	(2,035)	(25,330)	(24,291)
Impairment of housing properties	-	-	(276)	(276)	-
Total operating costs on social housing lettings	**(78,472)**	**(20,707)**	**(12,998)**	**(112,177)**	**(111,254)**
Operating surplus on social housing lettings	**26,738**	**21,383**	**(562)**	**47,559**	**39,612**
Void losses	(3,617)	-	(843)	(4,460)	(4,080)

Total spend in relation to fire safety cost is £5,168k, of which £2,648k is capitalised and £2,520k is included within social housing lettings operating costs.

Total spend in relation to zero carbon costs is £2,009k, of which £1,289k is capitalised and £719k is included within social housing lettings operating costs.

4. Gain on disposal of fixed assets - Group and Association

	Staircasings	Redemptions	Right to Buy/ Right to Acquire	Housing properties	Total gain on disposal of housing properties	Other fixed assets	Total
	£000	£000	£000	£000	£000	£000	£000
Proceeds of sale	22,535	4,038	1,067	200	27,840	10	27,850
Attributable book value and incidental selling costs	(12,363)	(2,224)	(376)	(86)	(15,049)	-	(15,049)
Gain on disposal of fixed assets - 2026	**10,172**	**1,814**	**691**	**114**	**12,791**	**10**	**12,801**
Gain/(loss) on disposal of fixed assets - 2025	**9,242**	**1,351**	**31**	**667**	**11,291**	**(5)**	**11,286**

5. Board Members and Executive Team

The key management personnel are members of the Executive Team, listed on pages 30 and 31. The total remuneration including pension contribution, received by Executive Team members was £1,455,105 (2025: £1,122,401). This includes the costs of all key management personnel whether employed by contract and paid through payroll or engaged through an agency with payment for services.

The remuneration of the Chief Executive, who was also the highest paid director, in the year was as follows (prior year figures include the emoluments for both the Acting Chief Executive and the current Chief Executive):

	2026	**2025**
	£000	£000
Emoluments, excluding pension contributions	213	218
Pension contributions - in respect of services as director	29	16
	242	**234**

The Chief Executive is an ordinary member of the Aviva (Moat Homes Retirement Savings Plan) defined contribution scheme.

Non-executive board members received £126,440 (2025: £133,850) as fees for their services to the group and received £2,209 as expenses during the year (2025: £5,763). They were paid on a pro-rata basis:

	Remuneration per annum	
	2026	**2025**
	£	£
MHL chair	27,500	27,500
Senior independent director	17,750	16,500
Committee chair	15,900	15,900
Board member	11,500	11,500

Details of Board and Committee members can be found on pages 27 to 29.

6. Employee information - Group and Association

The average number of employees (including the Executive Team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours) during the year was as follows:

	2026	**2025**
	Number	Number
Housing	321	313
Management	112	113
New business and sales	53	59
	486	**485**

Employee costs (including the Executive Team and non-executive board members) consist of:	**2026**	**2025**
	£000	£000
Wages and salaries	23,274	22,308
Social security costs	3,188	2,473
Other pension costs	2,314	2,062
	28,776	**26,843**

107 (2025: 96) employees, including the Executive team, earned over £60,000 in remuneration in the following bands:

	2026	**2025**
	No of employees	No of employees
£60,000 - £69,999	42	32
£70,000 - £79,999	24	23
£80,000 - £89,999	8	9
£90,000 - £99,999	7	10
£100,000 - £109,999	12	6
£110,000 - £119,999	2	2
£120,000 - £129,999	2	2
£130,000 - £139,999	1	2
£140,000 - £149,999	1	-
£150,000 - £159,999	2	4
£160,000 - £169,999	1	-
£180,000 - £189,999	2	1
£190,000 - £199,999	-	1
£210,000 - £219,999	1	1
£220,000 - £229,999	1	1
£230,000 - £239,999	-	1
£240,000 - £249,999	1	-
£250,000 - £259,999	-	1

Remuneration includes salary, allowances, pension contributions, bonuses and compensation for loss of office.

7. Interest receivable

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Interest receivable	719	466	719	462
Interest receivable from group undertakings	-	-	650	724
	719	**466**	**1,369**	**1,186**

8. Interest payable

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
On bank loans, overdrafts and other loans	35,116	34,913	35,116	34,909
Interest on finance leases	1	2	1	2
Notional interest on RCGF balances	835	799	835	799
Less: interest capitalised	(2,794)	(4,221)	(2,794)	(4,221)
	33,158	**31,493**	**33,158**	**31,489**

The average rate of interest used for capitalisation was **4.7%** (2025: 4.98%).

