Moat

# Annual Report and Financial Statements

2024/2025

# Contents






**Wellbeing Studio, Pollards Hill**

Our Wellbeing Studio was setup in 2024 to promote health, wellness, and a sense of community for Pollards Hill residents. Wellbeing activities are run by Moat Foundation and our partners committed to delivering social value including cooking courses, support groups, yoga and art classes.

> "People here are now my friends. To mingle with the community and to socialise again. And I'm so happy that it's growing again from the Wellbeing Studio.

Delroy
Wellbeing Studio Attendee

Kathy a Customer Advocate who sits on our Repairs Forum.


# Our Chair's Statement

"One of Moat's proudest and most consistent achievements is our track record in delivering much needed new homes for our communities.

Over the past decade, we have navigated significant economic and regulatory challenges, a global pandemic and the resulting cost-of-living crisis. Through it all, we remained resolute and proud of our purpose: to open doors to better lives. I am immensely proud of what we have achieved together.

2024/25 has been another significant year for us, marked by both challenge and progress. Our primary focus throughout has been improving our repairs services, a top priority for our customers and colleagues alike. As the existing contract was not meeting our customers' needs, from February 2025 we have been working with an interim repairs contractor and are focussing on reducing the time customers wait for a repair to be completed.

Thanks to the dedication of our contractors and colleagues and the valuable input from our customers, we are seeing steady improvements. Notably, our first-time fix rate has increased from 78% to 87%. I hope you find the weekly repairs performance updates on our website as reassuring and transparent as we intend them to be.

This year we launched a customer-led Impact and Action Group made up of customers across our range of housing tenures. This group will play a vital role in shaping the future of Moat and influencing how we deliver our services. The Board is genuinely looking forward to working closely with them and learning from their insights.

One of Moat's proudest and most consistent achievements is our track record in delivering much needed new homes for our communities. Over the past decade, we built 4,791 homes, with 478 delivered in 2024/25 (2023/24: 354). This progress would not be possible without the support from lenders, credit rating agencies, Homes England, the GLA, various local authorities and, most recently, our successful £100m access to the Affordable Homes Guarantee Scheme via ARA VENN in October 2024. We remain committed to building high-quality affordable homes to help address the acute housing shortage.

Looking ahead, we have 1,192 homes in the pipeline, 719 started on site during 2024/25 (2023/24: 354). With the new government

"After nine tremendous years on the Board, I will be stepping down shortly. It has been a privilege to serve as Moat's Chair and work alongside a dedicated team committed to delivering excellent customers service and providing high-quality, affordable homes.

placing housing at the top of its agenda, we look forward to working with partners across the sector to contribute to the national target of delivering 1.5 million homes.

As always, my heartfelt thanks to our partners, stakeholders, customers and colleagues for your continued support. As I prepare to pass on the baton to a new Chair, I do so with great confidence in the strong foundations we have built together. I have no doubt that Moat is on course to become a true Customer Pioneer, driven by values, purpose and commitment we all share.

Steve White
Chair of the Board

> This year, we've achieved strong financial results, enhancing our social impact and improving the lives of our customers.

# Our Chief Executive's Statement

I'm delighted to share our 2024/25 financial results with you in my new role as Chief Executive. Since joining in October 2024, I've received the warmest welcome from our customers, stakeholders and colleagues – thank you.

As part of our Customer Pioneer strategy, we made a bold and meaningful commitment: to visit every one of our customers within the next three years. We took our first major step towards that promise with the launch of our first Big Door Knock in June this year. Colleagues from across the organisation went out into our communities to speak directly with as many customers as possible, hearing firsthand about what mattered most to them. This was more than just a listening exercise; it was a powerful opportunity for shared experience, strengthening our connection with the people we serve, and reinforcing our purpose.

Our customers are directly shaping our new Landlord Strategy, which we'll be launching later this year. Together we are building a stronger, more responsive Moat, focused on the things that matter most to our customers.

I joined Moat at a pivotal time, shortly after the completion of the Regulatory inspection under the new Customer Standards, and just before switching to an interim 18-month repairs contract. These significant milestones are helping to shape our priorities and sharpen our focus for the year ahead.

This year, we've achieved strong financial results, enhancing our social impact and improving the lives of our customers. This includes the successful completion of our ambitious decarbonisation programme, which upgraded 407 homes with a gross spend of £14.0m, partially funded by £5.0m from the Social Housing Decarbonisation Fund (SHDF).

We also invested £63m (2024: £51m) in repairs, maintenance and replacements, ensuring that homes remain safe, comfortable and sustainable. Furthermore, we invested £81m (2024: £107m) in building new homes, delivering 478 new homes, 369 for rent and 109 for shared ownership.

> During 2024/25, we procured new grounds maintenance and telephony contracts, which are already helping us to improve the satisfactions in the Regulator of Social Housing (RSH) Tenant Satisfaction Measures.

As at the end of March 2025, our overall satisfaction is at 62% (2024: 55%), reflecting an improvement across all measures. The overall repairs services remains an area for focus, and we've implemented a  comprehensive improvement plan to address this. Performance is improving - WIP has reduced by 67% from the start of the interim contract and customers are now waiting 18 days on average for a repair. We continue to share updates on our performance through our weekly report available on our website. We are also developing the Moat Offer, working with customers to ensure we all have a clear understanding of the services we provide and how those services may vary depending on tenancy type.

Although it has only been six months since I joined Moat, we've already welcomed several new colleagues to the Executive Team and Board. I am looking forward to working alongside them to deliver the Customer Pioneer strategy and to launch the Moat Offer.

Gavin

Gavin Cansfield
Chief Executive

## Finance

**£164m**
turnover
2023/24: £154m

**£1.9bn**
housing properties cost
2023/24: £1.9bn

**£738m**
borrowings
2023/24: £676m

**30%**
operating margin
2023/24: 29%

**A3 stable**
Moodys rating
2023/24: A2 stable

**C2/G2/V2**
Regulator of social housing
2023/24: G1/V1

## Customers

**67%**
Satisfaction: renters (TSM)
2023/24: 61%

**88%**
Satisfaction: responsive repairs
2023/24: 87%

**216 days**
Empty homes turnaround
2023/24: 151 days

**44%**
Satisfaction: shared owners (TSM)
2023/24: 38%

**3.41%**
Rent arrears: renters
2023/24: 3.99%

**126**
Complaints per 1,000 homes
2023/24: 119

## Homes

**23,108**
Homes in management
2023/24: 22,739

**478**
New homes delivered
2023/24: 354

**£63m**
Spend on existing homes
2023/24: £51m

**1,192**
Homes in pipeline
2023/24: 1,704

**£81m**
Spend on new builds
2023/24: £107m

Crossways Quarter, Greenhithe

26 apartments for shared ownership and affordable rent on the doorstep of Bluewater Shopping Centre, with Stone Crossing station just a five-minute walk away and quick access to the A2 and M25.

Harbour Village, Ebbsfleet

10 shared ownership and 23 affordable rent homes in a growing riverside neighborhood with new green spaces, a future promenade and shops on the way.

Gloster Chase, Kings Hill

40 apartments for shared ownership and affordable rent in this sought-after area that might otherwise have been out of reach.

# About us

Since Moat was founded in 1966, we have grown from managing a single block of flats in Chertsey to provide over 23,000 homes across Kent, Essex, Sussex and London. Through the decades, our purpose has stayed the same – to open doors to better lives.

As a not-for-profit organisation, we reinvest surplus into maintaining and improving our existing homes and building new ones where they are most needed. Our long-established development history is an important part of our DNA, and we are proud of the great homes and communities we have helped build, with more in the pipeline.

Providing homes is at the core of what we do, but they are 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. Our vision is to be a customer pioneer, genuinely working with customers to drive services and standards.

| Our homes | New homes in 2024/25 | Homes managed and/or owned |
|---|---|---|
| General needs rented | - | 9,069 |
| Affordable rent | 369 | 3,165 |
| Housing for older people/supported - general needs rent | - | 1,699 |
| Housing for older people/supported - affordable rent | - | 98 |
| Low cost home ownership | 109 | 5,858 |
| Social leasehold | - | 1,214 |
| Other social | - | 879 |
| Non social housing (includes 2 new open market sale homes) | - | 1,126 |
| **Total homes** | **478** | **23,108** |

### Registered office

Mariner House, Galleon Boulevard,
Crossways, Dartford, Kent DA2 6QE

### Registered auditor

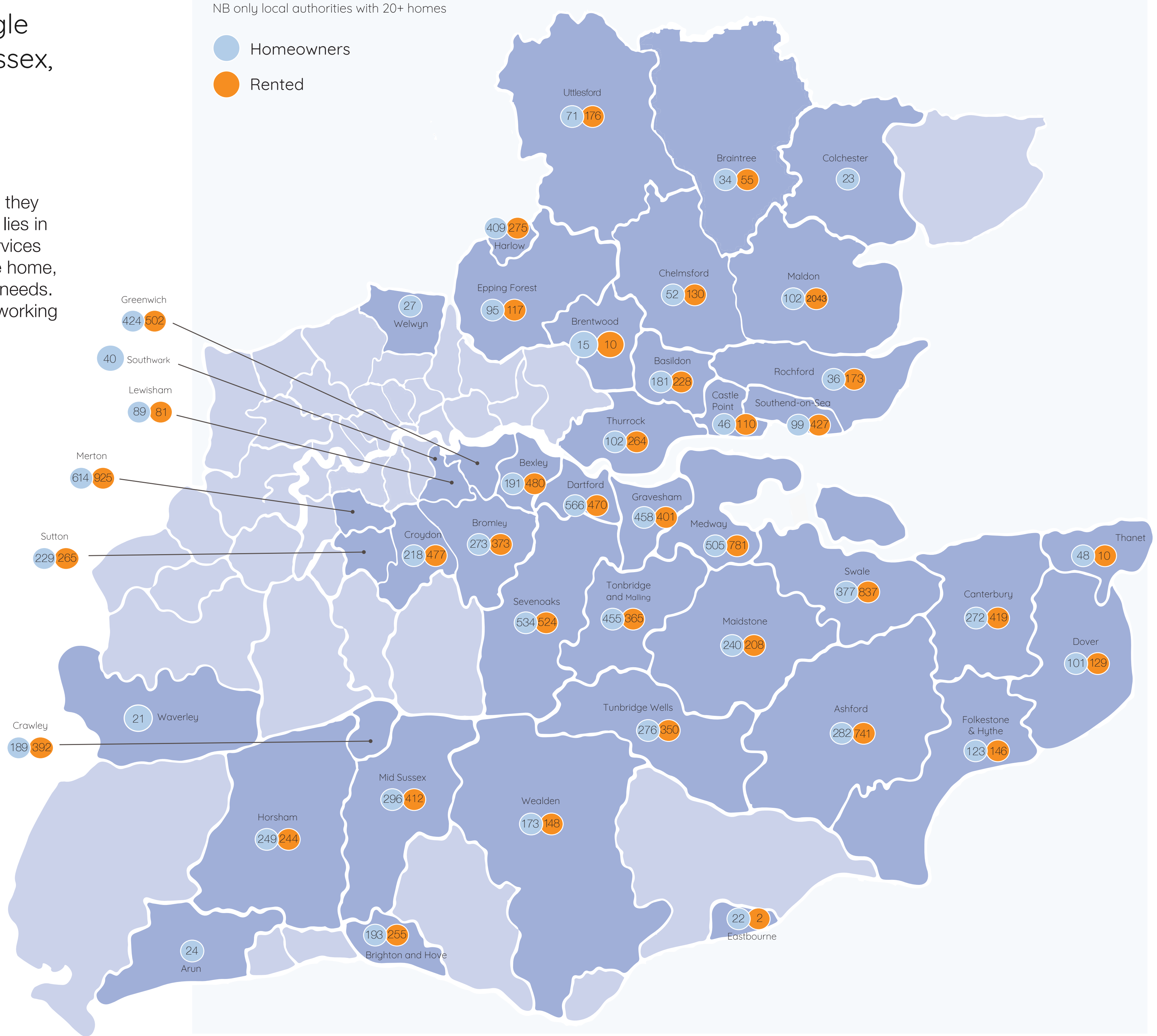
BDO LLP, 55 Baker Street, London
W1U 7EU

### Principal banker

National Westminster Bank Plc, Europa House, 49 Sandgate Road, Folkestone
Kent CT20 1RU

## Our current homes

NB only local authorities with 20+ homes



# Our Values

Our Values are the cornerstone of everything we do, and they provide clear expectations about how we act and behave. Meeting the expectations that our values reflect is essential to deliver our strategy.

| Be the Change | Better Together | Own it | Lead by Example |
| --- | --- | --- | --- |
| Be flexible and adaptable to change, sharing ideas and focusing on solutions. | Set high standards, working together and welcoming every opportunity to learn and improve. | Take personal responsibility for making things happen and seeing things through. | We work hard for our customers and take pride in making a difference to their lives. |
| **Our Standards**<br>Be inclusive<br>Be a leader | **Our Standards**<br>Be knowledgeable<br>Be skilled | **Our Standards**<br>Show integrity<br>Be ethical | **Our Standards**<br>Be an advocate |
| **Our Behaviours**<br>Be adaptable<br>Be smart working | **Our Behaviours**<br>Be collaborative<br>Be smart working | **Our Behaviours**<br>Be empowered<br>Be accountable | **Our Behaviours**<br>Be supportive<br>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.



## Supporting Pride

We demonstrated our commitment to being an inclusive organisation that enables colleagues and customers to thrive by supporting and participating in Essex Pride, Medway Pride and London Pride. We've signed the LGBTQ+ Housing Pledge by HouseProud and Stonewall Housing to demonstrate our commitment to supporting our LGBTQ+ customers.

# Our strategy

Our Customer Pioneer Corporate Strategy was launched in 2023 and was set to run for five years to 2028. The strategy is reviewed every year to ensure we are making good progress to put customers at the heart of everything we do.

## The strategy is built around three key priorities:

**Great customer experience**

Our customers will experience a landlord who is a customer pioneer. Making it easier and faster to access services, in a way that suits them and feels inclusive, warm, and helpful, and tailored around their needs.

**Pride in homes and places**

Our customers will feel proud to live in our good quality, safe, homes and places. We will reduce the environmental impact of our existing homes which will help customers with their running costs.

**Growth in new homes and communities**

Customers want to stay with us because we truly make a difference by building attractive, safe, and sustainable homes in desirable surroundings. We create communities where people want to live and create foundations for their future.

## Enabling these three priorities is a fourth:

**Making it happen**

the three priorities are developed in a well-governed, financially robust way and supported by the right people, systems and data.

Moat colleagues workshop

Coming together across teams to share ideas, spark innovation, and find fresh ways to improve the services we deliver every day.

