



MOAT HOUSING GROUP LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2026**

**Registered under the Co-operative and Community Benefit Societies Act 2014
No. 27943R**

Registered under Section 5 of the Housing Associations Act 1985 No. L4047

MOAT HOUSING GROUP LIMITED

CONTENTS

	Page
Directors and Committee members	1
Executive Team, Registered office and advisors	2
Strategic and Directors' Report	3
Report of the Independent Auditor to the members of Moat Housing Group Limited	16
Statement of comprehensive income	20
Statement of financial position	21
Statement of changes in reserves	22
Notes to the financial statements	23-35

MOAT HOUSING GROUP LIMITED

DIRECTORS AND COMMITTEE MEMBERS

BOARD

		Number of meetings attended (8 in total)
David Brocklebank	Independent, Chair	6/8
Tim Boag	Independent	7/8
Andrew Farmer	Independent	6/8
Steve White (<i>resigned July 2025</i>)	Independent	5/5
Faith Locken (<i>Co-optee until Feb 26</i>)	Independent	4/8
Helen Evans (<i>appointed September 2025</i>)	Independent	3/3
Gavin Cansfield	Chief Executive	7/8
Steve Nunn	Executive	8/8
Gloria Yang	Executive	7/8

SECRETARY

David Betteridge (*appointed September 2025*)
Gloria Yang (*resigned September 2025*)

AUDIT & RISK COMMITTEE

		Number of meetings attended (4 in total)
Andrew Farmer	Chair	4/4
Jeremy Ellis		4/4
Mark Foster (<i>resigned April 2025</i>)		1/1
Faith Locken		3/4
Trafford Wilson (<i>resigned July 2026</i>)		3/3

INVESTMENT COMMITTEE (FORMERLY FINANCE COMMITTEE)

		Number of meetings attended (4 in total)
Tim Boag	Chair	4/4
David Brocklebank		4/4
Andrew Farmer		3/4
Jeremy Stibbe (<i>appointed February 2026</i>)		1/1

CUSTOMER AND COMMUNITIES COMMITTEE

		Number of meetings attended (4 in total)
Caroline Ross	Chair	4/4
Jeremy Ellis		3/4
Mark Foster (<i>resigned April 2025</i>)		1/1
Trafford Wilson (<i>resigned July 2026</i>)		2/4

GOVERNANCE AND PEOPLE COMMITTEE

		Number of meetings attended (3 in total)
Tim Boag	Chair	3/3
Steve White (<i>resigned July 2025</i>)		1/1
Helen Evans (<i>appointed Sept 2025</i>)		2/2
Caroline Ross		3/3

MOAT HOUSING GROUP LIMITED

EXECUTIVE TEAM, REGISTERED OFFICE, ADVISORS AND LEGAL STATUS

EXECUTIVE TEAM

Gavin Cansfield	Chief Executive
Steve Nunn	Executive Director: Growth
Carrie McKenzie	Executive Director: Corporate Services
Garry Knights (<i>appointed October 25</i>)	Executive Director: Existing Homes
Merek Witco	Executive Director: Housing and Customer Experience
Gloria Yang	Executive Director: Finance
David Betteridge (<i>appointed September 25</i>)	Executive Director: Governance and Compliance; Company Secretary
Ian Morrison (<i>resigned August 2025</i>)	Executive Director: Property and Assets
Catherine Hardysmith (<i>resigned August 2025</i>)	Interim Executive Director: Governance and Compliance;

REGISTERED OFFICE

Mariner House
Galleon Boulevard
Crossways
Dartford
Kent
DA2 6QE

REGISTERED AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

BANKER

Royal Bank of Scotland Plc
Europa House
49 Sandgate Road
Folkstone
Kent
CT20 1RU

LEGAL STATUS

Registered under the Co-operative and Community Benefits Society Act 2014 No. 27943R

Registered under Section 5 of the Housing Associations Act 1985 No. L4047

MOAT HOUSING GROUP LIMITED

STRATEGIC AND DIRECTORS' REPORT

for the year ended 31 March 2026

The Directors present the report and financial statements for Moat Housing Group Limited (MHG) for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

MHG is a non-charitable registered provider regulated by the Regulator of Social Housing (RSH). It is a subsidiary of Moat Homes Limited (MHL) and operates as part of the Moat Group (Moat).