9. Other finance costs

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Pension finance costs				
MHPS pension scheme	393	441	393	441

10. Surplus before taxation

	Group		Association	
	2026	2025	2026	2025
Surplus before tax is stated after (charging)/crediting:	£000	£000	£000	£000
Depreciation of housing properties				
Charge for the year	(23,889)	(22,427)	(23,883)	(22,421)
Accelerated depreciation on replaced components	(1,447)	(1,870)	(1,447)	(1,870)
Note 3	(25,336)	(24,297)	(25,330)	(24,291)
Depreciation of other fixed assets	(1,656)	(1,494)	(1,656)	(1,494)
Amortisation of government grant:				
Amortisation of Social Housing Grant	5,491	5,187	5,490	5,185
Amortisation of SHDF grant	389	372	389	372
Note 3	5,880	5,559	5,879	5,557
Impairment				
Impairment of housing stock for sale	277	-	-	-
Impairment of housing properties	(276)	-	(276)	-
	1	-	(276)	-
Operating lease rentals	(307)	(158)	(307)	(158)
Auditor's remuneration excluding VAT:				
Audit of financial statements	(191)	(191)	(148)	(148)

11. Taxation

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Current tax:				
UK corporation tax	**-**	**-**	**-**	**-**

	2026	2025	2026	2025
	£000	£000	£000	£000
Surplus before tax	23,940	12,203	24,289	12,852
Current tax at 25% (2025: 25%)	5,985	3,051	6,072	3,213
Effects of:				
Surpluses subject to charitable exemption	(5,985)	(3,051)	(6,072)	(3,213)
Total current tax	**-**	**-**	**-**	**-**

12. Residential accommodation owned and/or managed - Group

	As at 31 March 2025	Additions	Disposals	Change in Tenure/Other	As at 31 March 2026
Owned and managed					
Social housing					
General needs	8,762	61	(2)	(3)	8,818
General needs affordable rent	3,165	181	-	(43)	3,303
Housing for older people	1,470	-	-	1	1,471
Housing for older people affordable rent	98	-	-	43	141
Supported housing	99	-	-	(1)	98
Shared ownership	5,858	141	(63)	(54)	5,882
Leasehold properties	1,156	-	(1)	45	1,200
Non-social housing					
Open market rented properties	5	-	(1)	-	4
Total owned and managed	**20,613**	**383**	**(67)**	**(12)**	**20,917**
Owned not managed					
Social housing					
General needs	1	-	-	-	1
Supported housing	130	-	-	-	130
Non-social housing					
Care homes	44	-	-	-	44
Total owned not managed	**175**	**-**	**-**	**-**	**175**
Managed not owned					
Social housing					
General needs	306	-	(4)	-	302
Leasehold properties	58	-	-	-	58
Equity loan properties	879	-	(30)	(1)	848
Non-social housing					
Leasehold properties	15	-	-	-	15
Firstbuy loans	2	-	-	-	2
Freehold properties	1,060	-	(23)	14	1,051
Total managed not owned	**2,320**	**-**	**(57)**	**13**	**2,276**
Residential properties owned and/or managed	**23,108**	**383**	**(124)**	**1**	**23,368**
Owned and managed non-residential					
Community hubs	4	-	-	-	4
Staff housing and guest rooms	2	-	-	(1)	1
Garages	580	-	-	-	580
Commercial	27	-	-	-	27
Total owned and managed non-residential	**613**	**-**	**-**	**(1)**	**612**

12. Residential accommodation owned and/or managed - Association

	As at 31 March 2025	Additions	Disposals	Change in Tenure/Other	As at 31 March 2026
Owned and managed					
Social housing					
General needs	8,759	61	(2)	(3)	8,815
General needs affordable rent	3,165	181	-	(43)	3,303
Housing for older people	1,470	-	-	1	1,471
Housing for older people affordable rent	98	-	-	43	141
Supported housing	99	-	-	(1)	98
Shared ownership	5,858	141	(63)	(54)	5,882
Leasehold properties	1,156	-	(1)	45	1,200
Non-social housing					
Open market rented properties	3	-	-	-	3
Total owned and managed	**20,608**	**383**	**(66)**	**(12)**	**20,913**
Owned not managed					
Social housing					
General needs	1	-	-	-	1
Supported housing	130	-	-	-	130
Non-social housing			-	-	
Care homes	44	-	-	-	44
Total owned not managed	**175**	**-**	**-**	**-**	**175**
Managed not owned					
Social housing					
General needs	306	-	(4)	-	302
Leasehold properties	58	-	-	-	58
Equity loan properties	879	-	(30)	(1)	848
Non-social housing					
Leasehold properties	1,060	-	(23)	14	1,051
Total managed not owned	**2,303**	**-**	**(57)**	13	**2,259**
Residential properties owned and/or managed	**23,086**	**383**	**(123)**	**1**	**23,347**
Owned and managed non-residential					
Community hubs	4	-	-	-	4
Staff housing and guest rooms	2	-	-	(1)	1
Garages	580	-	-	-	580
Commercial	27	-	-	-	27
Total owned and managed non-residential	**613**	**-**	**-**	**(1)**	**612**