# Great customer experience

During 2024/25, we have:

- seen our TSM (Regulator of Social Housing Tenant Satisfaction Measure) overall satisfaction scores improve in the year:
  - Overall satisfaction: 61.6% (2024: 54.6%)
  - Overall satisfaction: tenants 67.2% (2024: 61.4%)
  - Overall satisfaction: shared owners 43.8% (2024: 37.8%)

  While we are pleased to have seen an improvement, we are setting ourselves a target for 2025/26 of the median across the sector as we continue to improve our customer service.

  Our performance against all TSMs is reported on our website, moat.co.uk.
- implemented an improved contact centre telephony solution that is helping us improve our responsiveness to customers. Since the new system went live in October 2024, we have seen a reduction in call abandonment rates, improved speed of answer, and a reduction in the time our customer services advisors spend on post call administration.
- embedded an arrears management solution that has helped enable more automation within our arrears processes. This, along with other measures, has helped us reduce rent arrears levels in the year:
  - Renters 3.41% (2024: 3.99%) and performing better than the target of 3.60%
  - Shared owners 1.65% (2024: 1.73%), although higher than our ambitious target of 1.50%.
- supported over 700 customers with vouchers for food, gas and electricity, and in exceptional cases, we have provided white goods.
- developed our "Voice of the customer" approach to capturing the needs and aspirations of our customers and using that information to improve our core services:
  - We launched our Customer Influence Strategy and our Scrutiny Framework.
  - We launched a customer-led Impact and Action Group made up of customers across our range of housing tenures. This group will play a vital role in shaping the future of Moat and influencing how we deliver our services.
  - Our Repairs Forum continued to meet during the year, with customers, colleagues and representatives from our repairs partner. The Forum has enabled more customer communication and feedback on the work we are doing to improve the repairs service and how customers would like to be involved in the procurement going forward.
  - We have 201 customer advocates, our "actively involved" customers who contributed to policy design, communication reviews, workshops and recruitment.
  - Customers advocates were represented on the interview panels for the two new Executive Directors - for Customer Experience and Property and Assets.
- received 2,734 (2024: 2,499) complaints in 2024/25. This equates to 126 complaints per 1,000 homes (2024: 119). While higher than the previous year, new complaints have reduced towards the end of the year with the most significant reduction in responsive repairs complaints following changes to the repairs contractor. We have a cross departmental team working to improve our complaints handling and learning from complaints.
- measured satisfaction with responsive repairs at 87.7% (2024: 87%), below our target of 90%. This measure relates to the repairs contract KPI which carries out a survey on completion of a repair i.e. at the point of service delivery. Generally, we are seeing customers happy with the repair but frustrated at the extended wait times they have endured.

## During 2025/26, we will:

- continue to improve our Customer Engagement Framework (engage, listen and deliver):
  - Launch our refreshed Landlord Strategy which sets out how we intend to work with our customers to become a great landlord.
  - Launch our 'Moat Offer', which will outline the core service offer against each tenure we manage, focussing on what customers require from us and how we respond.
  - Involve the Impact and Action Group in the review of all our main strategies – Landlord, Customer Influence, Growth, and Pride in Homes and Places.
  - Promote a range of different ways that customers can engage with us, including digitally, in person, advocates and focus groups.

Great customer experience

**Strategic report**
Our strategy

# Pride in homes and places

### During 2024/25, we have:

- invested £63m (2024: £51m) in repairs, maintenance and replacements, ensuring that homes remain safe, comfortable and sustainable.
- experienced a number of challenges with our responsive repairs and empty homes contract, with higher costs, increased WIP and longer completion and turnaround times. In February 2025 we switched our repairs contractor, signing an 18-month interim repairs contract while we procure a longer-term repairs solution.
  - Under the new responsive repairs contract we have seen reductions in the average wait for an appointment, reduced complaint volumes and WIP has reduced from 7,497 jobs at the start of the interim contract to 4,444 at 31 March 2025. We publish weekly repairs performance information on our website, Moat.co.uk
  - At 31 March 2025 we had 536 (2024: 370) empty homes. The WIP reduction plan is well underway. The average empty homes turnaround time increased to 216 days (2024: 151 days). We are also reviewing our lettings processes so customers are allocated new homes quicker.
- reduced dependence on one responsive repairs contractor, by procuring additional support contracts (drainage and general building). Go live for these contracts will take place in first quarter of 2025/26.
- completed a programme of planned replacements - fitted 2,548 new windows, 711 new doors, replaced 138 kitchens and 170 bathrooms.
- spent £1.9m (2024: £2.1m) on our rolling programme of Fire Risk Assessments (FRAs) and related remedial works.
- spent £5.6m on two blocks linked to fire safety remedial works, completing work on one of the blocks. Having surveyed all of our blocks over six stories, this leaves one block where works will be completed in 2025/26 and one block where work will commence in 2026.
- completed our Social Housing Decarbonisation Fund (SHDF) programme. The full programme has made improvements to 407 homes at a cost of £14.0m, partially met by funding of £5.0m. This included 358 homes completed in 2024/25 at a cost of £9.8m spend, with funding of £2.0m. An additional £1.3m (2024: £1.3m) was spent to replace storage heaters, loft insulation and other fuel efficiency initiatives.
- finished the year with:
  - 100% (2024: 100%) of our homes meeting the decent homes standard.
  - 92% (2024: 85%) of our customers' homes having had a home improvement survey carried out within our 5-year cycle. We have planned our survey programme for 2025/26 aiming to increase this to 100%.
  - 99% (2024: 98%) of our homes having an Energy Performance Certificate at band D and above; 81% (2024: 75%) at band C and above.
  - Building safety compliance of:

| | |
|---|---|
| Fire | 100% |
| Legionella | 100% |
| Asbestos | 100% |
| Gas | 99.98% |
| Electric | 99.96% |
| Lifts | 100% |

Non-compliance with gas and electricity were due to 2 and 5 homes respectively where we could not gain access. Our no access procedure is being reviewed, including legal action where necessary, and went live in April 2025.

- mobilised a new grounds maintenance contract in May 2024, with 4 regional contractors instead of one main contractor.
- continued to manage and prepare for new requirements to be introduced under Awaab's Law to tackle damp and mould cases.
- Moat Foundation (MF) continued to support our wider communities, offering customer sessions at 33 venues in the year. It organised events including an annual summer fair in Stanhope and a launch event at the refurbished "Wellbeing Studio" in Pollards Hill. Regular community groups covered adult cooking and arts courses, health and wellbeing, youth skills and gardening groups. MF also worked with some of our suppliers who provided materials and resources to assist in our programme.

### During 2025/26, we will:

- be compliant with Awaabs Law by October 2025. We have carried out a gap analysis and implemented an action plan to ensure we will be compliant.
- create a more proactive roofing works programme based on repairs data and procure a specialist contractor.
- procure a long-term responsive repairs and empty homes works contract.
- procure a new communal cleaning contract.
- review and refresh the Pride in Homes and Places Strategy.

**Pride in homes and places**

# Growth in new homes and communities

During 2024/25, we:

- took handover of 478 new homes, 369 for rent and 109 for shared ownership. This was 27 fewer than our target of 505 homes, however 40 homes at one scheme were delayed and will handover in June 2025.
- spent £81m (2024: £107m) on new developments in the year, with 719 new homes started in the year. We develop affordable homes in Homes England and Greater London Authority programmes, utilising recycled capital grant, external funding and surpluses from sales. We also acquired £7.7m of completed homes.
- built up a development pipeline with 1,097 homes in contract and a further 95 approved by our Capital Projects Committee.
- increased the proportion of land-led opportunities in the development pipeline to 69%, towards the aim of 70%.
- specified a minimum EPC B rating, non-gas heating systems, and EV points in all new build contracts.
- sold 112 (2024: 143) new homes as shared ownership at an average 28% sold per home. The average margin was 15.4% (2024: 16.1%). At 31 March 2025, we had only two homes unsold.
- completed 139 (2024: 103) staircasings where shared owners purchase a larger share of their home and 41 (2024: 39) redemptions by equity loan holders. We achieved margins of 46.6% (2024: 47.0%) on staircasings and 47.8% (2024: 46.2%) on redemptions.
- completed 206 resales (2024: 199), 90% of which were retained as shared ownership.

During 2025/26, we will:

- build 328 homes, 219 for rent and 109 for shared ownership.
- spend £123m on new developments.
- sell 105 first tranche sales at a margin of 6.5%. Demand for shared ownership properties remains high, with sales values remaining stable.
- refresh our Growth Strategy.

**Growth in new homes and communities**





# Making it happen

During 2024/25, we:

- launched our People and Culture Framework, focussing on our behaviour framework and values.
- developed a bespoke training programme in partnership with MGI Learning. The training built on our "Own It" value and behaviour and aimed at balancing technical and people skills to build a great customer experience. All colleagues attended the training.
- achieved the Sunday Times Best Places to Work accreditation, the third year running.
- used the new National Housing Federation EDI (Equality, Diversity and Inclusion) data tool to better understand how representative our colleagues, Executive Team and Board are of our local communities.
- organised regular colleague belonging and wellbeing groups: MoatTogether, MoatEmbRACE, MoatEnABLE, MoatEnGENDER and MoatProud.
- launched our Data and Technology Strategy and have been laying the foundations for effective systems and data-led decision making. This has included reviewing our core business systems and cleansing our data.
- have started using modern business intelligence tools like Power BI to improve our business intelligence reporting and to better-understand our performance.
- retained our Cyber Essentials accreditation.

The Moat Team as at 31 March 2025:


7% at least identify as disabled or a person with a disability.

6% at least identify as lesbian, gay or bisexual or use a term other than 'heterosexual or straight'.

During 2025/26, we will:

- launch our People and Culture Strategy.
- launch our EDI Strategy. It sets our vision to be a truly inclusive organisation that enables customers and colleagues to thrive and our promise to treat everyone with empathy, fairness and respect.
- apply for Cyber Essential Plus accreditation.

**Making it happen**

# Our finances

| Summary statement of income | 2024/25 £m | 2023/24 £m | 2022/23 £m | 2021/22 £m | 2020/21 £m |
|---|---|---|---|---|---|
| Income from social housing lettings | 150.9 | 134.4 | 121.8 | 114.8 | 108.3 |
| First tranche sale proceeds | 11.1 | 15.1 | 17.3 | 29.4 | 34.3 |
| Open market sales proceeds | - | 2.2 | 17.8 | 34.6 | 7.7 |
| Other income | 2.4 | 2.7 | 2.9 | 2.5 | 2.5 |
| **Turnover** | **164.4** | **154.4** | **159.8** | **181.3** | **152.8** |
| Operating costs from social housing lettings | (111.3) | (97.0) | (79.7) | (71.3) | (63.6) |
| Cost of first tranche sales | (9.4) | (13.2) | (14.5) | (24.3) | (29.1) |
| Cost of open market sales | - | (2.3) | (16.8) | (29.7) | (7.6) |
| Other operating costs | (6.0) | (5.6) | (2.9) | (6.2) | (6.0) |
| Gain on disposal of fixed assets (housing property, staircasings, disposals; redemptions) | 11.3 | 8.3 | 15.8 | 14.3 | 7.9 |
| **Operating surplus** | **49.0** | **44.6** | **61.7** | **64.1** | **54.4** |
| Movement in fair values | (5.4) | 2.7 | 6.4 | 5.3 | 1.8 |
| Net interest costs | (31.4) | (26.4) | (22.2) | (21.5) | (19.8) |
| **Surplus for the year** | **12.2** | **20.9** | **45.9** | **47.9** | **36.4** |
| **Operating margin** | **30%** | **29%** | **39%** | **35%** | **36%** |
| **Operating margin: social housing lettings** | **26%** | **28%** | **35%** | **38%** | **41%** |

Despite the ongoing challenges of higher costs, in particular significantly higher repair costs, we are pleased to present another strong set of financial results. Operating surplus increased to £49.0m (2024: £44.6m). Our overall surplus for the year is £12.2m (2024: £20.9m). This includes a loss of £5.4m (2024: surplus of £2.7m) in the movement in fair value of financial instruments following the planned restructure of some legacy loans and swaps. At March 2025 we had reserves of £653m (2024: £631m), an increase of £22m.

## Operating margin

Overall operating margin increased marginally to 30% from 29%, due to increased surplus on staircasings and disposals.

## Operating margin: social housing lettings

Social housing lettings covers social and affordable rent, shared ownership and housing for older people. Rental and service charge income increased by £16.3m from annual inflation based increases and additional income from newly built properties. The lettings operating margin fell by 2% due to upward pressure on our costs, with costs increasing by £14.3m.

- Routine repairs costs increased by £9.5m following a review of our existing contract to reflect market rates from the beginning of the year, signing an interim contract with a new supplier in February 2025, and a higher volume of repairs.
- Management costs increased by £3.3m, with an increase of 29 in average FTE to 485 (2024: 456), focussed on improving our customer service.

## Sales

First tranche sales made a surplus of £1.7m (2024: £1.9m), a margin of 15.4% (2024: 12.7%) on sales proceeds of £11.1m (2024: £15.1m). There were no open market sales in the year (2024: £0.1m). Staircasing activity realised a surplus of £9.2m (2024: £6.7m) and redemptions £1.4m (2024: £1.3m). Staircasings and equity loan redemptions activity is demand driven, with the level of activity of staircasings increasing in the year. The disposal of three properties in the year made a surplus of £0.7m (2024: nil). We dispose of properties following an options appraisal, where it is not economically viable to repair them or they are no longer suitable for purpose.

## Interest

Net interest payable on bank loans and bonds increased to £31.5m (2024: £28.1m) on higher borrowing £738m (2024: £676m). Restructure of the portfolio during the year brought lower variable rate debt. The weighted average cost of borrowings at 31 March 2025 down to 4.89% (2024: 4.98%). Interest receivable of £0.5m was £1.5m lower (2024: £2.0m), with 2024 including £1.3m for interest rate swap breaks.





| Statement of Financial Position | 2024/25 £m | 2023/24 £m | 2022/21 £m | 2021/20 £m | 2020/21 £m |
|---|---|---|---|---|---|
| Housing properties | 1,927 | 1,855 | 1,702 | 1,639 | 1,579 |
| Other fixed assets | 47 | 49 | 51 | 55 | 58 |
| Net current assets/(liabilities) | 2 | (25) | 4 | 41 | 37 |
| Housing loans, grants and other long term liabilities | (1,323) | (1,248) | (1,149) | (1,197) | (1,197) |
| **Net assets** | **653** | **631** | **608** | **538** | **477** |
| **Capital and reserves** | **653** | **631** | **608** | **538** | **477** |
| **Gearing** | **37%** | **35%** | **31%** | **30%** | **34%** |

## Housing properties

Housing properties are held at historic cost (less depreciation and impairment). The increase in net book value of housing properties of £72m includes £78.4m investment in building new homes, and £24.1m on work to existing homes, offset by depreciation and reduction for cost of disposals. We have £495m of deferred capital grant in creditors.