Its primary activities are the construction and sale of homes on the open market. It also has a small portfolio of three social rented houses.

MHG's subsidiaries, Mariner Facilities Management Limited and Moat Development Limited, are dormant.

OPERATING REVIEW

Amid continued challenging market conditions over higher interest rates and inflation, MHG board is cautious in appraising new open market sale developments. The land at Frognal Lane with full planning permission was disposed at market value in March 2026 to MHL (parent undertaking) to enable a 100% affordable scheme of 298 homes. As at 31 March 2026, there are no active open market sale development schemes.

One market rented home was sold on the open market in 2025/26 (2025: nil). One remaining market rented home is available for sale at 31 March 2026.

MHG made no gift aid payment to MHL in 2025/26 (2025: £nil).

MHG's strategic focus remains developing open market sale properties, either independently or working with other developers. Any development will be funded by reserves, sales proceeds, and the £50m unsecured revolving credit facility with MHL, which expires 30 April 2029. The MHL facility is formally renewed every three years and MHL's 30-year long-term financial plan assumes it is extended to future years.

MARKET REVIEW

Although MHG currently has no active open market developments, the Board closely monitor the market condition. The Board is fully aware of the effect of the Middle East conflict, which has caused uncertainty and volatility in inflation and interest rates, ultimately mortgage rates and the cost of development.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

FINANCIAL REVIEW

The overall deficit of £0.3m (2025: £0.7m deficit) is derived from an operating surplus of £0.4m, after accounting for interest costs of £0.7m.

Interest costs of £0.7m (2025: £0.7m) were recognised during the year. These costs arose on borrowings required to meet development costs and are treated as an expense when they become due and not as cost of sale when properties are sold.

Operating surplus of £0.3m (2025: £75k) includes

- A surplus of £0.1m from market sale (2025: £11k deficit)
- A reversal of prior year impairment on two open market sales properties £0.3m (2025: nil)
- A surplus of £9k on social housing lettings (2025: £10k)
- Administrative costs of £0.1m (2025: £39k) covering legal, audit, tax and regulatory compliance fees.

At 31 March 2026, MHG had revenue reserves of £12.1m (2025: £12.4m).

Amount due from group companies at 31 March 2026 were £10.4m (2025: nil) following the land disposal. Borrowings at 31 March 2026 were nil (2025: £8.8m).

TREASURY REVIEW

The Board approves Moat's Treasury Strategy and Management Policy annually.

MHG maintains a £50m unsecured revolving credit intercompany facility from MHL. The facility was undrawn as at 31 March 2026. The facility expires on 30 April 2029.

Interest payable on the intercompany loan is in line with current market rates for development finance.

VALUE FOR MONEY (VfM)

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, focusing not only on cost but also on quality of services.

VfM metrics

The VfM Standard issued by the Regulator of Social Housing (RSH) requires registered providers to monitor their performance against VfM metrics. MHG owns Three social rented properties, built in 2013, and is not currently developing new social homes as this activity is carried out by MHL. Our 2025/26 performance in applicable metrics is compared below to 2024/25 results and to targets based on the 2025/26 and 2026/27 budgets.

VfM metrics	Target 2026/27	Actual 2025/26	Target 2025/26	Actual 2024/25
Operating margin (social housing lettings only) %	32%	38%	38%	40%
Headline social housing cost per unit (HSHC) £	£3,517	£2,850	£2,622	£2,579

VfM benchmarking

The operating margin on social housing lettings at 38% matches the budget and the HSHC at £2,850 is marginally higher than budget, due to increased estate management costs. 2026/27 budget assumes additional estate management costs due to inflationary pressures and uncertainty.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

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 Moat's attitude toward risk and reward.

Specifically for MHG, the appetite relates to open market sales development, for which the Board's appetite is to Balance the level of investment in open market sale development against the achievement of other objectives to ensure each opportunity supports our social purpose as well as generating revenue to re-invest.

The Risk Management Policy and Framework is updated and reviewed by the Audit and Risk Committee every 3 years. It was approved by the Moat 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 with actions needed to reach that score documented and monitored, and consideration given to whether this will be the risk within appetite.