13. Tangible fixed assets - housing properties - Group

	Rented		Shared ownership		
	Completed	Under construction	Completed	Under construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2025	1,506,437	80,753	555,480	35,020	2,177,690
Additions	8,618	48,994	9,144	18,732	85,488
Improvements to existing properties	11,134	-	-	-	11,134
Capitalised interest	-	1,507	-	965	2,472
Schemes completed	48,479	(48,479)	16,841	(16,841)	-
Transferred (to)/from current assets	-	18,421	(245)	1,436	19,612
Reclassification	6,936	4,726	(5,314)	(6,800)	(452)
Disposals	(6,181)	-	(12,397)	-	(18,578)
At 31 March 2026	**1,575,423**	**105,922**	**563,509**	**32,512**	**2,277,366**
Depreciation					
At 1 April 2025	(208,096)	-	(38,633)	-	(246,729)
Charge in year	(20,114)	-	(3,775)	-	(23,889)
Reclassification	400	-	52	-	452
Released on disposal	4,043	-	812	-	4,855
At 31 March 2026	**(223,767)**	**-**	**(41,544)**	**-**	**(265,311)**
Impairment					
At 1 April 2025	(1,088)	(2,103)	(569)	-	(3,760)
Charge in year	(276)	-	-	-	(276)
At 31 March 2026	**(1,364)**	**(2,103)**	**(569)**	**-**	**(4,036)**
Net book value - 2026	**1,350,292**	**103,819**	**521,396**	**32,512**	**2,008,019**
Net book value - 2025	**1,297,253**	**78,650**	**516,278**	**35,020**	**1,927,201**

One rented scheme consisting of 14 empty bedsit units was impaired in the year (£276k). The net book value (NBV) was compared to value in use-service potential (VIU-SP). As the units do not meet the needs of our customers, we have deemed these units to no longer provide service potential and therefore their recoverable amount is considered nil.

	Rented		Shared ownership		
	Completed	Under construction	Completed	Under construction	Total
Interest capitalisation	£000	£000	£000	£000	£000
Interest capitalised in the year (housing properties)	-	1,507	-	965	2,472
Interest capitalised in the year (housing stock for sale)	-	-	-	321	321
Cumulative interest capitalised	29,835	1,685	28,253	1,300	61,073

Properties with a net book value of £1,082m (2025: £1,051m) are pledged as security on loan financing.

Notes to the financial statements
For the year ended 31 March 2026

13. Tangible fixed assets - housing properties - Association

	Rented		Shared ownership		
	Completed	Under construction	Completed	Under construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2025	1,505,966	80,753	555,480	35,020	2,177,219
Additions	8,618	67,415	9,144	18,732	103,909
Improvements to existing properties	11,134	-	-	-	11,134
Capitalised interest	-	1,507	-	965	2,472
Schemes completed	48,479	(48,479)	16,841	(16,841)	-
Transferred (to)/from current assets	-	-	(245)	1,436	1,191
Reclassification	6,936	4,726	(5,314)	(6,800)	(452)
Disposals	(6,181)	-	(12,397)	-	(18,578)
At 31 March 2026	**1,574,952**	**105,922**	**563,509**	**32,512**	**2,276,895**
Depreciation					
At 1 April 2025	(208,019)	-	(38,633)	-	(246,652)
Charge in year	(20,108)	-	(3,775)	-	(23,883)
Reclassification	400	-	52	-	452
Released on disposal	4,043	-	812	-	4,855
At 31 March 2026	**(223,684)**	**-**	**(41,544)**	**-**	**(265,228)**
Impairment					
At 1 April 2025	(1,088)	(2,103)	(569)	-	(3,760)
Charge in year	(276)	-	-	-	(276)
At 31 March 2026	**(1,364)**	**(2,103)**	**(569)**	**-**	**(4,036)**
Net book value - 2026	**1,349,904**	**103,819**	**521,396**	**32,512**	**2,007,631**
Net book value - 2025	**1,296,859**	**78,650**	**516,278**	**35,020**	**1,926,807**

One rented scheme consisting of 14 empty bedsit units was impaired in the year (£276k). The net book value (NBV) was compared to value in use-service potential (VIU-SP). As the units do not meet the needs of our customers, we have deemed these units to no longer provide service potential and therefore their recoverable amount is considered nil.

	Rented		Shared ownership		
	Completed	Under construction	Completed	Under construction	Total
Interest capitalisation	£000	£000	£000	£000	£000
Interest capitalised in the year (housing properties)	-	1,507	-	965	2,472
Interest capitalised in the year (housing stock for sale)0	-	-	-	321	321
Cumulative interest capitalised	29,835	1,685	28,253	1,300	61,073

Properties with a net book value of £1,082m (2025: £1,051m) are pledged as security on loan financing.