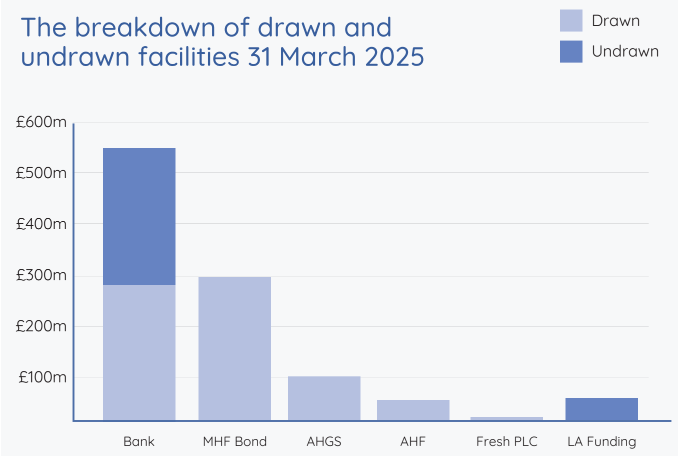
## Housing loans

Borrowings at 31 March 2025 were £738m (2024: £676m), borrowed from banks and building societies in the UK as well as from the capital markets through bond issuance. During 2024, we restructured our borrowings by extending and increasing our revolving credit facility by £75m, repaying £67m of fixed term loans, and accessing £100m via the Affordable Homes Guarantee Scheme (AHGS). The main factor affecting the amount and timing of borrowing is the pace of the development programme. All loans, except the £50m Local Authority Revolving Credit Facility, are secured by first fixed charges over housing properties. Refinancing risk is managed by ensuring that a minimal proportion of the overall debt portfolio is repayable over the next three years.

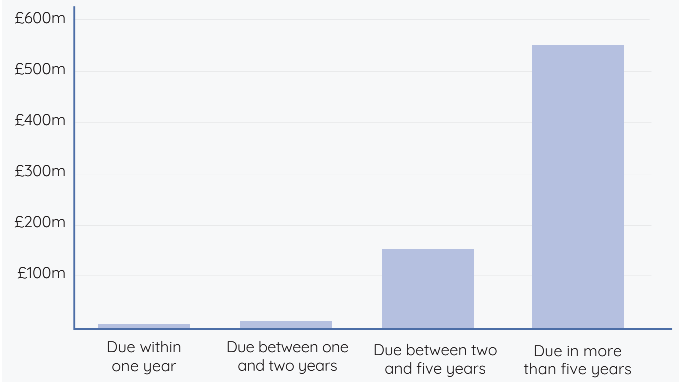
## Public bond

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 2025




Maturity profile of existing drawn loan portfolio 31 March 2025



## 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 position at 31 March 2025 including interest rate swaps is:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | £m | % | £m | % |
| Variable rate | 198 | 27% | 178 | 26% |
| Fixed rate | 540 | 73% | 498 | 74% |
| Total borrowings | 738 | | 676 | |

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. As at 31 March 2025, we had swaps with a nominal value of £38m (2024: £78m). In April 2024, we re-hedged £38m of swaps following the loan break. In March 2025, we made the decision to incur break costs of £0.7m (2024: £4.5m) for the early cancellation in respect of three swaps with a total value of £40m.

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 2025 consisted entirely of property security. There has been an increase in the value of financial instruments of £2.8m (2024: £9.7m) in 2024/25, with £8.2m increase (2024: £7.0m increase) relating to our fully effective hedges shown in other comprehensive income.

## Pensions

We operate one defined benefit scheme which is closed to new members. The pension liability reduced in the year by £2.2m to £7.6m.

## Reserves

At 31 March 2025 we had reserves of £653m (2024: £631m), an increase of £22m. 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 | 2024/25 £m | 2023/24 £m | 2022/23 £m | 2021/22 £m | 2020/21 £m |
|---|---|---|---|---|---|
| Net cash generated from operating activities | 56.6 | 58.3 | 58.0 | 94.8 | 84.2 |
| Net cash outflow from investing activities | (76.2) | (159.0) | (56.2) | (57.1) | (81.9) |
| Net cash inflow/(outflow) from financing activities | 24.1 | 80.5 | (35.3) | (5.6) | 10.4 |
| Net increase/(decrease in cash/cash equivalents) | 4.5 | (20.2) | (33.5) | 32.1 | 12.7 |
| Cash and cash equivalents at 1 April | 11.9 | 32.1 | 65.6 | 33.5 | 20.9 |
| **Cash and cash equivalents at 31 March** | **16.4** | **11.9** | **32.1** | **65.6** | **33.6** |

## Liquidity

Available liquidity at 31 March 2025 was £320.6m (2024: £287.7m). This includes undrawn facilities of £310.5m (2024: £279.0m) together with cash of £8.0m (2024: £6.7m) and an overdraft facility of £2m (2024: £2m).

Cash surpluses are invested in highly rated UK regulated institutions. At 31 March 2025, we held £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. Interest cover and gearing covenants are maintained under various agreements. 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 at 31 March 2025.

## Moody's rating

Our Moody's rating, as of February 2025, is A3 stable (2024: A2 stable). This is an investment grade rating, which 75% of Moody's rated registered provider borrowers are at or lower. The main factor impacting the rating is higher and uncertain repairs and maintenance costs while a long-term repairs contract is being procured.


### Our partnership with Mears

We signed an 18 month interim contract with Mears in February while we procure a longer term repairs solution.

# Value for money.

> We will continue to be financially strong to deliver the corporate strategy for our customers, we are a resilient business and embed value for money in every decision. Our flexibility will help us grasp opportunities as and when they arise.
>
> Corporate Strategy 2023-2028

VfM is embedded across all Moat strategies, processes and values. We look to make the best use of our resources to achieve the maximum value for our customers, focussing not only on cost but also on quality of services and our strategic objectives. To do so, the Board consider a range of performance measures including VfM metrics, management accounts, Tenant Satisfaction Measures and operational performance measures. Our monthly Performance Report is discussed at Executive and Senior Leadership Team meetings, with emphasis on next steps where performance needs to improve. A summary Performance Report is presented at each Board meeting.

## 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 2024/25 performance in each metric is compared to 2023/24 results and to targets based on the 2024/25 and 2025/26 budgets. We also benchmark our performance against our peers, based on 2023/24 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 we benchmark against. This allows for a more useful comparison. The 14 peers chosen are the G15 and CASE members: A2 Dominion, Abri, Clarion, Hyde, L&Q, Notting Hill Genesis, Orbit, Paradigm, Peabody, Southern, Sovereign Network, MTVH, Guinness and West Kent.

The sector is experiencing similar trends as in recent years with competing demands of investment in existing homes and new supply. Pressure to invest in existing stock (for building safety, energy efficiency, stock decency and higher repair costs) has seen costs continue to rise while development costs have also risen. Following several years of high inflation and rising borrowing costs, the financial performance of the sector has weakened.

Against this background, we rank well when compared to our peers, ranking within the top four for five of the nine VfM metrics in 2023/24. For the other metrics we perform better than the peer group average, with the exception of non-social housing supply which reflects our strategy in this area and the timing of activity.

## Metric 1 – Reinvestment %

This measures our investment in new and existing homes as a percentage of the total value of properties held. We invested £83m in building new homes and £24m on fire safety remedial works and replacing components such as kitchens and bathrooms in our existing homes. Investment in new homes was less than budgeted mainly due to delays in development works, while spend of fire safety remedial works was higher as additional work was required following the commencement of works on site.

## 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 478 new homes in the year, which was 126 higher than the previous year and 27 lower than budgeted. We plan to deliver 328 homes in 2025/26.

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 have a limited non-social housing development programme in MHG one development of 198 homes underway to be delivered between 2026 and 2030.





| | | Target 2025/26 | Actual 2024/25 | Target 2024/25 | Actual 2023/24 | Peer group average 2023/24 | Ranking v peer group 2023/24 |
|---|---|---|---|---|---|---|---|
| Metric 1 | Reinvestment % | 4.1% | 5.5% | 6.0% | 6.9% | 6.5% | 7th |
| Metric 2 | New supply delivered (Social Housing Units) % | 1.5% | 2.3% | 2.6% | 1.7% | 1.7% | 6th |
| | New supply delivered (Non-social Housing Units) % | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 13th |
| Metric 3 | Gearing % | 36% | 37% | 40% | 36% | 47% | 1st |
| Metric 4 | EBITDA MRI Interest Cover % | 126% | 101% | 112% | 125% | 70% | 3rd |
| Metric 5 | Headline social housing cost per unit (HSHC) £ | £5,605 | £5,865 | £5,523 | £5,099 | £6,505 | 3rd |
| Metric 6 | Operating margin (social housing lettings only) % | 29% | 26% | 30% | 28% | 24% | 4th |
| | Operating margin (overall) % | 25% | 23% | 26% | 23% | 16% | 3rd |
| Metric 7 | Return on capital employed (ROCE) % | 2.5% | 2.5% | 2.5% | 2.4% | 2.2% | 8th |

## Metric 3 – Gearing

This metric assesses the degree of reliance on debt finance by measuring total debt divided by housing properties at cost. Gearing at 37% is increasing but remains well below our golden rule. Net debt increased by £62m and the cost of housing properties increased by £78m. The increase in gearing is a product of our plan to develop approximately 450 homes per year along with a growing investment in existing homes.

## Metric 4 – EBITDA MRI interest cover

The EBITDA MRI (Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included) interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus generated compared to interest payable. Our performance has been impacted by higher repairs spend. By participating in the SHDF programme, we concentrated a high level of net zero carbon spend in one year, with £7m net spend capitalised in the year. Our target for 2025/26 without this additional spend improves. We continue to remain well above our lender covenants.

## Metric 5 – Headline social housing cost per unit

The unit cost metric assesses the cost of managing a social housing unit, using costs as defined by the Regulator. As compared to 2023/24, the cost per unit has increased by £766. Although there was an increase in the number of homes managed by 382, costs increased by £17.1m. Maintenance cost per unit increased by £329, Major repairs cost per unit by £241, and management cost per unit by £137. Our cost per unit is higher than target mainly due to the higher than budgeted repairs costs. The target for 2025/26 reflects the anticipated beneficial impact of changes to the routine repairs contract and a reduction in spend on sustainability following the completion of work linked to SHDF funding.

## 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 decreased mainly due to increased spend on management costs and repairs expenditure. We are targeting a higher margin for 2025/26, reflecting budgeted efficiencies.
- Operating margin (overall)
  The overall operating margin includes first tranche sales but excludes any surplus from the sale of fixed assets. The overall margin has been impacted by higher operating costs.

## 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. Compared to our target, higher operating costs have been offset by a £2.9m higher surplus from staircasings, redemptions and disposals.

**Strategic report**
Leadership and Governance

# Leadership and Governance.

## Board and Committee membership and attendance 2024/25

| Name | MHL Board | MHG Board | Governance and People committee | Audit and Risk Committee | Finance Committee | Customer and Communities Committee |
|---|---|---|---|---|---|---|
| Steve White<br>*Independent* | Chair<br>7/8 | 3/4 | 1/4 | | | |
| Mark Foster<br>*Senior Independent*<br>Resigned April 2025 | 7/8 | | Chair<br>4/4 | 3/4 | | 4/4 |
| Tim Boag<br>*Independent* | 8/8 | 4/4 | 1/1* | | Chair<br>5/5 | |
| David Brocklebank<br>*Independent* | 7/8 | Chair<br>4/4 | | | 5/5 | |
| Gavin Cansfield<br>*Independent*<br>Resigned April 2024 | 7/8 | | | 1/1 | | Chair<br>1/1 |
| Jeremy Ellis<br>*Independent* | 8/8 | | | 4/4 | | 4/4 |
| Andrew Farmer<br>*Independent* | 7/8 | 4/4 | | Chair<br>4/4 | 5/5 | |
| Belinda Moore<br>*Independent*<br>Resigned January 2025 | 5/7 | | 3/3 | | | 4/4 |
| Jo Moran<br>*Independent Committee*<br>Stepped down April 2024 | | | 1/1 | | | 1/1 |
| Caroline Ross<br>*Independent* | 7/8 | | 3/4 | | | Chair<br>4/4 |
| Trafford Wilson<br>*Independent*<br>Appointed February 2025 | 1/1 | | | | | |
| Faith Locken<br>*Co-optee*<br>Appointed February 2025 | 1/1 | 1/1 | | 1/1 | | |
| Gavin Cansfield<br>*Chief Executive*<br>Appointed October 2024 | 5/5 | 2/3 | | | | |
| Steve Nunn<br>*Executive* | 8/8 | 4/4 | | | | |
| Gloria Yang<br>*Executive* | 8/8 | 4/4 | | | | |

* Appointed to Governance and People Committee November 2024.

# Our non-executive directors.

### Steve White
Independent Chair


Steve joined the Board in July 2016 and became Chair of the Board in May 2018. He has led organisations through large transformation, including a period as Chief Executive of Hyde Group.

### Mark Foster
Senior Independent Director


Mark joined the Board in May 2016, having spent most of his executive career in marketing and international development roles in the entertainment industry.

### Tim Boag
Independent Director


Tim joined the Board in December 2017. Tim has had an extensive career including a number of roles throughout Corporate and Commercial Banking with RBS/ NatWest and more recently at Aldermore Bank.

### David Brocklebank
Independent Director

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.

### Jeremy Ellis
Independent Director

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

### Andrew Farmer
Independent Director

Andrew joined Moat's 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.

### Caroline Ross
Independent Director

Caroline joined Moat's Board in November 2020. She has been Chief People Officer at ASOS.com, and headed the people strategy, organisational culture and HR synergies across the Flutter Group.

### Trafford Wilson
Independent Director

Trafford joined the Board in February 2025. He is the Executive Director of Customer Services at the Guinness Partnership and has a background in customer experience, finance and engineering.

### Faith Locken
Co-optee

Faith joined the Board in February 2025. She is a chartered commercial surveyor and the Founder of We Rise In, a business dedicated to improving diversity, equity, and inclusion.

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

# Our Executive Team.

## Gavin Cansfield
Chief Executive

Gavin joined Moat as Chief Executive in October 2024 after being Chief Executive of Settle. He 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 housing and its ability to transform people's lives.

## Steve Nunn
Executive Director: Growth

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 McKenzie
Executive Director: People and Culture

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 Yang
Executive Director: Finance

Gloria was appointed in April 2023 to lead on developing and maintaining the financial well-being. Her career spans executive finance roles at several housing associations. She is currently a member of the Credit Committee at MORhomes PLC and Chair of the Audit and Risk Committee for Phoenix Community Housing and is a Fellow member of ACCA.