The Strategic Risk Register is reviewed by the Audit and Risk Committee and MHG Board at every meeting. The appropriateness of the risks, the risk scores and whether any additional risks should be added is assessed. The annual Board away day includes a review of the external landscape and operating environment to help identify any new or potential risks. Horizon risks are also considered by Audit and Risk Committee at each meeting.

The senior executive and 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 customers, service delivery, health & safety compliance, finance, legal compliance and reputation.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

RISK MANAGEMENT (continued)

Strategic Risks

Key risks specific to MHG are noted below together with mitigating actions:

Risk Title and Description	Mitigations and controls
Partner misalignment: Selecting an inappropriate partner to deliver a project and/or agreeing unfavourable contract terms, including profit share arrangements and termination / dispute resolution terms.	• Site visits and references. • Financial due diligence, review of corporate strategy and values, and Employers Agents checks • Legal advice, e.g., ability to amend contracts • Specialist expertise used in development assumptions • Defined investment appraisal methodology • Exit strategies considered as part of approval process • Additional independent 3rd party due diligence to be considered for future schemes • Future contracts to include a more equitable split in investment or costs and more robust contractual terms
Contractor insolvency: A contractor goes out of business during construction, or during the defects period.	• Due diligence checks: credit checks, review accounts • Use of performance bonds / parent company guarantees • Monthly contract/credit review • Request annual statements during contract if needed • Discussions with peers on their experience working with contractor • Contractor insolvency training • Review of contractual structures for future arrangements and possible use of Special Purpose Vehicles
Planning permission not obtained or delayed: Where MHG owns the land it bears the risk of not obtaining optimal planning permission for the scheme and being unable to maximise density of homes.	• Potential to adjust the scheme (e.g. reduce density) • Monthly meeting with developer and monitoring of progress • Specific Development Project Manager and Employers Agent • Independent planning consultant to give advice for future schemes
Poor build quality: Poor building standards from developers leads to an increase in severity of defects / latent defects, increase in building safety issues and complaints.	• Clear Design Brief and Employer's Requirements • Effective working relationship with consultants and contractors • Attendance at Contractor's site meetings with review of reported defects to improve design quality • Employment of Clerk of Work on all contracts • A lessons learnt log is maintained and updated • Reputable warranty providers used / building regs sign off

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

GOVERNANCE

The Board is MHG's governing body and is made up of:

- **Five independent Non-Executive Directors.**

David Brocklebank

Independent Chair

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. He has 28 years of development experience, having previously held Directorships with the Berkeley Group and David Wilson Homes. He is a founding Board member of the Land Promoters and Developers Federation and has sat on the Advisory Committee of the MSc in Sustainable Development at Oxford University.

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, CEO of Merchant Money Limited (trading as Momenta Finance).

Andrew Farmer

Independent Director

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

Helen Evans

Independent Director

Helen joined the Board in September 2025, bringing over four decades of senior leadership experience across social housing, local government, and public services. A highly respected executive and non-executive leader, Helen has built a distinguished career leading organisation through transformation, regulatory change, and strategic growth. Known for authentic and values-led leadership, she has a deep understanding of housing, health, and public sector partnership working.

Faith Locken

Independent Director

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

- **Three Executive Directors.**

Gavin Cansfield

Chief Executive

Gavin joined Moat as Chief Executive in October 2024 and has over 30 years' experience working in housing, developing and delivering support services for homeless people, general needs housing, specialist housing for older people and inner-city regeneration. Gavin has a strong commitment to social housing and its ability to transform people's lives.

Steve 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.

Gloria Yang

Executive Director: Finance

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

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

GOVERNANCE (continued)

The Board's role:

The Board is responsible for setting MHG's strategic direction and oversees the performance of MHG 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 MHG uses its resources effectively and complies with its regulatory requirements.

The Board has delegated some of its functions and detailed work on assurance to Moat's Committees and 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.

Committees:

Audit & Risk Committee

The Audit & Risk Committee reviews the effectiveness of Moat's internal control and risk management environment and oversees the appointment of the internal and external auditors.