13. Tangible fixed assets - housing properties (continued)

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Housing properties at cost comprise:				
Freeholds	1,958,779	1,861,032	1,958,308	1,860,561
Long leaseholds	317,537	315,608	317,537	315,608
Short leaseholds	1,050	1,050	1,050	1,050
	2,277,366	**2,177,690**	**2,276,895**	**2,177,219**

14. Investment in subsidiaries

	Description	Country of incorporation	% of ordinary shares held	Holding company	Investment £
Moat Housing Group Ltd	Non Charitable RP	England	100%	MHL	1
Moat Homes Finance Plc	Finance Company	England	100%	MHL	50,000
Moat Construction Services Ltd	Dormant	England	100%	MHL	1
Moat Development Ltd	Dormant	England	100%	MHG	1
Mariner Facilities Management Ltd	Dormant	England	100%	MHG	100
					50,103

MHL has paid £12,500 of the allocated share capital in MHF (2025: £12,500)

15. Investment properties

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
At 1 April 2025	621	621	621	621
Movement in fair value	-	-	-	-
At 31 March 2026	**621**	**621**	**621**	**621**

Investment properties are held at fair value. These are commercial properties, which were revalued by external chartered surveyors, Residentially, at 31 March 2026, using the comparable method of market valuation evidence as set out in the Red Book (2025 Global standards), to ascertain the Market Values and Market Rents. The valuations assume yields of 6.25% - 8.2% based on market yields for comparable areas of 7% - 8.5%. The rents are in line with current values for similar stock and the strength of the covenant of the tenants suggests these yields are appropriate.

16. Other tangible fixed assets - Group and Association

	Freehold land and buildings	Scheme equipment	Other	Total
	£000	£000	£000	£000
Cost				
At 1 April 2025	11,481	12,736	10,579	34,796
Additions	-	2,006	567	2,573
Disposals	-	(61)	(261)	(322)
At 31 March 2026	**11,481**	**14,681**	**10,885**	**37,047**
Depreciation				
At 1 April 2025	(4,401)	(7,060)	(9,054)	(20,515)
Charge for the year	(239)	(758)	(659)	(1,656)
Disposals	-	61	261	322
At 31 March 2026	**(4,640)**	**(7,757)**	**(9,452)**	**(21,849)**
Net book value - 2026	**6,841**	**6,924**	**1,433**	**15,198**
Net book value - 2025	**7,080**	**5,676**	**1,525**	**14,281**

Included within the net book value of scheme equipment is an amount of £nil (2025: £11k) in respect of assets held under a finance lease. These are classed as finance leases as the rental period amounts to the estimated useful life of the asset concerned.

17. Housing stock for sale

Housing stock for sale is the cost of open market sales schemes and the cost attributed to the first tranche element of shared ownership schemes. The cost of shared ownership schemes is split between current and fixed assets based on the expected percentage of first tranche sales which is currently in the region of 25%.

	First tranche sale stock		Open market sale stock		
	Under construction	Completed	Under construction	Completed	Total
Group	£000	£000	£000	£000	£000
At 1 April 2025	10,974	488	18,346	2,674	32,482
Additions	6,812	3,239	75	-	10,126
Disposals	-	(10,036)	-	(1,476)	(11,512)
Schemes completed	(8,213)	8,213	-	-	-
Transferred (to)/from fixed assets	(1,436)	245	(18,421)	-	(19,612)
Writeback of impairment charges	-	-	-	277	277
At 31 March 2026	**8,137**	**2,149**	**-**	**1,475**	**11,761**

	First tranche sale stock		Open market sale stock		
	Under construction	Completed	Under construction	Completed	Total
Association	£000	£000	£000	£000	£000
At 1 April 2025	10,974	488	-	-	11,462
Additions	6,812	3,239	-	-	10,051
Disposals	-	(10,036)	-	-	(10,036)
Schemes completed	(8,213)	8,213	-	-	-
Transferred (to)/from fixed assets	(1,436)	245	-	-	(1,191)
At 31 March 2026	**8,137**	**2,149**	**-**	**-**	**10,286**

18. Debtors

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£000	£000	£000	£000
Due within one year				
Arrears of rent and service charges	5,045	5,609	5,040	5,602
Provision for bad and doubtful debts	(1,990)	(2,398)	(1,986)	(2,393)
	3,055	3,211	3,054	3,209
Amounts due from Group entities	-	-	87	-
Prepayments and accrued income	8,478	7,958	8,478	7,955
Other debtors	6,929	2,075	6,929	2,057
	18,462	13,244	18,548	13,221
Due after one year				
Amounts due from Group entities	-	-	-	8,849
Other debtors	3,558	3,264	3,558	3,264
	22,020	**16,508**	**22,106**	**25,334**

19. Creditors: amounts falling due within one year

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£000	£000	£000	£000
Housing loans (note 20)	20,683	14,422	20,683	14,422
Bond premium due under one year	2,743	2,678	-	-
Trade creditors	2,746	2,813	2,740	2,813
Owed to other Group entities	-	-	3,125	3,076
Recycled capital grant fund (note 22)	-	8,128	-	8,128
Deferred capital grant	5,960	5,617	5,959	5,617
Finance lease liabilities (note 20)	-	20	-	20
Other creditors	11,666	10,984	11,355	10,673
Accruals and deferred income	19,670	18,876	19,594	18,769
Total	**63,468**	**63,538**	**63,456**	**63,518**

Included within other creditors is £5,008k of rent received in advance (2025: £4,118k).