## Marek Witko
Executive Director: Housing and Customer Experience

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

Ian was appointed in May 2025 to lead on our strategy to maintain and improve our homes, and overseas long-term investment, repairs, maintenance and compliance. He has worked in the sector for over 30 years. He is a fellow of the Chartered Institute of Building. He is a Trustee of Baldock Charity Estates.





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

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

**Appoints Executive Team, who appoint**

- **Senior Leadership Team**
- **Health, Safety and Wellbeing Panel**
- **Capital Projects Panel**
- **Strategy Keeping Our Customers Safe Group**
- **Asset Management Group**
- **Data Steering Group**
- **Transformation Steering Group**
- **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.

### Finance Committee

The Finance Committee oversees Moat's financial performance, treasury strategy and provides detailed assurance on the 30-year Financial Plan to the Board.

### Customer and Communities Committee

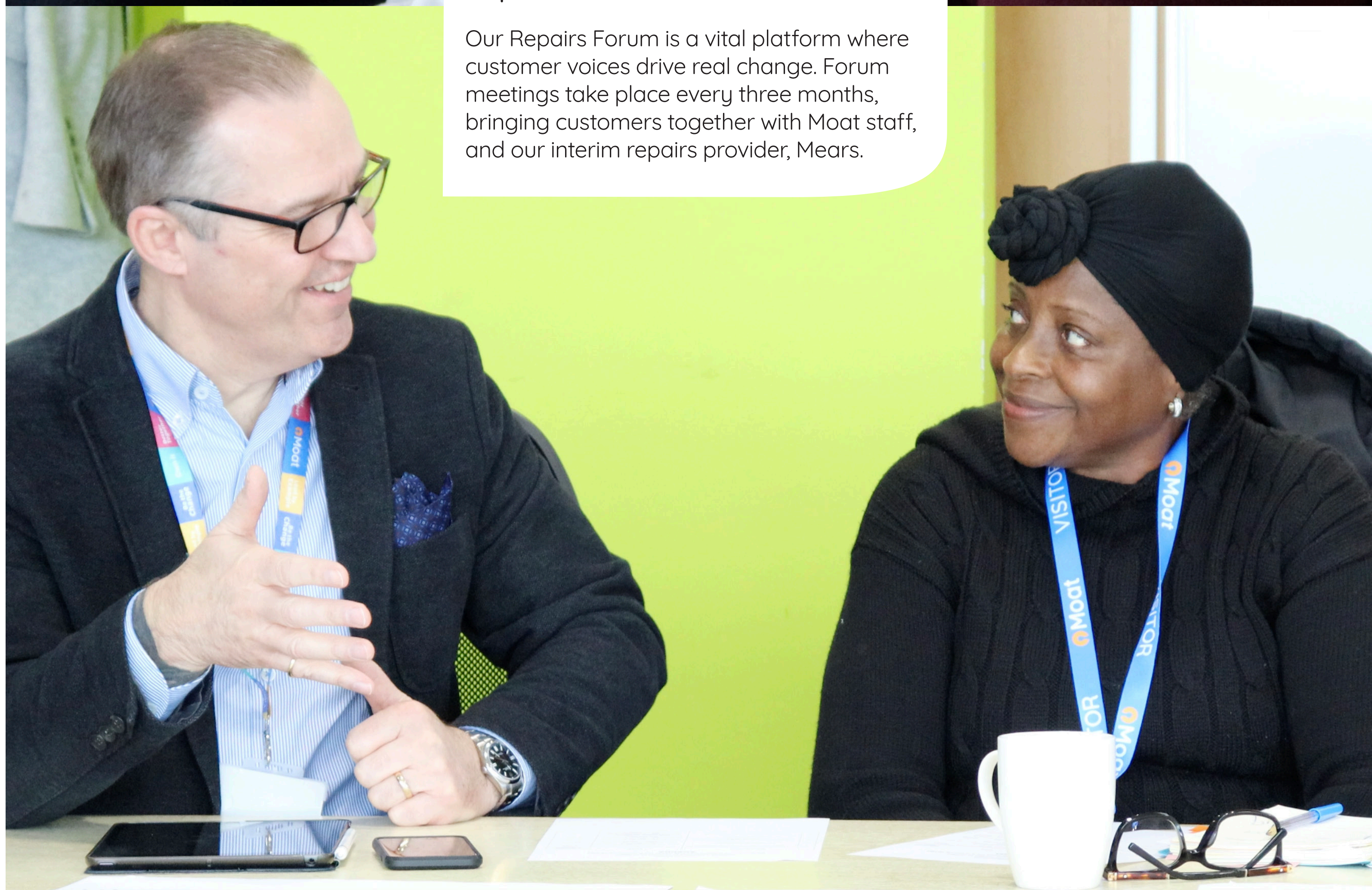
The Customer and Communities Committee provides assurance on landlord responsibilities and customer service provision. It also advises on customer influence and engagement.

### Governance and People Committee

The Governance & 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.

### Repairs Forum

Our Repairs Forum is a vital platform where customer voices drive real change. Forum meetings take place every three months, bringing customers together with Moat staff, and our interim repairs provider, Mears.



Strategic report
Risks

# 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 current appetite is:

- an open appetite in pursuit of delivering excellent customer services and ensuring we are customer led and responsive.
- an open appetite for shared ownership sales.
- a balanced appetite towards use of technology, sustainability, land-led opportunities.
- a balanced appetite towards financial capacity risk, operating within a framework, with clear 'Golden Rules'.
- a balanced appetite for managing our housing stock and engaging with stakeholders in the areas our customers live.
- an adverse appetite in relation to any actions or omissions that impact on the continued provision of safe and decent homes for our customers, our data quality and cyber security, and in relation to our compliance with legal and regulatory requirements.

The Risk Management Policy and Framework is updated and reviewed by the Audit and Risk Committee every 3 years. It was approved by the Board in March 2024. Strategic and operational risks are monitored, with risks ranked using an agreed scoring system 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 Audit and Risk 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 awayday 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.

The 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.

| Risk Description | 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)<br>• Weekly monitoring of Core KPI's<br>• Strategic Transformation project to prepare for future service offer<br>• Strategic alliance to be developed for managing groups of contractors |
| 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<br>• Oversight of complaints through Executive Team and Complaints Oversight Group<br>• Customer led Repairs Forum<br>• CRM system to support case management and monitoring |
| 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<br>• Behavioural framework (including our professional standard) linked to performance<br>• Professional development programme<br>• Moat specific customer service training<br>• ET and Board to agree our cultural vision |
| 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 our Data and Technology Strategy<br>• Data Maturity Delivery Plan outlining the key strategic areas of focus and milestones to improve data management<br>• Data owner and steward training |
| Compromised IT systems and/or data arising from a significant cyber security breach. | • Workforce mandatory training and support regarding cyber-attacks<br>• Cyber security testing, both cyclical and unplanned, including phishing simulations<br>• Robust email and file scanning and interception software<br>• Cyber security attack response plans, which are regularly tested<br>• 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<br>• Prudent set of assumptions used in annual Board approved financial plan and quarterly plan update<br>• Comprehensive range of stress tests<br>• Mitigation plan details the actions to be taken under a stress situation<br>• Contractor viability checks and monitoring. |
| Ineffective financial planning and mitigation resulting in lower covenant and liquidity headroom, limiting ability to make the most impactful investment decisions for customers and communities. | • Golden rules ensure significant headroom against covenant requirements<br>• External review of investment appraisal assumptions<br>• External treasury advisory and assurance<br>• Annual treasury management policy review and approval. |
| Our homes do not remain safe or fit for our customers to live in. Failure to maintain robust compliance with statutory, legislative and regulatory requirements for health and safety and building compliance or address systemic issues. | • Monitoring of KPIs covering landlord Health and Safety obligations, decent homes and stock condition<br>• Dedicated internal skilled resources and retained third party expertise<br>• Damp and mould taskforce |
| A significant economic downturn may impact sales values of and demand for shared ownership and outright sales homes | • Value for money and deliverability tests on build costs for new projects<br>• All outright sale projects require approval of both MHG and MHL Board<br>• Reduced exposure in development pipeline to shared ownership and outright sales |

# 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 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 Audit and Risk Committee obtains assurance through a detailed work programme:

| Agenda item | Frequency | Content |
|---|---|---|
| Assets and Liabilities Register | Each meeting | Review 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, 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 Whistleblowing Policy, Business Continuity Policy, Disaster Recovery Policy |
| Risk and Assurance Update | Each meeting | Review of strategic and operational risk registers and adequacy of assurance |

The outsourced internal audit function undertakes a comprehensive annual plan of reviews and control testing activity. The findings provide 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.

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 2025 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.





# Statement of responsibilities of the Board.

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

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

The Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit for that year. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for taking such steps as are reasonably open to it to safeguard the assets of the Group and the Association and to prevent and detect fraud and other irregularities.

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

The Board confirms that the Strategic Report follows the principles set out in the Statement of Recommended Practice, Accounting by Registered Social Housing Providers Update 2018 (SORP).

The Board confirms that it considers that the Strategic Report and financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for members to assess Moat's performance, business model and strategy.

### Compliance with National Housing Federation (NHF) Code of Governance

The Board adopted the NHF Code of Governance 2020 from 1 April 2024.

The Code was adopted in the knowledge that there was work to do to become fully compliant with the Code, and the Governance and People Committee was tasked with overseeing progress of the compliance plan. Progress with the plan was reported to each Governance & People Committee since its adoption, with the final action being completed in December 2024.

The Governance and People Committee reviewed the self-assessment at its meeting in May 2025, and confirmed that Moat is complaint with the Code, with areas of improvement required to further strengthen our controls already progressing as part of our Governance and Consumer Standards Improvement Plan.

### 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). In October 2024 the RSH carried out an in-depth assessment against those Standards and valuated our performance in three areas: consumer standards (C), governance processes (G), and viability (V). The judgement was confirmed by the RSH in December 2024, resulting 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 needs to improve some aspects of our governance arrangements to support continued compliance'.

Strategic report
Leadership and Governance

- V2 means that we ‘meet viability requirements and 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 March 2025 the Board approved a Governance and Consumer Standards Improvement Plan. We continue to engage actively with the RSH to address areas for improvement and value their feedback. We are fully committed to making the necessary changes and are confident in our ability to improve our performance in the identified areas.

## Assets and Liabilities Register

A review of our assets and liabilities registers has been completed, and a full review is undertaken on an annual basis.

## 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 policy requires a register to be maintained of all actual and attempted fraud. All such cases are reported to the Board through the Audit and Risk 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.

The reviewed Whistleblowing Policy (Speaking-up) was approved by the Audit and Risk Committee in February 2025. The Whistleblowing Policy requires a register to be maintained, which is reported to the Audit and Risk Committee at each of their meetings.

## Compliance with Financial Conduct Authority (FCA) regime

In order to deliver some of our services, such as referring customers to our panel of mortgage advisors and managing our historic equity loans, we are required to be authorised by the Financial Conduct Authority (FCA). In compliance with the Senior Managers and Certification Regime, we can confirm that Moat had the required arrangements in place throughout the year.

## 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 focuses on a period of five years and was made using Moat’s core business processes, including the following:

- 2025/26 budget - in March 2025, the Board approved the budget for 2025/26. 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 2025, the Board reviewed and approved the 30-year financial plan. Compared to last year’s plan, it assumes a reduction to an average of 428 homes over the 10-year development programme and an increase in works to existing homes to reflect current contract costs. 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 22 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.
- Viability and credit rating – our viability rating from the RSH is V2, credit rating from Moody’s is A3 stable.

This review concludes that Moat is viable for the next five years.

## Going Concern

Based on the work discussed in the Viability Statement, 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.

## 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 2024/25 and will continue to act vigilantly in line with the Act. Its Statement confirming compliance with the Act is available on our website **moat.co.uk**.

## 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 in order to prevent the criminal facilitation of tax evasion in line with the Act.

## Health and Safety

The Board 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 Health and Safety Executive engagement or intervention has taken place within the last 12 months.

## 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. There is an excess of £25k for corporate liability, with an overall limit of £5m. This is clearly outlined within Board Members and Executives’ contracts.

## Political and Charitable Donations

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

## 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. Moat has a People and Culture Framework in place, which recognises the importance and contribution of the employees to its ongoing success.

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.

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**.

## ESG Report

Our ESG Report is on our website **moat.co.uk**.

## Post Balance Sheet events

There have been no events post 31 March 2025 which require disclosure.

## Provision of information to the Auditor

The Board members confirm that in fulfilling their duties as a Director they have taken the steps they ought to have taken to make themselves aware of any information relevant to the audit and the auditors are aware of that information. So far as they are each aware, there is no relevant audit information which the auditor is unaware of.

Approved by the Board and signed
on its behalf by:

Steve White, Chair
31 July 2025

# Report of the Independent Auditor

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's 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 properly 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 2025, 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 and Association statement of changes in reserves, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

## Independence

Following the recommendation of the Audit Committee, we were appointed by the Board on 20 January 2017 to audit the financial statements for the year ending 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 9 years, covering the years ending 31 March 2017 to 31 March 2025.

We remain independent of the Group and the Parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 Parent Association.

## 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 Parent 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 considered the appropriateness of management' 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 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 Parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

| Overview | | | |
|---|---|---|---|
| Key audit matters | The recoverable amount of property developed for sale | 2025<br>Yes | 2024<br>Yes |
| Materiality | Group financial statements as a whole:<br>£30.6m (2024: £29.6m) based on 1.5% of total assets (2024: 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. On the basis of this, 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.

## Procedures performed at the component level

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence to support the Group opinion. We performed procedures to respond to Group risks of material misstatement at the component level that included the following:

| Component | Component name | Entity | Group Audit Scope |
|---|---|---|---|
| 1 | MHL | Moat Homes Limited | Statutory audit and procedures on the entire financial information of the component |
| 2 | MHG | Moat Housing Group Limited | Procedures on one or more classes of transactions, account balances or disclosures |
| 3 | MHF | Moat Homes Finance Plc | Procedures on one or more classes of transactions, account balances or disclosures |

## Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls as well as similarity of the Group's activities in relation to:

- impairment of housing assets;
  recoverable amount of inventory;
- tax balances;
- consolidation, financial statement preparation and cash flow statement;
- going concern; and
- laws and regulations

we therefore designed and performed procedures centrally in these areas.

The Group operates a centralised IT function that supports IT processes for certain 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. The Group engagement team has performed all procedures and had not involved component auditors in the Group audit. MHF was considered a significant component in the prior year, but due to the change in ISA 600 (UK) Revised, we no longer consider this entity to be a significant component in the current year.