Investment Committee (formerly Finance Committee)

The Investment Committee oversees Moat's current and future assets by scrutinising (and approving within the Scheme of Delegations) investment/disinvestment and regeneration of existing assets, and overseeing development activity of the Group, all within the parameters set by the Board.

Customer & Communities Committee

The Customer and Communities Committee provides assurance on compliance with the Regulator of Social Housing Consumer standard. It also advises on customer influence and engagement.

Governance & 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.

The membership of the Committees is shown on page 1.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

STATEMENT OF GOING CONCERN

Following the land disposal, there is no active development scheme in MHG. In light of current market volatility and uncertainty, MHG is cautious in appraising new open market sales opportunities. The Group forecasts that MHG will incur small losses in the near term until new schemes are identified, developed and sold. MHG's existing reserves of £12.1m are considered sufficient to absorb these forecast losses.

Development expenditure is financed through a £50m intercompany facility provided by MHL, which remains in place until 30 April 2029. MHL's 30-year long-term financial plan assumes continued financial support to MHG, including the extension of this facility beyond its current term.

Having reviewed MHG's financial position, forecasts and available facilities, the Board has concluded that there is a reasonable expectation that MHG has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis

VIABILITY STATEMENT

The Board has undertaken an assessment of the future prospects of MHG taking account of the current position and the principal risks facing the business. This assessment was made by the Board using core business processes, which include:

- **Long Term Plan (LTP)** – The 30-year long-term financial plan builds on the budget as the base year and includes detailed stress testing and recovery planning. The LTP assumes no current or future open market sale development however sensitivities have been taken on future development and how sensitive any development plans are to inflation and interest rates. The multi-variant scenario combine these elements to simulate market disruption that could be caused by adverse economic events. MHG's plan passes all of its stress tests with sufficient reserves until 2030 in the most severe stress test. The plan complies with its "Golden Rules" of a net development cap of £50m and an intercompany borrowing cap of £50m.
- **Risk management** – as described within the Risks section of this Strategic Report, Moat has a structured approach to the management of risk and the principal risks identified are reviewed regularly by Moat.
- **Liquidity** – the Board reviews forecast working capital requirements, cash flow, committed borrowing, and available facilities. Currently, with no future development plans in place, no additional liquidity is required. However, the £50m facility from MHL is sufficient to cover an potential future MHG's development plans.

On the basis of this and other matters considered and reviewed by the Board during the year, the Board has reasonable expectations that MHG will be able to continue in operation and meet its liabilities as they fall due over the duration of the 30 year LTP.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

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

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

STATEMENT OF EFFECTIVENESS OF INTERNAL CONTROLS (continued)

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

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

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

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 MHG 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 MHG will continue in business.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of MHG 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of MHG 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 Moat'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 Directors' Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess MHG's performance, business model and strategy.

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).

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 & 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 & People Committee reviewed the self-assessment at its meeting in May 2025, and confirmed that Moat is compliant 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.

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

STATEMENT OF RESPONSIBILITIES OF THE BOARD (continued)

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).

Our latest judgement was confirmed by the RSH on 18 December 2024 following an in-depth assessment. We were assessed by the Regulator of Social Housing (RSH) against those Standards and evaluated our performance in three areas: consumer standards (C), governance processes (G), and viability (V). This resulted in a compliant rating of C2/G2/V2.

- C2 means that the RSH found 'some weakness in our delivery of the outcomes of the consumer standards and improvement is needed'.
- G2 means that we 'meet governance requirements but need to improve some aspects of our governance arrangements to support continued compliance'.
- V2 means that we 'meet viability requirements 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, the Board approved the Governance and Consumer Standards Improvement Plan at its meeting on 27th March 2025. Throughout the year, the Board has maintained oversight of the delivery of the Improvement Plan, with all agreed actions delivered by 31 March 2026. We have continued to actively engage with the RSH to provide assurance that areas for improvement have been delivered and obtain their feedback.

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

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

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.

Modern Slavery Act

The Board is aware of its responsibilities under the Modern Slavery Act 2015 and can confirm that they are not aware of any modern slavery or human trafficking incidents having occurred within Moat or its supply chain during 2025/26 and will continue to act vigilantly in line with the Act. Its Statement confirming compliance with the Act is available on our website, [Moat.co.uk](https://www.moat.co.uk).