20. Creditors: amounts falling due after more than one year

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£000	£000	£000	£000
Housing loans	451,267	418,831	451,267	418,831
Bond issue	300,000	300,000	-	-
Bond premium due over one year	48,081	50,824	-	-
Owed to other Group entities	-	-	357,894	350,180
Deferred capital grant	521,948	493,753	521,822	493,624
Homebuy grant	26,733	28,460	26,733	28,460
Recycled capital grant fund (note 22)	2,600	15,205	2,600	15,205
Leasehold sinking funds	7,348	6,351	7,310	6,319
Other creditors	2,361	2,717	2,361	2,717
	1,360,338	**1,316,141**	**1,369,987**	**1,315,336**

Housing loans	Group		Association	
	2026	**2025**	**2026**	**2025**
	£000	£000	£000	£000
Within one year (note 19)	20,683	14,422	20,683	14,422
Between one and two years	16,946	15,683	16,946	15,683
Between two and five years	207,318	158,130	207,318	158,130
In more than five years:				
Repayable by instalments	130,919	149,553	130,919	149,553
Repayable other than by instalments	400,000	400,000	100,000	100,000
Issue costs	(3,916)	(4,535)	(3,916)	(4,535)
Over one year (note 20)	751,267	718,831	451,267	418,831
Total housing loans	**771,950**	**733,253**	**471,950**	**433,253**

Housing loans and Bond issue

All of the above are secured by fixed charges on the Group's housing assets and are repayable at variable and fixed rates of interest in the range of 1.54% - 12.84% (2025: 1.54% - 12.84%) per annum. As at 31 March 2026, 69% of our borrowings, including interest rate swaps, were charged interest at a fixed rate (2025: 73%).

Bond finance raised by MHF is on-lent to MHL under a secured loan agreement. This is shown as an inter-group transaction in creditors as owed to other Group entities.

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20. Creditors: amounts falling due after more than one year (continued)

Source of housing loans	Group 2026	Group 2025	Association 2026	Association 2025
	£000	£000	£000	£000
Banks and building societies	322,705	284,544	322,705	284,544
Affordable Housing Finance Plc	50,000	50,000	50,000	50,000
Affordable Housing Guarantee Scheme	100,000	100,000	100,000	100,000
The Finance for Residential Social Housing Plc	3,161	3,244	3,161	3,244
Moat Homes Finance Plc Bond	300,000	300,000	-	-
	775,866	737,788	475,866	437,788
Issue costs	(3,916)	(4,535)	(3,916)	(4,535)
	771,950	**733,253**	**471,950**	**433,253**

Finance leases	Group 2026	Group 2025	Association 2026	Association 2025
	£000	£000	£000	£000
Within one year (note 19)	-	20	-	20
Between one and five years	-	-	-	-
In more than five years	-	-	-	-
	-	**20**	**-**	**20**

Deferred capital grant	Group 2026	Group 2025	Association 2026	Association 2025
	£000	£000	£000	£000
Social Housing Grant (SHG) and other government grant	632,754	593,830	632,607	593,683
Cumulative amortisation	(104,846)	(99,108)	(104,826)	(99,090)
	527,908	**494,722**	**527,781**	**494,593**

21. Total government grant assistance

Total government grant assistance received or receivable to date is as follows:

	Group 2026	Group 2025	Association 2026	Association 2025
	£000	£000	£000	£000
Social Housing Grant (SHG) and other government grant	632,754	598,850	632,607	598,703
Homebuy and starter home initiative	26,733	28,460	26,733	28,460
Recycled capital grant fund	2,600	23,333	2,600	23,333
Add: cumulative amount credited to statement of comprehensive income	13,769	13,769	12,050	12,050
	675,856	**664,412**	**673,990**	**662,546**

22. Recycled capital grant fund – Group and Association

	Homes England 2026	GLA 2026	Homes England 2025	GLA 2025
	£000	£000	£000	£000
At 1 April	20,059	3,274	43,437	2,903
Inputs to fund:				
Grants recycled	2,807	850	2,150	675
Interest adjustment	-	-	(632)	-
Interest accrued	723	112	1,273	158
	23,589	4,236	46,228	3,736
Withdrawals from fund:				
Fire Safety work to existing properties	(2,847)	-	-	-
New build adjustment	-	-	(14,987)	-
New build	(18,820)	(2,926)	(11,105)	(462)
Flexible tenure	(632)	-	(77)	-
At 31 March	**1,290**	**1,310**	**20,059**	**3,274**
Amounts three years or older where repayment may be required	**-**	**-**	**7,685**	**443**

23. Other financial commitments - Group and Association

At 31 March 2026, there are future commitments under non-cancellable operating leases as follows:

	Land and building lease commitments		Other lease commitments	
	2026	2025	2026	2025
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	82	26	84	132
Between one and five years	60	-	81	-
In more than five years	-	-	-	-
	142	**26**	**165**	**132**

24. Capital commitments

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Capital expenditure contracted for but not provided in the financial statements	105,117	149,974	105,117	128,097
Capital expenditure authorised but not yet contracted for	82,587	36,729	82,587	36,729

Capital commitments will be funded from £56m of Social Housing Grant and £37m of proceeds from housing stock held for sale. The remaining commitments will be funded through borrowing and operating surplus.