Report of the Independent Auditor

## 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.

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>The recoverable amount of property developed for sale<br><br>This relates to items included in note 17 of the financial statements.<br><br>This area also represents a key judgement made by management as described on page 56.</td><td>As explained in the accounting policies, properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and estimated sales proceeds less all costs to complete and sell, resulting in an amount recognised in the balance sheet of £32.5m.<br><br>For completed properties at the balance sheet date an assessment is needed of the anticipated selling price.<br><br>For properties in development at the balance sheet date, an assessment is needed of both an expected selling price and a determination of the expected costs to complete and sell.<br><br>Due to the volume of properties under construction and the level of judgement involved in estimating both selling price and costs to complete and sell, we considered there to be a significant risk that the carrying amount of properties developed for sale is misstated and this was therefore a key audit matter.</td><td>Our response included the following:<br>Having obtained management's assessment of the recoverable amount of properties developed for sale, we selected a sample on which to perform detailed testing. Our samples were chosen from the populations of items that represented developments under construction and completed developments at year-end.<br><br>For the schemes selected, we performed one or a combination of the below, based on the risk attached to each scheme selected:<br><br>1. For forecast sales price of unsold properties and work in progress we obtained one or more of: evidence of sales reservations on the property; third party formal valuation of the property; sales prices achieved for similar units in the year; valuation of properties for marketing purposes.<br><br>2. For costs to complete we performed one or a combination of the following:<br>• Obtained the latest cost consultant report or build contractor's invoice and compare construction costs with total contract value, taking into account latest contract variations.<br>• Obtained details of the expected costs to complete from the scheme budget and agree the budgeted contract costs of the development to the latest contract documentation and considered the appropriateness of any estimates used.<br>• Assessed the accuracy of cost forecasting by looking at the outturn of costs compared to budget on schemes completed in the year.<br>• For the schemes selected we reviewed invoices and valuation certificates received post year end in order to assess the completeness of expenditure and reasonableness compared to spend forecast.<br>• Considered Capital Projects Committee minutes for indications of cost overruns, contractor disputes or solvency issues in relation to the schemes under development<br>• For development schemes in progress, we discussed with the Commercial Director whether there was any indication of any potential cost issues (corroborating as required) in relation to:<br>  – Price inflation<br>  – Contractor solvency<br>  – Variations, including contractor request to increase the price of a fixed price contract.<br><br>3. For costs to sell – we reviewed computations of selling costs and compared with known selling costs that have been incurred in the year.<br><br>Key observations<br>Based on the evidence obtained we did not identify any indications that the assessments of the recoverable amount made by management were inappropriate.</td></tr>
</table>

## 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 | | Parent Association Financial Statements | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| **Financial statement materiality** | | | | |
| Materiality | £30.6m | £29.6m | £28.5m | £29.4m |
| Basis for determining materiality | 1.5% of total assets | 1.5% of total assets | 1.5% of total assets | 1.5% of total assets |
| Performance materiality | £22.9m | £20.7m | £21.3m | £20.5m |
| Basis for determining performance materiality | 75% of materiality | 70% of materiality | 75% of materiality | 70% of materiality |
| **Specific materiality** | | | | |
| Specific materiality | £3.8m | £3.0m | £3.5m | £3.0m |
| Basis for determining specific materiality | 2% of revenue | 2% of revenue | 2% of revenue | 2% of revenue |
| Specific performance materiality | £2.8m | £2.1m | £2.6m | £2.1m |
| Basis for determining specific performance materiality | 75% of materiality | 70% of materiality | 75% of materiality | 70% 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 Committee that we would report to them all individual audit differences in excess of £600k (2024: £590k) in relation to financial statement materiality and £70k in relation to specific materiality (2024: £60k). 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.

### 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; and
- 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 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:

- 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; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

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 included:

- testing journal entries throughout the year, which met defined risk criteria, as well as a random sample, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, such as the recoverable amount of properties developed for sale (see Key Audit Matter) and impairment of tangible fixed assets by challenging estimates made by management.

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.

### 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.

**DocuSigned by:**

E Kulczycki

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Elizabeth Kulczycki
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor, London UK

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

01 August 2025

# Consolidated statement of comprehensive income

For the year ended 31 March 2025

| | Notes | 2025 | 2024 |
|---|---|---|---|
| | | £000 | £000 |
| Turnover | 3 | 164,448 | 154,448 |
| Operating costs | 3 | (117,316) | (102,731) |
| Cost of sales | 3 | (9,385) | (15,449) |
| Gain on disposal of housing properties (disposals, staircasings, redemptions and right to buy/acquire) | 3,4 | 11,291 | 8,341 |
| Loss on disposal of other fixed assets | 3,4 | (5) | - |
| **Operating surplus** | **3** | **49,033** | **44,609** |
| Interest receivable and similar income | 7 | 466 | 1,999 |
| Interest payable | 8 | (31,493) | (28,055) |
| Other finance costs | 9 | (441) | (325) |
| Movement in fair value of investment properties | 15 | - | 29 |
| Movement in fair value of financial instruments | 26 | (5,362) | 2,669 |
| **Surplus before taxation** | **10** | **12,203** | **20,926** |
| Taxation | 11 | - | - |
| **Surplus for the year** | | **12,203** | **20,926** |
| Movement in fair value of hedged financial instruments | 26 | 8,157 | 7,041 |
| Remeasurement of pension liability | 29 | 1,020 | (4,207) |
| **Total comprehensive income for the year** | | **21,380** | **23,760** |

The notes on pages 51 to 86 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 2025

| | Notes | 2025 | 2024 |
|---|---|---|---|
| | | £000 | £000 |
| Turnover | 3 | 164,270 | 152,044 |
| Operating costs | 3 | (117,224) | (102,589) |
| Cost of sales | 3 | (9,374) | (13,157) |
| Gain on disposal of housing properties (disposals, staircasings, redemptions and right to buy/acquire) | 3,4 | 11,291 | 8,341 |
| Loss on disposal of other fixed assets | 3,4 | (5) | - |
| **Operating surplus** | **3** | **48,958** | **44,639** |
| Interest receivable and similar income | 7 | 1,186 | 3,433 |
| Interest payable | 8 | (31,489) | (28,046) |
| Other finance costs | 9 | (441) | (325) |
| Movement in fair value of investment properties | 15 | - | 29 |
| Movement in fair value of financial instruments | 26 | (5,362) | 2,669 |
| **Surplus before taxation** | **10** | **12,852** | **22,399** |
| Taxation | 11 | - | - |
| **Surplus for the year** | | **12,852** | **22,399** |
| Movement in fair value of hedged financial instruments | 26 | 8,157 | 7,041 |
| Remeasurement of pension liability | 29 | 1,020 | (4,207) |
| **Total comprehensive income for the year** | | **22,029** | **25,233** |

The notes on pages 51 to 86 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 2025

| | Notes | 2025 £000 | 2024 £000 |
|---|---|---|---|
| Fixed assets | | | |
| Housing properties | 13 | 1,927,201 | 1,855,251 |
| Investment properties | 15 | 621 | 621 |
| Other tangible fixed assets | 16 | 14,281 | 14,550 |
| Homebuy loans receivable | | 32,289 | 33,766 |
| Derivative financial instruments- assets | 26 | 275 | - |
| | | **1,974,667** | **1,904,188** |
| Current assets | | | |
| Housing stock for sale | 17 | 32,482 | 31,723 |
| Debtors | 18 | 16,508 | 15,473 |
| Cash and cash equivalents | | 16,426 | 11,896 |
| | | 65,416 | 59,092 |
| Creditors - amounts falling due within one year | 19 | (63,538) | (84,271) |
| **Net current assets/(liabilities)** | | **1,878** | **(25,179)** |
| Total assets less current liabilities | | 1,976,545 | 1,879,009 |
| Creditors - amounts falling due after more than one year | 20 | (1,316,141) | (1,234,537) |
| Derivative financial instruments - liabilities | 26 | - | (3,220) |
| Pension liability | 29 | (7,598) | (9,826) |
| **Net assets** | | **652,806** | **631,426** |
| Capital and reserves | | | |
| Called up share capital | 28 | - | - |
| Reserves - Revenue reserve | | 669,682 | 656,459 |
| - Cash flow hedge reserve | | (16,876) | (25,033) |
| **Total reserves** | | **652,806** | **631,426** |

The notes on pages 51 to 86 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 31 July 2025 and signed on its behalf by:

Steve White
Chair

Andrew Farmer
Board Member

Gloria Yang
Secretary





# Association statement of financial position

## As at 31 March 2025

| | Notes | 2025 £000 | 2024 £000 |
|---|---|---|---|
| Fixed assets | | | |
| Housing properties | 13 | 1,926,807 | 1,854,852 |
| Investment in subsidiaries | 14 | 50 | 50 |
| Investment properties | 15 | 621 | 621 |
| Other tangible fixed assets | 16 | 14,281 | 14,550 |
| Homebuy loans receivable | | 32,239 | 33,716 |
| Derivative financial instruments- assets | 26 | 275 | - |
| | | **1,974,273** | **1,903,789** |
| Current assets | | | |
| Housing stock for sale | 17 | 11,462 | 10,737 |
| Debtors | 18 | 25,334 | 22,872 |
| Cash and cash equivalents | | 15,759 | 11,090 |
| | | 52,555 | 44,699 |
| Creditors - amounts falling due within one year | 19 | (63,518) | (83,354) |
| **Net current liabilities** | | **(10,963)** | **(38,655)** |
| Total assets less current liabilities | | 1,963,310 | 1,865,134 |
| Creditors - amounts falling due after more than one year | 20 | (1,315,336) | (1,233,741) |
| Derivative financial instruments - liabilities | 26 | - | (3,220) |
| Pension liability | 29 | (7,598) | (9,826) |
| **Net assets** | | **640,376** | **618,347** |
| Capital and reserves | | | |
| Called up share capital | 28 | - | - |
| Reserves - Revenue reserve | | 657,252 | 643,380 |
| - Cash flow hedge reserve | | (16,876) | (25,033) |
| **Total reserves** | | **640,376** | **618,347** |

The notes on pages 51 to 86 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 31 July 2025 and signed on its behalf by:

Steve White
Chair

Andrew Farmer
Board Member

Gloria Yang
Secretary

# Statement of changes in reserves

## For the year ended 31 March 2025

| Consolidated | Revenue reserve £000 | Cash flow hedge reserve £000 | Total reserves £000 |
|---|---|---|---|
| **Balance at 1 April 2023** | **639,740** | **(32,074)** | **607,666** |
| Surplus for the year | 20,926 | - | 20,926 |
| Movement in fair value of hedged financial instruments | - | 7,041 | 7,041 |
| Remeasurement of pension liability | (4,207) | - | (4,207) |
| **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 31 March 2025** | **669,682** | **(16,876)** | **652,806** |

| Association | Revenue reserve £000 | Cash flow hedge reserve £000 | Total reserves £000 |
|---|---|---|---|
| **Balance at 1 April 2023** | **625,188** | **(32,074)** | **593,114** |
| Surplus for the year | 22,399 | - | 22,399 |
| Movement in fair value of hedged financial instruments | - | 7,041 | 7,041 |
| Remeasurement of pension liability | (4,207) | - | (4,207) |
| **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 31 March 2025** | **657,252** | **(16,876)** | **640,376** |

# Consolidated statement of cash flows

## For the year ended 31 March 2025

| | 2025 £000 | 2024 £000 |
|---|---|---|
| Net cash generated from operating activities (note 30) | 56,608 | 58,310 |
| Cash flow from investing activities: | | |
| Purchase of housing properties | (102,614) | (179,087) |
| Purchase of other fixed assets | (1,252) | (1,230) |
| Proceeds from sale of fixed assets | 23,716 | 17,282 |
| Grants received | 1,540 | 397 |
| Social housing decarbonisation grant (SHDF) received | 2,005 | 3,015 |
| Interest received | 466 | 663 |
| **Net cash outflow from investing activities** | **(76,139)** | **(158,960)** |
| Cash flow from financing activities: | | |
| Interest paid | (35,970) | (30,793) |
| Swap break fees | (719) | (4,515) |
| Interest element of finance lease rental payment | (2) | (3) |
| New secured loans | 100,000 | - |
| Drawdown of revolving credit facility | 42,165 | 130,200 |
| Repayment of borrowings | (81,413) | (14,404) |
| **Net cash inflow from financing activities** | **24,061** | **80,485** |
| Taxation | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | **4,530** | **(20,165)** |
| Cash and cash equivalents at 1 April | 11,896 | 32,061 |
| **Cash and cash equivalents at 31 March** | **16,426** | **11,896** |

| Net debt analysis | At 31 March 2024 £000 | Cash flows £000 | Other non-cash changes £000 | At 31 March 2025 £000 |
|---|---|---|---|---|
| Cash and cash equivalents | | | | |
| Cash and cash equivalents | 11,896 | 4,530 | - | 16,426 |
| Debt | | | | |
| Borrowings due within one year | (17,047) | 14,412 | (14,485) | (17,120) |
| Borrowings due after one year | (711,011) | (75,166) | 16,522 | (769,655) |
| Derivative financial liabilities | (3,220) | - | 3,495 | 275 |
| | (731,278) | (60,754) | 5,532 | (786,500) |
| **Total net debt** | **(719,382)** | **(56,224)** | **5,532** | **(770,074)** |

Notes to the financial statements
For the year ended 31 March 2025

## 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 company, 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:

- 2025/26 budget - in March 2025, the Board approved the budget for 2025/26. 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 2025, the Board reviewed and approved the 30-year financial plan. Compared to last year's plan, it assumes a reduction to an average of 428 homes over the 10-year development programme and an increase in works to existing homes to reflect current contract costs. 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 22 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.

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 |
| 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 to 10 years |
| Computer equipment | 3 years |
| Scheme furniture and equipment | 3 to 40 years |

### 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

Notes to the financial statements
For the year ended 31 March 2025

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 call deposits.

### 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.

Notes to the financial statements
For the year ended 31 March 2025

### 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.
- 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 2025. 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 Finance 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 book 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. 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.




### Sustainability

We have spent £11.1m on sustainability improvements in the year, including installing air source heat pumps for our customers like David, Doreen and Alan.