MOAT HOUSING GROUP LIMITED
STRATEGIC AND DIRECTORS' REPORT (continued)
for the year ended 31 March 2026

STATEMENT OF RESPONSIBILITIES OF THE BOARD (continued)

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

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

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 £0 Board Member/Executive liability, with an overall limit of £5m. This is clearly outlined within Board Members and Executives' contracts. There is also corporate liability which carries a £5k excess with an overall limit of £2.5m.

Political and Charitable Donations

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

Environmental, Social and Governance (ESG) Report

Our ESG report is available on our website, Moat.co.uk.

Provision of information to the Auditor.

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

- there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

It can be confirmed there has been no breakdown in internal control resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year and up to the date of the signing of the accounts.

EMPLOYEES

MHG has no employees (2025: no employees).

STAKEHOLDERS

Open, transparent, and collaborative relationships with the Regulator, development partners, customers and suppliers play an important part in helping us to achieve our strategic goals.

POST YEAR END EVENTS

There have been no events post 31 March 2026 which require disclosure.

Approved by the Board and signed on its behalf by:

A handwritten signature in blue ink, appearing to be 'D. Brocklebank', written in a cursive style.

David Brocklebank, Chair
30 July 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOAT HOUSING GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the Association's deficit and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the 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 Housing Group Limited for the year ended 31 March 2026, which comprise:

- the Association statement of comprehensive income;
- the Association statement of financial position;
- the Association statement of changes in reserves; and
- notes 1 to 22 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.

Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOAT HOUSING GROUP LIMITED (continued)

Other information

The board are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements, 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 or 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 board members' responsibilities statement, 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 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 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOAT HOUSING GROUP LIMITED (continued)

Non-compliance with laws and regulations

Based on:

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

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

The Association 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 Financial Conduct Authority ("FCA") regulations, the Regulator of Social Housing's Regulatory Standards, data protection and health and safety legislation.

Our procedures in respect of the above included:

- enquiries of management whether there were any litigations and claims;
- review of minutes of meeting 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 Association'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 all journal entries that met defined risk criteria, as well as a random sample from the non-risky population, by agreeing to supporting documentation;
- involvement of forensic specialists in the audit at the planning stage to challenge our planning review and the assumptions we were making over the areas fraud would most likely be perpetrated;
- considering the IT controls around the journal posting and the impact control limitations could have on the validity of data available and the testing conducted; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOAT HOUSING GROUP LIMITED (continued)

- assessing significant estimates made by management for bias such as the recoverable amount of properties developed for sale and impairment of tangible fixed assets.

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 for the audit 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:
BDO LLP
C7998D5EC4924F4...

BDO LLP
Statutory Auditor
London, UK
30 July 2026

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

MOAT HOUSING GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Turnover	3	20,149	179
Operating costs	3	(193)	(93)
Cost of sales	3	(19,653)	(11)
Operating surplus	3	303	75
Interest payable	5	(651)	(725)
Deficit before taxation	6	(348)	(650)
Taxation	7	-	-
Deficit and total comprehensive expense for the year		(348)	(650)

The notes on pages 23 to 35 form part of these financial statements.

All amounts relate to continuing activities.

MOAT HOUSING GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 March 2026

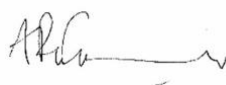
	Notes	2026 £000	2025 £000
Tangible fixed assets			
Housing properties	10	388	392
Investments			
Firstbuy loans		50	50
		438	442
Current assets			
Housing stock for sale	12	1,475	21,020
Debtors	13	10,460	77
Cash at bank and in hand		11	10
		11,946	21,107
Creditors – amounts due within one year	14	(136)	(110)
Net current assets		11,810	20,997
Total assets less current liabilities		12,248	21,439
Creditors – amounts due after more than one year	15	(165)	(9,008)
Total net assets		12,083	12,431
Capital and reserves			
Called up share capital	19	-	-
Income and expenditure account		12,083	12,431
Capital and reserves		12,083	12,431

The notes on pages 23 to 35 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 30 July 2026 and signed on its behalf by