25. Contingent liabilities

During 2023/24, Moat acquired 603 properties from another provider under a stock transfer agreement. The properties have been recognised at EUV-SH. Moat has not accounted for any social housing grant (SHG) that was attached to these properties at the date of transfer. This amounted to £18.8m. This liability will only be triggered if and when any of these properties are disposed of in future accounting periods.

26. Financial instruments

Income, expense, gains and losses in respect of financial instruments are:

	Group		Association	
	2026	2025	2026	2025
	£000	£000	£000	£000
Interest income and expense				
Total interest income for financial assets at amortised cost	719	466	1,369	1,186
Total interest expense for financial liabilities at amortised cost	(35,117)	(34,915)	(35,117)	(34,911)
Fair value gains and losses				
On derivative financial liabilities designated as an effective hedge	2,527	8,157	2,527	8,157
On financial liabilities measured at fair value through surplus for the year	(2,173)	(5,362)	(2,173)	(5,362)
	(34,044)	**(31,654)**	**(33,394)**	**(30,930)**

26. Financial instruments (continued)

The carrying values of financial assets and liabilities are summarised below:

	Group		Association	
	2026	2025	2026	2025
Financial assets	£000	£000	£000	£000
Measured at fair value and designated as an effective hedge:				
Derivative financial liabilities (note 27)	(14,349)	(16,876)	(14,349)	(16,876)
Effective element of broken interest rate swaps	14,971	17,167	14,971	17,167
Measured at fair value through the surplus for the year:				
Ineffective element of interest rate swaps	7	(16)	7	(16)
	629	275	629	275
Measured at undiscounted amount receivable:				
Trade and other debtors (note 18)	13,542	8,550	13,628	17,379
Cash and cash equivalents	21,033	16,426	20,366	15,759
	35,204	**25,251**	**34,623**	**33,413**

	Group		Association	
	2026	2025	2026	2025
Financial liabilities	£000	£000	£000	£000
Measured at fair value and designated as an effective hedge:				
Derivative financial liabilities (note 27)	-	-	-	-
Effective element of broken interest rate swaps	-	-	-	-
Measured at fair value through the surplus for the year:				
Ineffective element of interest rate swaps	-	-	-	-
Measured at amortised cost:				
Loans payable (notes 19,20)	471,950	433,253	471,950	433,253
Bond payable (note 20)	300,000	300,000	-	-
Obligations under finance leases (notes 19,20)	-	20	-	20
Intercompany loans payable (notes 19,20)	-	-	361,019	353,256
Measured at undiscounted amount payable:				
Trade and other creditors (notes 19,20)	43,791	41,741	43,361	41,291
	815,741	**775,014**	**876,330**	**827,820**

All swaps are valued at fair value by discounting expected cash flows at the risk-free forward rate curve. This valuation is adopted across the registered provider sector. Moat uses a debt and derivative advisory company, regulated by the Financial Conduct Authority, to value its derivatives.

27. Hedging financial instruments - Group and Association

	Due within one year		Due after one year	
	2026	2025	2026	2025
	£000	£000	£000	£000
On derivative financial liabilities				
Interest rate swaps	**2,195**	**2,195**	**12,154**	**14,681**

All swaps are valued at fair value by discounting expected cash flows at the risk free forward rate curve. This valuation is adopted across the registered provider sector. Moat uses a debt and derivative advisory company, regulated by the Financial Conduct Authority, to value its derivatives.

Cash flow hedges

The following table details the notional principal amounts and the remaining terms of interest rate swap contracts designated as cash flow hedges outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value	
	2026	2025	2026	2025	2026	2025
	%	%	£000	£000	£000	£000
More than five years	**4.23**	**4.23**	**38,000**	**38,000**	**14,349**	**16,876**

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' SONIA. The Group settles the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts are designated as cash flow hedges. All interest rate swaps reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect surplus and deficit over the period to maturity of the interest rate swaps. £18m of the cash flow swaps mature in 2029 and the remaining £20m matures in 2038.

28. Called-up share capital

	Association	
	2026	2025
	£	£
Allotted, issued and fully paid £1 shares		
At 1 April	8	9
Cancelled during the year	(2)	(2)
Issued during the year	3	1
As at 31 March	**9**	**8**

Each of Moat's non-executive members holds one share of £1 in the Association. These shares confer the right to vote at general meetings and are irredeemable, being cancelled on cessation of membership. They do not confer a right to dividends or a provision for distribution on a winding-up.