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

| | 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) |
| Other | - | (39) | - | - | (39) |
| **Total** | **164,448** | **(117,316)** | **(9,385)** | **11,286** | **49,033** |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Turnover | Operating costs | Cost of sales | Gain on disposal of fixed assets | Operating surplus |
| | £000 | £000 | £000 | £000 | £000 |
| Social housing lettings | 134,430 | (97,035) | - | - | 37,395 |
| Other social housing activities | | | | | |
| Contracted services | 859 | (488) | - | - | 371 |
| Development administration | - | (3,077) | - | - | (3,077) |
| Shared ownership property sales | 15,076 | - | (13,157) | - | 1,919 |
| Staircasing activity on low cost home ownership | - | - | - | 6,665 | 6,665 |
| Redemption of equity loans | - | - | - | 1,275 | 1,275 |
| Right to buy/right to acquire | - | - | - | 401 | 401 |
| Investment in communities | - | (1,494) | - | - | (1,494) |
| Other | 1,611 | (498) | - | - | 1,113 |
| Non-social housing activities | | | | | |
| Market renting lettings | 251 | (82) | - | - | 169 |
| Open market sales | 2,221 | - | (2,292) | - | (71) |
| Other | - | (57) | - | - | (57) |
| **Total** | **154,448** | **(102,731)** | **(15,449)** | **8,341** | **44,609** |





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

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | 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 | 87,363 | 31,759 | 9,417 | 128,539 | 114,089 |
| Service charge income | 6,892 | 7,698 | 2,203 | 16,793 | 14,955 |
| Net rental income | 94,255 | 39,457 | 11,620 | 145,332 | 129,044 |
| Amortisation of government grant | 4,120 | 1,001 | 438 | 5,559 | 5,386 |
| **Total turnover from social housing lettings** | **98,375** | **40,458** | **12,058** | **150,891** | **134,430** |
| Operating costs of social housing lettings | | | | | |
| Management | (19,184) | (8,005) | (3,883) | (31,072) | (27,807) |
| Service charge costs | (7,000) | (7,596) | (1,979) | (16,575) | (15,375) |
| Routine maintenance | (25,703) | - | (3,704) | (29,407) | (19,881) |
| Planned maintenance | (2,295) | (43) | (332) | (2,670) | (5,177) |
| Major repairs expenditure | (6,583) | (50) | (263) | (6,896) | (6,900) |
| Rent losses from bad debts | (347) | 69 | (74) | (352) | (609) |
| Depreciation of housing properties | (18,745) | (3,730) | (1,822) | (24,297) | (21,286) |
| **Total operating costs on social housing lettings** | **(79,857)** | **(19,355)** | **(12,057)** | **(111,269)** | **(97,035)** |
| **Operating surplus on social housing lettings** | **18,518** | **21,103** | **1** | **39,622** | **37,395** |
| Void losses | (3,162) | - | (918) | (4,080) | (3,111) |

Included within social housing lettings operating costs is £2,773k, £7,518k spend of which £4,745k is capitalised (2024: £2,408k) of fire safety costs and £1,056k, £9,769k spend of which £8,713k is capitalised (2024: £736k) of zero carbon costs.

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

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Turnover | Operating costs | Cost of sales | Gain on disposal of fixed assets | Operating surplus |
| | £000 | £000 | £000 | £000 | £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** |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Turnover | Operating costs | Cost of sales | Gain on disposal of fixed assets | Operating surplus |
| | £000 | £000 | £000 | £000 | £000 |
| Social housing lettings | 134,407 | (97,020) | - | - | 37,387 |
| Other social housing activities | | | | | |
| Contracted services | 859 | (488) | - | - | 371 |
| Development administration | - | (3,077) | - | - | (3,077) |
| Shared ownership property sales | 15,076 | - | (13,157) | - | 1,919 |
| Staircasing activity on low cost home ownership | - | - | - | 6,665 | 6,665 |
| Redemption of equity loans | - | - | - | 1,275 | 1,275 |
| Right to buy/right to acquire | - | - | - | 401 | 401 |
| Investment in communities | - | (1,494) | - | - | (1,494) |
| Other | 1,611 | (498) | - | - | 1,113 |
| Non-social housing activities | | | | | |
| Market renting lettings | 91 | (12) | - | - | 79 |
| **Total** | **152,044** | **(102,589)** | **(13,157)** | **8,341** | **44,639** |





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

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | 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 | 87,341 | 31,759 | 9,417 | 128,517 | 114,069 |
| Service charge income | 6,891 | 7,698 | 2,203 | 16,792 | 14,954 |
| Net rental income | 94,232 | 39,457 | 11,620 | 145,309 | 129,023 |
| Amortisation of government grant | 4,118 | 1,001 | 438 | 5,557 | 5,384 |
| **Total turnover from social housing lettings** | **98,350** | **40,458** | **12,058** | **150,866** | **134,407** |
| Operating costs on social housing lettings | | | | | |
| Management | (19,181) | (8,005) | (3,883) | (31,069) | (27,803) |
| Service charge costs | (6,998) | (7,596) | (1,979) | (16,573) | (15,373) |
| Routine maintenance | (25,699) | - | (3,704) | (29,403) | (19,879) |
| Planned maintenance | (2,295) | (43) | (332) | (2,670) | (5,177) |
| Major repairs expenditure | (6,583) | (50) | (263) | (6,896) | (6,900) |
| Rent losses from bad debts | (347) | 69 | (74) | (352) | (608) |
| Depreciation of housing properties | (18,739) | (3,730) | (1,822) | (24,291) | (21,280) |
| **Total operating costs on social housing lettings** | **(79,842)** | **(19,355)** | **(12,057)** | **(111,254)** | **(97,020)** |
| **Operating surplus on social housing lettings** | **18,508** | **21,103** | **1** | **39,612** | **37,387** |
| Void losses | (3,162) | - | (918) | (4,080) | (3,111) |

Included within social housing lettings operating costs is £2,773k, £7,518k spend of which £4,745k is capitalised (2024: £2,408k) of fire safety costs and £1,056k, £9,769k spend of which £8,713k is capitalised (2024: £736k) of zero carbon 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 | 19,824 | 2,828 | 31 | 1,190 | 23,873 | - | 23,873 |
| Attributable book value and incidental selling costs | (10,582) | (1,477) | - | (523) | (12,582) | (5) | (12,587) |
| **Gain/(loss) on disposal of fixed assets - 2025** | **9,242** | **1,351** | **31** | **667** | **11,291** | **(5)** | **11,286** |
| **Gain on disposal of fixed assets - 2024** | **6,665** | **1,275** | **401** | **-** | **-** | **-** | **8,341** |

## 5. Board members and Executive Team

The key management personnel are members of the Executive Team, listed on page 29. The total remuneration including pension contribution, received by Executive Team members was £1,122,401 (2024: £1,460,714). 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 for 2025 includes Acting Chief Executive (between April and October 2024) and the new Chief Executive (appointed October 2024):

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Emoluments, excluding pension contributions | 218 | 327 |
| Pension contributions - in respect of services as director | 16 | 46 |
| | **234** | **373** |

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

The highest paid director was the Executive Director: Growth, who also acted up as Chief Executive between 5 March 2024 and 13 October 2024. The total remuneration in the year was £237k which consisted of emoluments of £220k and pension contributions of £17k. The Executive Director: Growth is an ordinary member of the Aviva defined contribution scheme.

Non-executive board members received £133,850 (2024: £140,301) as fees for their services to the group and also received £5,763 as expenses during the year (2024: £4,270). They were paid on a pro-rata basis:

| | Remuneration per annum | |
|---|---|---|
| | **2025** | **2024** |
| | £ | £ |
| MHL chair | 27,500 | 27,500 |
| Senior independent director | 16,500 | 16,500 |
| Committee chair | 15,900 | 15,900 |
| Board member | 11,500 | 11,500 |

Details of Board and Committee members can be found on page 27.

## 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:

| | 2025 | 2024 |
|---|---|---|
| | Number | Number |
| Housing | 313 | 300 |
| Management | 113 | 97 |
| New business and sales | 59 | 59 |
| | **485** | **456** |

Employee costs (including the Executive Team and non-executive board members) consist of:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Wages and salaries | 22,308 | 19,644 |
| Social security costs | 2,473 | 2,184 |
| Other pension costs | 2,062 | 1,773 |
| | **26,843** | **23,601** |

96 (2024: 76) employees, including the Executive team, earned over £60,000 in remuneration in the following bands:

| | 2025 | 2024 |
|---|---|---|
| | No of employees | No of employees |
| £60,000 - £69,999 | 32 | 24 |
| £70,000 - £79,999 | 23 | 17 |
| £80,000 - £89,999 | 9 | 11 |
| £90,000 - £99,999 | 10 | 7 |
| £100,000 - £109,999 | 6 | 4 |
| £110,000 - £119,999 | 2 | 1 |
| £120,000 - £129,999 | 2 | 2 |
| £130,000 - £139,999 | 2 | 3 |
| £140,000 - £149,999 | - | 1 |
| £150,000 - £159,999 | 4 | - |
| £160,000 - £169,999 | - | 1 |
| £170,000 - £179,999 | - | 1 |
| £180,000 - £189,999 | 1 | 1 |
| £190,000 - £199,999 | 1 | - |
| £200,000 - £209,999 | - | 1 |
| £210,000 - £219,999 | 1 | - |
| £220,000 - £229,999 | 1 | 1 |
| £230,000 - £239,999 | 1 | - |
| £250,000 - £259,999 | 1 | - |
| £370,000 - £379,999 | - | 1 |

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

## 7. Interest receivable and similar income

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| Interest receivable on deposits | 466 | 663 | 462 | 654 |
| Gift aid receipt from MHG | - | - | - | 845 |
| Inflation-linked swap breaks | - | 1,336 | - | 1,336 |
| Interest receivable from group undertakings | - | - | 724 | 598 |
| | **466** | **1,999** | **1,186** | **3,433** |

## 8. Interest payable

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| On bank loans, overdrafts and other loans | 34,913 | 29,374 | 34,909 | 29,365 |
| Interest on finance leases | 2 | 3 | 2 | 3 |
| Notional interest on RCGF balances | 799 | 2,371 | 799 | 2,371 |
| Less: interest capitalised | (4,221) | (3,693) | (4,221) | (3,693) |
| | **31,493** | **28,055** | **31,489** | **28,046** |

The average rate of interest used for capitalisation was 4.98% (2024: 4.43%).

## 9. Other finance costs

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| Pension finance costs | | | | |
| MHPS pension scheme | 441 | 325 | 441 | 325 |



**Notes to the financial statements**
For the year ended 31 March 2025

## 10. Surplus before taxation

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Surplus before tax is stated after (charging)/crediting: | £000 | £000 | £000 | £000 |
| Depreciation of housing properties | | | | |
| Charge for the year (note 13) | (22,427) | (20,330) | (22,421) | (20,324) |
| Accelerated depreciation on replaced components | (1,870) | (956) | (1,870) | (956) |
| Note 3 | (24,297) | (21,286) | (24,291) | (21,280) |
| Depreciation of other fixed assets (note 16) | (1,494) | (1,630) | (1,494) | (1,630) |
| Amortisation of government grant: | | | | |
| Amortisation of Social Housing Grant | 5,187 | 5,386 | 5,185 | 5,384 |
| Amortisation of SHDF grant | 372 | - | 372 | - |
| Note 3 | 5,559 | 5,386 | 5,557 | 5,384 |
| Operating lease rentals | (158) | (154) | (158) | (154) |
| Auditor's remuneration excluding VAT: | | | | |
| Audit of financial statements | (191) | (180) | (148) | (136) |

## 11. Taxation

| | **2025** | **2024** |
|---|---|---|
| Group | £000 | £000 |
| Current tax: | | |
| **UK corporation tax** | **-** | **-** |

| | **2025** | **2024** |
|---|---|---|
| | £000 | £000 |
| Surplus before tax | 12,203 | 20,926 |
| Current tax at 25% (2024: 25%) | 3,051 | 5,232 |
| Effects of: | | |
| Surpluses subject to charitable exemption | (3,051) | (5,232) |
| **Total current tax** | **-** | **-** |

| | **2025** | **2024** |
|---|---|---|
| Association | £000 | £000 |
| Current tax | | |
| **UK corporation tax** | - | - |

| | **2025** | **2024** |
|---|---|---|
| | £000 | £000 |
| Surplus before tax | 12,852 | 22,399 |
| Current tax at 25% (2024: 25%) | 3,213 | 5,600 |
| Effects of: | | |
| Surpluses subject to charitable exemption | (3,213) | (5,600) |
| **Total current tax** | **-** | **-** |

## 12. Residential accommodation owned and/or managed - Group

| | As at 31 March 2024 | Additions | Disposals | Change in Tenure/ Other | As at 31 March 2025 |
|---|---|---|---|---|---|
| Owned and managed | | | | | |
| Social housing | | | | | |
| General needs | 8,757 | - | - | 5 | 8,762 |
| General needs affordable rent | 2,795 | 369 | - | 1 | 3,165 |
| Housing for older people | 1,470 | - | - | - | 1,470 |
| Housing for older people affordable rent | 98 | - | - | - | 98 |
| Supported housing | 108 | - | - | (9) | 99 |
| Shared ownership | 5,835 | 109 | (86) | - | 5,858 |
| Leasehold properties | 1,123 | - | - | 33 | 1,156 |
| Non-social housing | | | | | |
| Open market rented | 5 | - | - | - | 5 |
| **Total owned and managed** | **20,191** | **478** | **(86)** | **30** | **20,613** |
| Owned not managed | | | | | |
| Social housing | | | | | |
| General needs | 1 | - | - | - | 1 |
| Supported housing | 135 | - | (1) | (4) | 130 |
| Non-social housing | | | | | |
| Care homes | 44 | - | - | - | 44 |
| **Total owned not managed** | **180** | **-** | **(1)** | **(4)** | **175** |
| Managed not owned | | | | | |
| Social housing | | | | | |
| General needs | 308 | - | - | (2) | 306 |
| Leasehold properties | 58 | - | - | - | 58 |
| Equity loan properties | 920 | - | (41) | - | 879 |
| Non-social housing | | | | | - |
| Leasehold properties | 15 | - | - | - | 15 |
| Firstbuy loans | 2 | - | - | - | 2 |
| Freehold properties | 1,065 | - | (11) | 6 | 1,060 |
| **Total managed not owned** | **2,368** | **-** | **(52)** | **4** | **2,320** |
| **Residential properties owned and/or managed** | **22,739** | **478** | **(139)** | **30** | **23,108** |
| Owned and managed non-residential | | | | | |
| Community hubs | 4 | - | - | - | 4 |
| Staff housing and guest rooms | 2 | - | - | - | 2 |
| Garages | 580 | - | - | - | 580 |
| Commercial | 27 | - | - | - | 27 |
| **Total owned and managed non-residential** | **613** | **-** | **-** | **-** | **613** |