David Brocklebank
Chair



Andrew Farmer
Director



David Betteridge
Secretary

Registered Number: 27943R

MOAT HOUSING GROUP LIMITED
STATEMENT OF CHANGES IN RESERVES
as at 31 March 2026

	Notes	Income and expenditure account 2026 £000	Income and expenditure account 2025 £000
Balance at 1 April		12,431	13,081
Deficit for the year		(348)	(650)
Balance at 31 March		12.083	12.431

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

MHG is a public benefit entity registered under the Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom, the Accounting Direction for Private Registered Providers of Social Housing 2022, the Statement of Recommended Practice for registered social housing providers 2018 (SORP), published by the National Housing Federation, and on the historic cost basis except for modification to a fair value basis for certain financial instruments.

The financial statements have been presented in pounds Sterling (£000).

Disclosure exemptions

Under FRS 102 the Society has taken advantage of reduced disclosures for subsidiaries and has not prepared a statement of cash flows as its parent MHL consolidates MHG in its own financial statements.

Exemption from consolidation

MHG is exempt from the requirement to prepare consolidated accounts on the grounds that it is a wholly owned subsidiary of another undertaking and its parent undertaking includes MHG, and its subsidiaries, in its own published consolidated financial statements.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Going concern

Following the transfer of the land at Frognal lane to MHL, there are no longer any active development schemes within MHG. In light of current market volatility and uncertainty, MHG has not committed to any new schemes and has no immediate plans to do so. The Group forecasts that MHG will incur small losses in the near term until new schemes are identified, developed and sold. MHG's existing reserves of £12.1m are considered sufficient to absorb these forecast losses.

Development expenditure is financed through a £50m intercompany facility provided by MHL, which remains in place until 30 April 2029. MHL's 30-year long-term financial plan assumes continued financial support to MHG, including the extension of this facility beyond its current term.

Having reviewed MHG's financial position, forecasts and available facilities, the Board has concluded that there is a reasonable expectation that MHG has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Housing properties

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

The cost of housing properties for rent is split between land, structure and major components with a substantially different economic life.

Gains and losses on the disposal of housing property fixed assets are determined by comparing the proceeds with the carrying amount and are recognised within gain/loss on disposal of fixed assets in the statement of comprehensive income.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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
Electrical rewiring	- 40 years
Roofs	- 50 years

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if there is an indication of significant change since the last reporting date.

Impairment of housing properties

The carrying amounts of housing properties are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the 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 assets carrying value exceeds its estimated recoverable amount and is recognised in operating costs in the statement of comprehensive income.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply and only to the extent that the assets carrying value 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 through turnover 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.

Firstbuy loans

Loans advanced under Firstbuy arrangements to people purchasing their own homes meet the definition of a public entity concessionary loan and are initially recognised as the amount paid to the purchaser. In subsequent years, to the extent the loan is deemed irrecoverable, an impairment loss is recognised in the surplus for the year.

In the event that the property is sold, MHG recovers the equivalent loaned percentage of the property value at the time of the sale. Any surplus generated by repayment of a Firstbuy loan is included in turnover.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Housing stock for sale

Completed properties and properties under construction for open market sales are recognised at the lower of cost and expected sales proceeds less costs to complete and sell. Interest incurred on borrowings relating to the development of open market sale properties is expensed as it is due.

Assessing both sales proceeds and costs to complete and sell requires the use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. At each reporting date, the housing stock for sale is assessed for impairment. If impairment is necessary the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is immediately recognised in the surplus for the year.

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 costs.

Leasehold sinking funds

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

Financial instruments

Financial assets and liabilities are recognised when MHG 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 MHG 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 from impairment are recognised in other operating expenses.

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 rate method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

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 or loss for the year.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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

For financial assets carried at cost less impairment, the impairment loss is the difference between the assets 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.

Provisions for liabilities

Provisions are recognised when MHG 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.

Turnover

Turnover represents the following 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) are recognised on an accruals basis as they fall due.
- Social Housing Grant (SHG) is amortised to turnover over the useful economic life of the property to which the grant relates.
- Proceeds from open market sales are recognised on completion of the sale.

VAT

MHG is a member of the Moat VAT group. A large proportion of Moat'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 open market sales activity and from partially exempt activities is credited to the surplus for the year.