29. Pension obligations

Defined Contribution Schemes

MHL participates in the Moat Retirement Savings Plan, a defined contribution scheme managed by Aviva. The total expense charged to surplus in the period ended 31 March 2026 was £2,031k (2025: £1,767k). This scheme is open to all new employees and current employees can switch into this scheme.

MHL also participates in an existing Aviva defined contribution scheme. The total expense charged to surplus in the period ended 31 March 2026 was £187k (2025: £163k). This scheme is closed to new employees.

Defined Benefit Schemes

A defined benefit scheme is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and remuneration. The schemes have rules which specify the benefits to be paid and are financed accordingly with assets being held in independently administered funds. A full actuarial valuation of each of the defined benefit schemes we participate in is carried out every three years with interim reviews in the intervening years.

The schemes are subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

Moat Homes Pension Scheme

MHL operates the Moat Homes Pension Scheme (MHPS), managed by TPT Retirement Solutions. The scheme is a defined benefit scheme in the UK and has been closed to new members.

The last completed triennial valuation was at 30 September 2023 and the results of this have been updated to 31 March 2026 by a qualified actuary, independent of the Scheme's sponsoring employer. The projected unit method has been used to calculate the Scheme liabilities at 31 March 2026, by rolling forward the results of the previous accounting disclosure as at 31 March 2025. The projected unit method results have been adjusted according to FRS 102 financial and demographic assumptions applicable at 31 March 2026.

The asset values at 31 March 2026 were provided by the Scheme's administrators. As required under FRS 102, the bid market value of the assets is generally used for the calculations in the disclosures and the market value of investment holdings has been taken as £29,597,000.

The actuarial valuation at 30 September 2023 showed a deficit of £10.0m. MHL has agreed that it will aim to eliminate the deficit by 31 July 2029. Up to and including 31 March 2026 the deficit contributions payable are £1,795,008 per annum. From 1 April 2026 until 31 July 2029 the deficit contributions payable under the Recovery Plan are £1,893,732 per annum and increasing at each 1 April by 5.5% per annum.

Virgin Media vs NTL Pension Trustees Limited

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company is currently considering the implications of the case for the Scheme. In addition, the Company has been informed by the scheme's trustee that it has asked the High Court to clarify various points on how the issues arising from the Virgin Media case should be applied to the scheme in the case of Verity Trustees Limited v Wood and others, which was heard by the High Court in February and March 2025 with the outcome expected later this year.

Furthermore, legislation enacted on 29 April 2026 enables affected pension schemes to retrospectively obtain written actuarial confirmation that historic benefit amendments satisfied the required statutory standards. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

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The Social Housing Pension Scheme (SHPS)

Until 31 October 2022, MHL was a member of the SHPS Pension Scheme which was managed by TPT Retirement Solutions. The Pensions Trust (TPT) is involved in a current court case regarding the administration of its defined benefit pension schemes, including the Social Housing Pension Scheme (SHPS). TPT are asking the court to determine whether changes made to the scheme rules in the past were in accordance with the trust deed and rules, and if not, whether certain amendments are invalid. If the court determines that historic amendments have resulted in amendments that are invalid, this could result in increased pension liabilities.

Taking into account all information available to management, management have concluded that the best estimate of benefits due at the balance sheet date should be based on the assumption that no additional material liabilities will arise as a result of this legal case. As such, the pension liability recognised has been valued using this assumption.

When the case was first brought to court in 2022, TPT estimated the worst-case scenario for Moat would be additional liabilities of 4.8% however this was calculated on a technical provision basis and not on an accounting basis. Since 2022 additional matters have been added to the case following rulings in other court cases, these elements are not included in the 4.8% estimate. Accordingly, based on the information available, management considers that no further liability should be recognised at this stage. It is currently expected that the court will make its ruling later in 2026. We will provide updates in future reports as more information becomes available.

29. Pension obligations (continued)

The financial assumptions, set with reference to market conditions at 31 March 2026 are as follows:

	MHPS	MHPS
	2026	2025
	% pa	% pa
RPI increases	3.3%	3.1%
CPI increases	3.1%	2.8%
Salary increases	N/A	3.8%
Discount rate	6.2%	5.8%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The expected return on assets is the discount rate.

The assumed life expectations from age 65 are:

	MHPS	MHPS
	2026	2025
	Years	Years
Retiring today - Males	22.4	21.9
Retiring today - Females	24.6	24.3
Retiring in 20 years - Males	24.0	23.6
Retiring in 20 years - Females	25.9	25.7

Amounts recognised in the surplus are:

	MHPS	MHPS
	2026	2025
	£000	£000
Service cost	(1)	8
Net interest on defined liability	(393)	(441)
Administration expenses	(144)	(145)
Total	**(538)**	**(578)**

29. Pension obligations (continued)

The amounts included in other comprehensive income:	MHPS	MHPS
	2026	2025
	£000	£000
Return on assets excluding interest income	(292)	(3,277)
Change in financial assumptions	643	4,640
Change in demographic assumptions	144	(273)
Change due to scheme experience	(128)	(70)
Remeasurement of MHPS pension liability	367	1,020
Exited Schemes	-	-
Remeasurement of pension liability	**367**	**1,020**