Notes to the financial statements
For the year ended 31 March 2025

## 12. Residential accommodation owned and/or managed - Association

| | As at 31 March 2024 | Additions | Disposals | Change in Tenure/ Other | As at 31 March 2025 |
|---|---|---|---|---|---|
| Owned and managed | | | | | |
| Social housing | | | | | |
| General needs | 8,754 | - | - | 5 | 8,759 |
| General needs affordable rent | 2,795 | 369 | - | 1 | 3,165 |
| Housing for older people | 1,470 | - | - | - | 1,470 |
| Housing for older people affordable rent | 98 | - | - | - | 98 |
| Supported housing | 108 | - | - | (9) | 99 |
| Shared ownership | 5,835 | 109 | (86) | - | 5,858 |
| Leasehold properties | 1,123 | - | | 33 | 1,156 |
| Non-social housing | | | | | |
| Open market rented | 3 | - | - | - | 3 |
| **Total owned and managed** | **20,186** | **478** | **(86)** | **30** | **20,608** |
| Owned not managed | | | | | |
| Social housing | | | | | |
| General needs | 1 | - | - | - | 1 |
| Supported housing | 135 | - | (1) | (4) | 130 |
| Non-social housing | | | | | |
| Care homes | 44 | - | - | - | 44 |
| **Total owned not managed** | **180** | **-** | **(1)** | **(4)** | **175** |
| Managed not owned | | | | | |
| Social housing | | | | | |
| General needs | 308 | - | - | (2) | 306 |
| Leasehold properties | 58 | - | - | - | 58 |
| Equity loan properties | 920 | - | (41) | - | 879 |
| Non-social housing | | | | | |
| Freehold properties | 1,065 | - | (11) | 6 | 1,060 |
| **Total managed not owned** | **2,351** | - | **(52)** | **4** | **2,303** |
| **Residential properties owned and/or managed** | **22,717** | **478** | **(139)** | **30** | **23,086** |
| Owned and managed non-residential | | | | | |
| Community hubs | 4 | - | - | - | 4 |
| Staff housing and guest rooms | 2 | - | - | - | 2 |
| Garages | 580 | - | - | - | 580 |
| Commercial | 27 | - | - | - | 27 |
| **Total owned and managed non-residential** | **613** | **-** | **-** | **-** | **613** |

## 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 2024 | 1,366,410 | 144,732 | 544,342 | 31,813 | 2,087,297 |
| Additions | 2,339 | 51,878 | 5,358 | 18,862 | 78,437 |
| Improvements to existing properties | 24,072 | - | - | - | 24,072 |
| Capitalised interest | - | 3,298 | - | 923 | 4,221 |
| Schemes completed | 119,155 | (119,155) | 16,578 | (16,578) | - |
| Change in tenure | (216) | - | 216 | - | - |
| Disposals | (5,323) | - | (11,014) | - | (16,337) |
| **At 31 March 2025** | **1,506,437** | **80,753** | **555,480** | **35,020** | **2,177,690** |
| **Depreciation** | | | | | |
| At 1 April 2024 | (192,726) | - | (35,560) | - | (228,286) |
| Charge in year | (18,689) | - | (3,738) | - | (22,427) |
| Change in tenure | 23 | - | (23) | - | - |
| Released on disposal | 3,296 | - | 688 | - | 3,984 |
| **At 31 March 2025** | **(208,096)** | **-** | **(38,633)** | **-** | **(246,729)** |
| **Impairment** | | | | | |
| At 1 April 2024 | (1,088) | (2,103) | (569) | - | (3,760) |
| Movement in year | - | - | - | - | - |
| **At 31 March 2025** | **(1,088)** | **(2,103)** | **(569)** | **-** | **(3,760)** |
| **Net book value - 2025** | **1,297,253** | **78,650** | **516,278** | **35,020** | **1,927,201** |
| **Net book value - 2024** | **1,172,596** | **142,629** | **508,213** | **31,813** | **1,855,251** |

Interest capitalisation

| | | | | | |
|---|---|---|---|---|---|
| Interest capitalised in the year | - | 3,298 | - | 923 | 4,221 |
| Cumulative interest capitalised | 24,308 | 5,771 | 27,473 | 728 | 58,280 |

Properties with a net book value of £1,051m (2024: £1,096m) are pledged as security on loan financing.





## 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 2024 | 1,365,939 | 144,732 | 544,342 | 31,814 | 2,086,827 |
| Additions | 2,339 | 51,878 | 5,358 | 18,861 | 78,436 |
| Improvements to existing properties | 24,072 | - | - | - | 24,072 |
| Capitalised interest | - | 3,298 | - | 923 | 4,221 |
| Schemes completed | 119,155 | (119,155) | 16,578 | (16,578) | - |
| Change in tenure | (216) | - | 216 | - | - |
| Disposals | (5,323) | - | (11,014) | - | (16,337) |
| **At 31 March 2025** | **1,505,966** | **80,753** | **555,480** | **35,020** | **2,177,219** |
| **Depreciation** | | | | | |
| At 1 April 2024 | (192,655) | - | (35,560) | - | (228,215) |
| Charge in year | (18,683) | - | (3,738) | - | (22,421) |
| Change in tenure | 23 | - | (23) | - | - |
| Released on disposal | 3,296 | - | 688 | - | 3,984 |
| **At 31 March 2025** | **(208,019)** | **-** | **(38,633)** | **-** | **(246,652)** |
| **Impairment** | | | | | |
| At 1 April 2024 | (1,088) | (2,103) | (569) | - | (3,760) |
| Movement in year | - | - | - | - | - |
| **At 31 March 2025** | **(1,088)** | **(2,103)** | **(569)** | **-** | **(3,760)** |
| **Net book value - 2025** | **1,296,859** | **78,650** | **516,278** | **35,020** | **1,926,807** |
| **Net book value - 2024** | **1,172,196** | **142,629** | **508,213** | **31,814** | **1,854,852** |

Interest capitalisation

| | | | | | |
|---|---|---|---|---|---|
| Interest capitalised in the year | - | 3,298 | - | 923 | 4,221 |
| Cumulative interest capitalised | 24,308 | 5,771 | 27,473 | 728 | 58,280 |

Properties with a net book value of £1,051m (2024: £1,096m) are pledged as security on loan financing.

## 13. Tangible fixed assets - housing properties (continued)

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| Housing properties at cost comprise: | | | | |
| Freeholds | 1,861,032 | 1,769,531 | 1,860,561 | 1,769,061 |
| Long leaseholds | 315,608 | 316,716 | 315,608 | 316,716 |
| Short leaseholds | 1,050 | 1,050 | 1,050 | 1,050 |
| | **2,177,690** | **2,087,297** | **2,177,219** | **2,086,827** |

## 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 allotted share capital in MHF (2024: £12,500) .

## 15. Investment properties

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| At 1 April 2024 | 621 | 592 | 621 | 592 |
| Movement in fair value | - | 29 | - | 29 |
| **At 31 March 2025** | **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 2025, 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% based on market yields for comparable areas of 6% - 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.



Notes to the financial statements
For the year ended 31 March 2025

## 16. Other tangible fixed assets - Group and Association

| | Freehold land and buildings | Scheme equipment | Other | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| At 1 April 2024 | 11,481 | 12,093 | 10,025 | 33,599 |
| Additions | - | 643 | 588 | 1,231 |
| Disposals | - | - | (34) | (34) |
| **At 31 March 2025** | **11,481** | **12,736** | **10,579** | **34,796** |
| Depreciation | | | | |
| At 1 April 2024 | (4,161) | (6,371) | (8,517) | (19,049) |
| Charge for the year | (240) | (689) | (565) | (1,494) |
| Disposals | - | - | 28 | 28 |
| **At 31 March 2025** | **(4,401)** | **(7,060)** | **(9,054)** | **(20,515)** |
| **Net book value - 2025** | **7,080** | **5,676** | **1,525** | **14,281** |
| **Net book value - 2024** | **7,320** | **5,722** | **1,508** | **14,550** |

Included within the net book value of other is an amount of £11k (2024: £81k) 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 30%.

| | First tranche sale stock | | Open market sale stock | | |
|---|---|---|---|---|---|
| | Under construction | Completed | Under construction | Completed | Total |
| **Group** | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2024 | 10,334 | 403 | 18,316 | 2,670 | 31,723 |
| Additions | 9,617 | 138 | 34 | - | 9,789 |
| Disposals | - | (9,030) | - | - | (9,030) |
| Schemes completed | (8,977) | 8,977 | (4) | 4 | - |
| **At 31 March 2025** | **10,974** | **488** | **18,346** | **2,674** | **32,482** |

| | First tranche sale stock | | Open market sale stock | | |
|---|---|---|---|---|---|
| | Under construction | Completed | Under construction | Completed | Total |
| **Association** | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2024 | 10,334 | 403 | - | - | 10,737 |
| Additions | 9,617 | 138 | - | - | 9,755 |
| Disposals | - | (9,030) | - | - | (9,030) |
| Schemes completed | (8,977) | 8,977 | - | - | - |
| **At 31 March 2025** | **10,974** | **488** | **-** | **-** | **11,462** |

## 18. Debtors

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| **Due within one year** | | | | |
| Arrears of rent and service charges | 5,609 | 6,363 | 5,602 | 6,360 |
| Provision for bad and doubtful debts | (2,398) | (2,849) | (2,393) | (2,848) |
| | 3,211 | 3,514 | 3,209 | 3,512 |
| Amounts due from Group entities | - | - | - | 33 |
| Prepayments and accrued income | 7,958 | 7,493 | 7,955 | 7,490 |
| Other debtors | 2,075 | 3,696 | 2,057 | 3,696 |
| | 13,244 | 14,703 | 13,221 | 14,731 |
| **Due after one year** | | | | |
| Amounts due from Group entities | - | - | 8,849 | 7,371 |
| Other debtors | 3,264 | 770 | 3,264 | 770 |
| | **16,508** | **15,473** | **25,334** | **22,872** |

## 19. Creditors: amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| Housing loans (note 20) | 14,422 | 14,413 | 14,422 | 14,413 |
| Bond premium due under one year | 2,678 | 2,615 | - | - |
| Trade creditors | 2,813 | 6,707 | 2,813 | 6,703 |
| Owed to other Group entities | - | - | 3,076 | 2,958 |
| Recycled capital grant fund (note 22) | 8,128 | 29,107 | 8,128 | 29,107 |
| Deferred capital grant | 5,617 | 5,728 | 5,616 | 5,726 |
| Finance lease liabilities (note 20) | 20 | 19 | 20 | 19 |
| Other creditors | 10,984 | 9,057 | 10,673 | 8,741 |
| Accruals and deferred income | 18,876 | 16,625 | 18,770 | 15,687 |
| **Total** | **63,538** | **84,271** | **63,518** | **83,354** |

Included within other creditors is £4,118k of rent received in advance (2024: £3,816k)

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

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| Housing loans | 418,831 | 357,490 | 418,831 | 357,490 |
| Bond issue | 300,000 | 300,000 | - | - |
| Bond premium due over one year | 50,824 | 53,503 | - | - |
| Owed to other Group entities | - | - | 350,180 | 352,862 |
| Deferred capital grant | 489,105 | 468,316 | 488,976 | 468,187 |
| Homebuy grant | 28,460 | 29,738 | 28,460 | 29,738 |
| Social housing decarbonisation fund (SHDF) grant received | 4,648 | 3,015 | 4,648 | 3,015 |
| Recycled capital grant fund (note 22) | 15,205 | 17,233 | 15,205 | 17,233 |
| Leasehold sinking funds | 6,351 | 5,222 | 6,319 | 5,196 |
| Finance lease liabilities | - | 20 | - | 20 |
| Other creditors | 2,717 | - | 2,717 | - |
| | **1,316,141** | **1,234,537** | **1,315,336** | **1,233,741** |

| **Housing loans** | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| Within one year (note 19) | 14,422 | 14,413 | 14,422 | 14,413 |
| Between one and two years | 15,683 | 17,542 | 15,683 | 17,542 |
| Between two and five years | 158,130 | 136,006 | 158,130 | 136,006 |
| In more than five years: | | | | |
| Repayable by instalments | 149,553 | 207,740 | 149,553 | 207,740 |
| Repayable other than by instalments | 400,000 | 300,000 | 100,000 | - |
| Issue costs | (4,535) | (3,798) | (4,535) | (3,798) |
| Over one year (note 20 ) | 718,831 | 657,490 | 418,831 | 357,490 |
| **Total housing loans** | **733,253** | **671,903** | **433,253** | **371,903** |

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% (2024: 1.54% - 12.84%) per annum. As at 31 March 2025, 73% of our borrowings, including interest rate swaps, were charged interest at a fixed rate (2024: 74%).

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.

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

| Source of housing loans | Group 2025 | Group 2024 | Association 2025 | Association 2024 |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Banks and building societies | 284,544 | 322,383 | 284,544 | 322,383 |
| Affordable Housing Finance Plc | 50,000 | 50,000 | 50,000 | 50,000 |
| Affordable Housing Guarantee Scheme | 100,000 | - | 100,000 | - |
| The Finance for Residential Social Housing Plc | 3,244 | 3,318 | 3,244 | 3,318 |
| Moat Homes Finance Plc Bond | 300,000 | 300,000 | - | - |
| | 737,788 | 675,701 | 437,788 | 375,701 |
| Issue costs | (4,535) | (3,798) | (4,535) | (3,798) |
| | **733,253** | **671,903** | **433,253** | **371,903** |

| Finance leases | Group 2025 | Group 2024 | Association 2025 | Association 2024 |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Within one year (note 19) | 20 | 19 | 20 | 19 |
| Between one and five years | - | 20 | - | 20 |
| In more than five years | - | - | - | - |
| | **20** | **39** | **20** | **39** |

| Deferred capital grant | Group 2025 | Group 2024 | Association 2025 | Association 2024 |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Social Housing Grant (SHG) and other government grant | 593,830 | 568,063 | 593,683 | 567,916 |
| Cumulative amortisation | (99,108) | (94,019) | (99,090) | (94,003) |
| | **494,722** | **474,044** | **494,593** | **473,913** |

## 21. Total government grant assistance

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

| | Group 2025 | Group 2024 | Association 2025 | Association 2024 |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| SHG on housing properties | 593,830 | 568,063 | 593,683 | 567,916 |
| Homebuy and starter home initiative | 28,460 | 29,738 | 28,460 | 29,738 |
| Recycled capital grant fund | 23,333 | 46,340 | 23,333 | 46,340 |
| Social housing decarbonisation fund (SHDF) grant | 5,020 | 3,015 | 5,020 | 3,015 |
| Add: cumulative revenue grant | 13,769 | 13,769 | 12,050 | 12,050 |
| | **664,412** | **660,925** | **662,546** | **659,059** |

## 22. Recycled capital grant fund – Group and Association

| | Homes England | GLA | Homes England | GLA |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | £000 | £000 | £000 | £000 |
| At 1 April | 43,437 | 2,903 | 48,479 | 2,045 |
| Inputs to fund: | | | | |
| Grants recycled | 2,150 | 675 | 2,265 | 732 |
| Interest adjustment | (632) | - | - | - |
| Interest accrued | 1,273 | 158 | 2,245 | 126 |
| | 46,228 | 3,736 | 52,989 | 2,903 |
| Withdrawals from fund: | | | | |
| New build adjustment | (14,987) | - | - | - |
| New build | (11,105) | (462) | (9,552) | - |
| Flexible tenure | (77) | - | - | - |
| **At 31 March** | **20,059** | **3,274** | **43,437** | **2,903** |
| **Amounts three years or older where repayment may be required** | **7,685** | **443** | **29,107** | **-** |

When submitting the 2023/24 annual return to Homes England, an adjustment was agreed which resulted in additional grant being treated as drawndown, also reducing the interest accrued.