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.

Gift aid payment

Gift aid payment is only recognised as a liability at the year end to the extent that it has been paid prior to the year end or there is a legal obligation to make a gift aid payment. No gift aid payment has been made in 2025/26.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

2. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of MHG'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 the 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 years if the revision affects both current and future years.

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 stock for sale

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

The sales values of homes for sale, both available for sale and in construction, have been reviewed. 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.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

	2026			
	Turnover	Operating costs	Cost of sales	Operating surplus/ (deficit)
	£000	£000	£000	£000
Social housing lettings	24	(15)	-	9
Non-social housing lettings				
Leasehold	27	(11)	-	16
Equity loan interest receivable	1	-	-	1
Open market rent	71	(69)	-	2
Open market sales	20,026	-	(19,930)	96
Writeback of impairment charges	-	-	277	277
Administrative costs	-	(98)	-	(98)
	20,149	(193)	(19,653)	303
	2025			
	Turnover	Operating costs	Cost of sales	Operating surplus/ (deficit)
	£000	£000	£000	£000
Social housing lettings	25	(15)	-	10
Non-social housing lettings				
Leasehold	24	(13)	-	11
Equity loan interest receivable	1	(1)	-	-
Open market rent	129	(25)	-	104
Open market sales	-	-	(11)	(11)
Writeback of impairment charges	-	-	-	-
Administrative costs	-	(39)	-	(39)
	179	(93)	(11)	75

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) (continued)

Income and expenditure from social housing lettings	2026 General needs £000	2025 General needs £000
Turnover from social housing lettings		
Rents receivable	22	22
Service charge income	1	1
Net rental income	23	23
Amortisation of Social Housing Grant	1	2
Total turnover from social housing lettings	24	25
Operating costs on social housing lettings		
Management	(2)	(2)
Service charge cost	(3)	(2)
Routine maintenance	(3)	(4)
Rent loss from bad debts	-	-
Depreciation of housing properties	(7)	(7)
Total operating costs on social housing lettings	(15)	(15)
Operating surplus on social housing lettings	9	10
Void losses	-	-

4. DIRECTORS, EXECUTIVE TEAM AND EMPLOYEE INFORMATION

MHG Non-Executive Directors did not receive any remuneration for their services as board members from MHG (2025: £nil).

MHG does not have any employees (2025: no employees).

5. INTEREST PAYABLE

	2026 £000	2025 £000
Interest payable to Group entities	651	725

Interest costs are written off as incurred and not capitalised to housing stock for sale.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

6. DEFICIT BEFORE TAXATION

	2026 £000	2025 £000
This is stated after charging/(crediting):		
Depreciation of housing properties	7	7
Amortisation of government grant	(1)	(2)
Writeback of impairment charges	277	-
Auditor's remuneration (excluding VAT):		
• Audit of financial statements	33	33

7. TAXATION

	2026 £000	2025 £000
Current tax:		
UK corporation tax	-	-
	2026 £000	2025 £000
Deficit before tax	(348)	(650)
Current tax at 19% (2025: 19%)	(66)	(124)
Effects of:		
Loss carried forward	65	123
Brought forward losses utilised in year	-	-
Gift aid payment to MHL	-	-
Non-taxable items	1	1
Total tax charge	-	-

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

8. NUMBER OF HOMES IN MANAGEMENT

	At 31 March 2026	At 31 March 2025
Social housing		
General needs	3	3
Non-social housing		
Leasehold properties	15	15
Firstbuy properties	2	2
Market rent properties	1	2
	18	19
Total	21	22

9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Rented properties completed 2026 £000	Rented properties completed 2025 £000
Cost		
At 1 April and 31 March	473	473
Depreciation		
At 1 April	(81)	(74)
Charged in the year	(4)	(7)
31 March	(85)	(81)
Net book value at 31 March	388	392

10. INVESTMENT IN SUBSIDIARIES

	Registered number	Principal activity	Country of incorporation	% of ordinary shares held	Investment £
Moat Development Ltd	4657544	Dormant	England	100%	1
Mariner Facilities Management Ltd	6561610	Dormant	England	100%	100

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

11. HOUSING STOCK FOR SALE

Housing stock for sale represents the cost of land and buildings for homes for sale on the open market.