Net pension liability in the statement of financial position as at 31 March:	MHPS	MHPS
	2026	2025
	£000	£000
Fund liabilities	(35,475)	(36,097)
Fund assets	29,597	28,499
Deficit	**(5,878)**	**(7,598)**

Changes in liabilities:	MHPS	MHPS
	2026	2025
	£000	£000
Liabilities at 1 April 2025	(36,097)	(39,971)
Current service cost	(1)	8
Interest cost	(2,050)	(1,922)
Change in financial assumptions	643	4,640
Change in demographic assumptions	144	(273)
Change due to scheme experience	(128)	(70)
Benefits paid	2,016	1,511
Member contributions	(2)	(20)
Liabilities at 31 March 2026	**(35,475)**	**(36,097)**

29. Pension obligations (continued)

Changes in assets:	MHPS	MHPS
	2026	2025
	£000	£000
Assets at 1 April 2025	28,499	30,145
Interest on income	1,657	1,481
Loss on assets (excluding interest income)	(292)	(3,277)
Expenses	(144)	(145)
Employer contributions	1,891	1,786
Member contributions	2	20
Benefits paid	(2,016)	(1,511)
Assets at 31 March 2026	**29,597**	**28,499**

The total return on the MHPS assets for the year to 31 March 2026 is £1,365,000 (2025: (£1,796,000)).

The analysis of the scheme assets at reporting date was as follows:	MHPS	MHPS	MHPS	MHPS
	2026	2026	2025	2025
	£000	%	£000	%
Equity	2,886	10%	2,886	10%
Bonds	2,986	10%	2,986	10%
Property	1,430	5%	1,430	5%
Cash	734	3%	734	3%
Other	3,750	13%	3,750	13%
LDI	8,898	31%	8,898	31%
Liquid alternatives	4,493	16%	4,493	16%
Private Credit	3,322	12%	3,322	12%
Total assets	**28,499**	**100%**	**28,499**	**100%**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Notes to the financial statements
For the year ended 31 March 2026

30. Statement of cash flows - Group

Reconciliation of surplus for the year to cash generated from operations:	2026	2025
	£000	£000
Surplus for the year	23,940	12,203
Adjustments for non-cash items		
Depreciation of tangible fixed assets	25,545	23,921
Amortisation of government grants	(5,880)	(5,559)
Pension costs	(1,353)	(1,205)
Impairment of fixed assets	276	-
Fair value of swaps broken	-	(701)
Movement in fair value of financial instruments	2,173	5,362
Changes of working capital		
Increase / (decrease) in housing stock	1,109	(761)
Increase in debtors	(5,512)	(1,039)
Increase in creditors	6,147	3,109
Capital accruals	(32)	-
Adjustments for investing or financing activities:		
Proceeds from sale of tangible fixed assets	(27,850)	(23,716)
Cost of tangible fixed asset disposals	14,677	12,990
Interest payable	34,212	31,751
Swap break fees	-	719
Cost of tangible fixed asset disposals	(412)	(466)
Cash generated from operations	**67,040**	**56,608**

31. Related party transactions

Basis of preparation

Key management personnel are Board members and the Executive Team. Their only transactions with Moat are remuneration which is disclosed in notes 5 and 6.

The names of all Group members are set out in note 14. MHL is regarded by the Board as the ultimate parent undertaking of the Group. The consolidated financial statements incorporate the financial statements of all Group members.

Transactions with pension schemes which benefit employees are disclosed in note 29.

32. Analysis of intra group transactions between regulated and non-regulated entities

Moat incorporates MHL and MHG which are both registered providers of social housing regulated by the Regulator of Social Housing (RSH). Other group members are not regulated by the RSH. These are MDL, MFM and MCS which are dormant and MHF which is a special purpose vehicle set up to raise funds through a bond issue.

MHL intra-group transactions with MHF:

MHF obtains finance directly from capital markets and on-lends to MHL. The on-lent funding to MHL is under a secured loan agreement, which is backed by housing assets of MHL. If there are any payments which are not made to MHF, then it has the right to enforce the security under the loan. During the year MHL paid £12.3m to MHF in interest payments (2025: £12.4m). At 31 March 2026, MHL owed MHF £343k (2025: £343k) of accrued interest and £350.6m (2025: £352.9m) of loans.

33. Legislative authority

Moat Homes Limited and Moat Housing Group Limited are incorporated under the Co-operative and Community Benefits Societies Act 2014 and are both Registered Providers. Moat Homes Finance Plc, Moat Development Limited, Mariner Facilities Management Limited, and Moat Construction Services Limited are incorporated under the Companies Act 2006.

2025/2026

Registered under the Co-operative and Community
Benefits Societies Act 2014 No. 17434R
Registered under Section 5 of the Housing Associations Act 1985 No. L0386   Ref DPPPP-1

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Moat Homes Limited is a charitable housing association. Information correct as at July 2026 Ref AS-AAS-2