## 23. Other financial commitments - Group and Association

At 31 March 2025 there are future commitments under non-cancellable operating leases as follows:

| | Land and building lease commitments | | Other lease commitments | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| Operating leases which expire: | | | | |
| Within one year | 26 | 81 | 132 | 47 |
| Between one and five years | - | 26 | - | - |
| In more than five years | - | - | - | - |
| | **26** | **107** | **132** | **47** |

## 24. Capital commitments

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| Capital expenditure contracted for but not provided in the financial statements | 149,974 | 193,993 | 128,097 | 138,209 |
| Capital expenditure authorised but not yet contracted for | 36,729 | 91,490 | 36,729 | 91,490 |

Capital commitments will be funded from £39m of Social Housing Grant and £77m 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 purchase price was £52.3m and these 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 | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | £000 | £000 | £000 | £000 |
| Interest income and expense | | | | |
| Total interest income for financial assets at amortised cost | 466 | 1,999 | 1,186 | 2,588 |
| Total interest expense for financial liabilities at amortised cost | (34,915) | (29,377) | (34,911) | (29,368) |
| Fair value gains and losses | | | | |
| On derivative financial liabilities designated as an effective hedge | 8,157 | 7,041 | 8,157 | 7,041 |
| On financial liabilities measured at fair value through surplus for the year | (5,362) | 2,669 | (5,362) | 2,669 |
| | **(31,654)** | **(17,668)** | **(30,930)** | **(17,070)** |



Notes to the financial statements
For the year ended 31 March 2025

## 26. Financial instruments (continued)

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

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| **Financial assets** | £000 | £000 | £000 | £000 |
| Measured at fair value and designated as an effective hedge: | | | | |
| Derivative financial liabilities (note 27) | (16,876) | - | (16,876) | - |
| Effective element of broken interest rate swaps | 17,167 | - | 17,167 | - |
| Measured at fair value through the surplus for the year: | | | | |
| Ineffective element of interest rate swaps | (16) | - | (16) | - |
| | 275 | - | 275 | - |
| Measured at undiscounted amount receivable: | | | | |
| Trade and other debtors (note 18) | 8,550 | 7,980 | 17,379 | 15,382 |
| Cash and cash equivalents | 16,426 | 11,896 | 15,759 | 11,090 |
| | **25,251** | **19,876** | **33,413** | **26,472** |

| | Group | | Association | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| **Financial liabilities** | £000 | £000 | £000 | £000 |
| Measured at fair value and designated as an effective hedge: | | | | |
| Derivative financial liabilities (note 27) | - | 25,033 | - | 25,033 |
| Effective element of broken interest rate swaps | - | (10,596) | - | (10,596) |
| Measured at fair value through the surplus for the year: | | | | |
| Ineffective element of interest rate swaps | - | (11,217) | - | (11,217) |
| | - | 3,220 | - | 3,220 |
| Measured at amortised cost: | | | | |
| Loans payable (notes 19,20) | 433,253 | 371,903 | 433,253 | 371,903 |
| Bond payable (note 20) | 300,000 | 300,000 | - | - |
| Obligations under finance leases (notes 19,20) | 20 | 39 | 20 | 39 |
| Intercompany loans payable (notes 19,20) | - | - | 353,256 | 355,820 |
| Measured at undiscounted amount payable: | | | | |
| Trade and other creditors (notes 19,20) | 41,741 | 37,610 | 41,291 | 36,325 |
| | **775,014** | **712,772** | **827,820** | **767,307** |

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 | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £000 | £000 | £000 | £000 |
| On derivative financial liabilities | | | | |
| **Interest rate swaps** | **2,195** | **744** | **14,681** | **24,289** |

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 | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | % | % | £000 | £000 | £000 | £000 |
| **More than five years** | **4.23** | **4.50** | **38,000** | **78,000** | **16,876** | **25,033** |

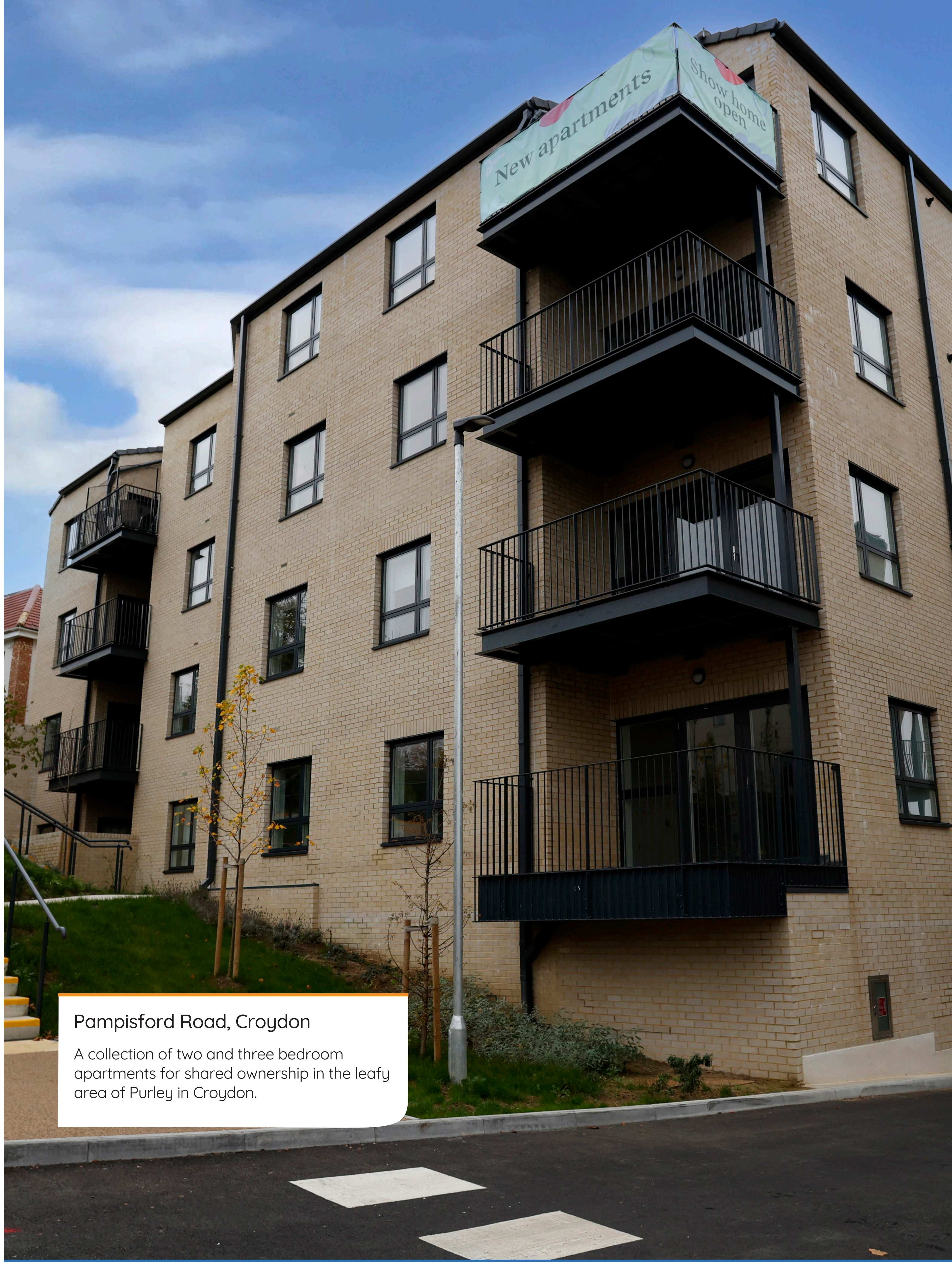
The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' SONIA. The Group settles the difference between the fixed and floating interest rate on a net basis.

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 | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Allotted, issued and fully paid £1 shares | | |
| At 1 April | 9 | 8 |
| Cancelled during the year | (2) | (2) |
| Issued during the year | 1 | 3 |
| **As at 31 March** | **8** | **9** |

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.




Pampisford Road, Croydon

A collection of two and three bedroom apartments for shared ownership in the leafy area of Purley in Croydon.

## 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 2025 was £1,767k (2024: £1,523k). This scheme is open to all new employees and current employees have the opportunity to 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 2025 was £163k (2024: £155k). 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.

### London Borough of Merton and Essex County Council Pension schemes

MHL exited both the London Borough of Merton and the Essex County Council Pension Schemes during 2023.

### 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 2025 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 2025, by rolling forward the results of the previous accounting disclosure as at 31 March 2024. The projected unit method results have been adjusted according to FRS 102 financial and demographic assumptions applicable at 31 March 2025.

The asset values at 31 March 2025 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 £28,499,000.

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 2025 the deficit contributions payable are £1,700,869 per annum. From 1 April 2025 until 31 July 2029 the deficit contributions payable under the Recovery Plan are £1,795,000 per annum and increasing at each 1 April by 5.5% per annum with the first increase on 1 April 2026.

### Virgin Media v 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 are currently considering the implications of the case for The Moat Pension 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.

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.

### 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 and management does not have sufficient information from the trustees to be able to estimate the potential impact of the additional matters added to the case. It is currently expected that the court will make its ruling in late 2025. 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 2025, used to calculate the results are as follows:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | % pa | % pa |
| RPI increases | 3.1% | 3.1% |
| CPI increases | 2.8% | 2.8% |
| Salary increases | 3.8% | 3.8% |
| Discount rate | 5.8% | 4.9% |
| 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 |
|---|---|---|
| | **2025** | **2024** |
| | Years | Years |
| Retiring today - Males | 21.9 | 22.0 |
| Retiring today - Females | 24.3 | 24.2 |
| Retiring in 20 years - Males | 23.6 | 23.6 |
| Retiring in 20 years - Females | 25.7 | 25.6 |

Amounts recognised in the surplus are:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | £000 | £000 |
| Service cost | 8 | 8 |
| Net interest on defined liability | (441) | (325) |
| Administration expenses | (145) | (106) |
| **Total** | **(578)** | **(423)** |

## 29. Pension obligations (continued)

The amounts included in other comprehensive income:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | £000 | £000 |
| Return on assets excluding interest income | (3,277) | (1,957) |
| Change in financial assumptions | 4,640 | 306 |
| Change in demographic assumptions | (273) | (1,091) |
| Change due to scheme experience | (70) | (1,421) |
| Remeasurement of MHPS pension liability | 1,020 | (4,163) |
| Exited Schemes: | | |
| Essex Pension Fund (exited scheme on 30 June 2023) | - | 18 |
| Merton Pension Fund (exited scheme on 31 December 2023) | - | (62) |
| **Remeasurement of pension liability** | **1,020** | **(4,207)** |

The amounts included in the statement of financial position are as follows:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | £000 | £000 |
| Liabilities | (36,097) | (39,971) |
| Assets | 28,499 | 30,145 |
| **Deficit** | **(7,598)** | **(9,826)** |

Changes in liabilities:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | £000 | £000 |
| Liabilities at 1 April 2024 | (39,971) | (37,358) |
| Current service cost | 8 | 8 |
| Interest cost | (1,922) | (1,783) |
| Change in financial assumptions | 4,640 | 306 |
| Change in demographic assumptions | (273) | (1,091) |
| Change due to scheme experience | (70) | (1,421) |
| Benefits paid | 1,511 | 1,387 |
| Member contributions | (20) | (19) |
| **Liabilities at 31 March 2025** | **(36,097)** | **(39,971)** |





## 29. Pension obligations (continued)

Changes in assets:

| | MHPS | MHPS |
|---|---|---|
| | **2025** | **2024** |
| | £000 | £000 |
| Assets at 1 April 2024 | 30,145 | 29,353 |
| Interest on income | 1,481 | 1,458 |
| Loss on assets excluding interest income | (3,277) | (1,957) |
| Administration expenses | (145) | (106) |
| Employer contributions | 1,786 | 2,765 |
| Member contributions | 20 | 19 |
| Benefits paid | (1,511) | (1.387) |
| **Assets at 31 March 2025** | **28,499** | **30,145** |

The total return on the MHPS assets for the year to 31 March 2025 is £1,796,000 (2024: £499,000).

The analysis of the scheme assets at reporting date was as follows:

| | MHPS | MHPS | MHPS | MHPS |
|---|---|---|---|---|
| | **2025** | **2025** | **2024** | **2024** |
| | £000 | % | £000 | % |
| Equity | 2,886 | 10% | 2,541 | 8% |
| Bonds | 2,986 | 10% | 1,219 | 4% |
| Property | 1,430 | 5% | 1,346 | 4% |
| Cash | 734 | 3% | 2,579 | 9% |
| Other | 3,750 | 13% | 2,960 | 10% |
| LDI | 8,898 | 31% | 13,043 | 43% |
| Liquid alternatives | 4,493 | 16% | 3,544 | 12% |
| Private Credit | 3,322 | 12% | 2,913 | 10% |
| **Total assets** | **28,499** | **100%** | **30,145** | **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.

## 30. Statement of cash flows - Group

Reconciliation of surplus for the year to cash generated from operations:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Surplus for the year | 12,203 | 20,926 |
| Adjustments for non-cash items | | |
| Depreciation of tangible fixed assets | 23,921 | 21,960 |
| Amortisation of government grants | (5,559) | (5,130) |
| Defined benefit pension funding net of costs | (1,205) | (2,500) |
| Fair value of swaps broken | (701) | (5,851) |
| Movement in fair value of financial instruments | 5,362 | (2,669) |
| Changes in working capital | | |
| (Increase)/decrease in housing stock | (761) | 1,753 |
| (Increase)/decrease in debtors | (1,039) | 1,059 |
| Increase in creditors | 3,109 | 6,876 |
| Adjustments for investing or financing activities | | |
| Proceeds from sale of tangible fixed assets | (23,716) | (17,282) |
| Cost of tangible fixed asset disposals | 12,990 | 8,242 |
| Increase in fair value of investment properties | - | (29) |
| Interest payable | 31,751 | 27,103 |
| Swap break fees | 719 | 4,515 |
| Interest receivable | (466) | (663) |
| **Cash generated from operations** | **56,608** | **58,310** |





## 31. Related party transactions

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 £12.4m to MHF in interest payments (2024: £12.5m). At 31 March 2025, MHL owed MHF £343k (2024: £343k) of accrued interest and £352.9m (2024: £355.5m) 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.