	2026 £000	2025 £000
Open market sale stock		
In construction	-	18,346
Available for sale	1,475	2,674
	1,475	21,020
Housing stock for sale as at 1 April	21,020	20,983
Additions	75	37
Disposal of stock	(18,421)	-
Open market sales	(1,476)	-
Writeback of impairment charge	277	-
	1,475	21,020
Housing stock for sale as at 31 March	1,475	21,020

12. DEBTORS

	2026 £000	2025 £000
Due within one year		
Arrears of rent and service charges	5	7
Provision for bad and doubtful debt	(4)	(5)
	1	2
Amounts due from other Group regulated companies	-	54
Other debtors	-	18
Prepayments and accrued income	-	3
	1	77
Due after one year		
Amounts due from other Group regulated companies	10,459	-
	10,460	77

Following the transfer of Froggnal Lane to MHL, MHG had an intercompany debtor of £18.4m. MHL has made part payment of £7.9m as at 31 March 2026, with the remaining intercompany debtor £10.5m.

13. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2026 £000	2025 £000
Trade creditors	6	-
Government grant	1	1
Amounts due to other Group regulated companies	48	-
Other creditors	5	4
Accruals	76	105
	136	110

14. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2026 £000	2025 £000
Amounts due to other Group regulated companies: loan	-	8,849
Government grant	127	128
Leasehold sinking funds	38	31
	165	9,008

The unsecured loan from MHL is a revolving facility which expires on 30 April 2029. Interest is payable at 4.00% p.a. (2025: 4.00%) over UK base rate. This was fully repaid by 31 March 2026 following the transfer of Frogna1 to MHL.

15. GOVERNMENT GRANT

	2026 £000	2025 £000
Social Housing Grant	147	147
Cumulative amortisation of Social Housing Grant	(19)	(18)
	128	129

16. CAPITAL COMMITMENTS

	2026 £000	2025 £000
Capital expenditure contracted for but not provided in the financial statements	-	21,877

Capital commitments will be funded from reserves, borrowing from MHL and sale proceeds.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

17. FINANCIAL INSTRUMENTS

	2026 £000	2025 £000
Financial assets		
Measured at amortised cost:		
Amounts due from group companies (<i>note 12</i>)	10,459	54
Measured at historic cost:		
Trade and other debtors (<i>note 23</i>)	1	20
Cash and cash equivalents	11	10
	12	30

	2026 £000	2025 £000
Financial liabilities		
Measured at amortised cost:		
Amounts due to group companies (<i>notes 13,14</i>)	48	8,849
Measured at amortised cost:		
Trade and other creditors (<i>notes 13,14</i>)	125	139
	173	8,988

Amounts due to Moat Homes Limited are repayable at 4.00% (2025: 4.00%) over UK base rate.

	2026 £000	2025 £000
Interest income and expense:		
Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	(651)	(725)
	(651)	(725)

18. CALLED UP SHARE CAPITAL

	2026 £	2025 £
Allotted, issued and fully paid £1 shares:		
At 1 April	5	5
Cancelled during the year	(1)	-
Issued during the year	2	-
At 31 March	6	5

MHL and Non-Executive Directors each hold one £1 share in the Association. Executive Directors cannot be shareholders in accordance with MHG's Rules. These shares confer the right to vote at general meetings and are irredeemable, being cancelled on cessation of directorship. They do not confer a right to dividends or a provision for distribution on winding up.

MOAT HOUSING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2026

19. RELATED PARTY TRANSACTIONS

Key management personnel are Board members and the Executive Team. There were no related party transactions in 2025/26.

20. INTRA GROUP TRANSACTIONS WITH NON-REGULATED ENTITIES

There were no intra-group transactions with non-regulated entities during the year.

21. GROUP STRUCTURE

As at 31 March 2026 MHG was a subsidiary undertaking of Moat Homes Limited. The results of MHG have therefore been consolidated within the Group financial statements, which are available on request from:

The Secretary
Moat Homes Limited
Mariner House
Galleon Boulevard
Dartford
Kent
DA2 6QE

22. LEGISLATIVE AUTHORITY

MHG is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a non-charitable Registered Provider.