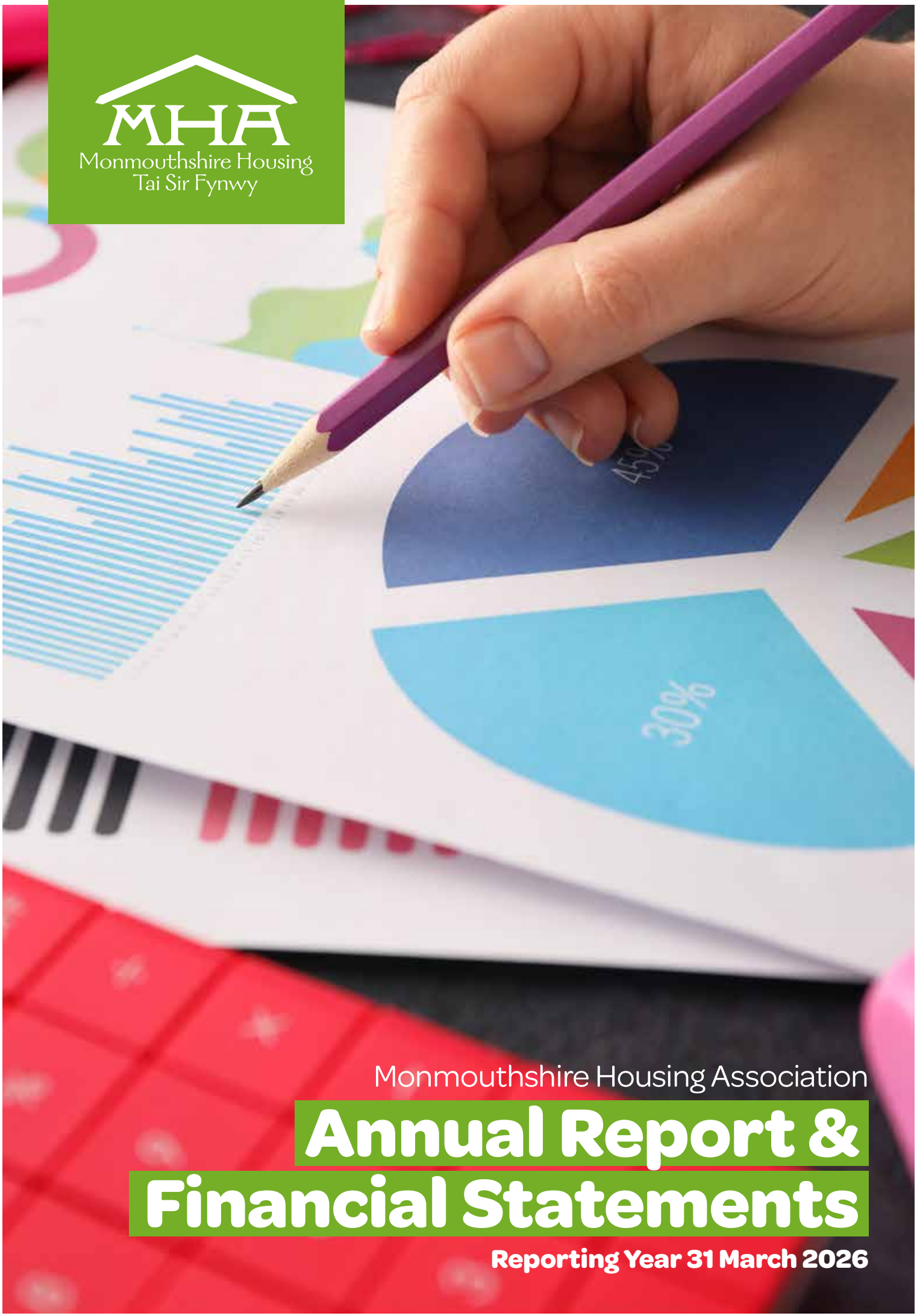


Monmouthshire Housing Association

Annual Report & Financial Statements

Reporting Year 31 March 2026

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Registered Office

Nant Y Pia House,
Mamhilad Technology Park, Mamhilad,
Monmouthshire, NP4 0JJ

External Auditor

Bevan Buckland Audit Ltd, Ground Floor, Cardigan House, Castle Court, Swansea Enterprise Park, Swansea, Wales, SA7 9LA

Principal Solicitors

Trowers and Hamlin, 3 Bunhill Row, London, EC1Y 8YZ

Principal Bankers

Barclays Bank Plc, 57 Frogmore Street, Abergavenny, NP7 5AT

Welsh Government registration number: L144
Co-operative and Community Benefit Societies Act 2014 number: 30087R

Members, Executives & Advisors

Group Board Membership



Anthony **Deakin**
MHA Group Chair



Dimitri **Batrouni**
MHA Group Vice Chair



Colin **Lewis**
Group Board Member & Operations Committee Chair



John **Miller**
Group Board Member & Vice Chair, Capsel Board



Cael **Sendell-Price**
Group Board Member & Audit Committee Chair



Lynda **Campbell**
Group Board Member & Governance & People Committee Chair



Nicola **Tindale**
Group Board Member & Development Committee Chair



Tim **Jackson**
Group Board Member



Ann **Cornelius**
Group Board Member



Julie **Evans**
Group Board Member



Kalwant **Grewal**
Independent Audit Committee Member (to 31/01/2026)

Executive Officers



Gwyndaf **Tobias**
Chief Executive (from 28/10/25)



Julie **Stone**
Director of Resources and Company Secretary



Michele **Morgan**
Director of Housing & Communities



Karen **Tarbox**
Director of Property Services (from 10/02/2026)



Chris **Kinsey**
Assistant Director of Property Services (Development) & Interim Managing Director of Capsel Limited



John **Keegan**
Chief Executive (to 31/08/2025)



Becky **Oliver**
Assistant Director of Property Services (Assets) (to 31/03/26)

Chairperson's Statement



Croeso to MHA

This year has been one of progress, resilience and renewal for MHA. We strengthened our governance arrangements, implemented the recommendations from our Board Effectiveness Review, welcomed Gwyndaf Tobias as our new Chief Executive, and launched our ambitious five-year Corporate Plan. Together, these developments have provided a strong platform for the next phase of our journey.

Throughout the year, we continued to place tenant voice at the heart of our work. We progressed our Tenant Voice project, strengthened links between the Community Voice Committee and the Board, and maintained high levels of tenant satisfaction, with overall satisfaction at **92.7%.** These results reflect our ongoing focus on listening to tenants, leaseholders and communities, and using their feedback to improve services.

We also made important progress in strengthening the organisation for the future. This included enhancing our business continuity and cyber resilience arrangements, progressing our stock condition survey programme, and maintaining strong financial foundations to support both future investment and day-to-day service delivery. At the same time, we continued to respond to a challenging operating environment shaped by cost pressures, increasing regulatory expectations and the scale of investment needed to meet future housing and decarbonisation standards.

Alongside this, we continued to grow and strengthen our organisation. We welcomed the transfer of **46** homes from Muir Housing Association, supporting our presence in the Caldicot area and reflecting our ambition to grow through partnership and acquisition where this supports local housing need. We also continued to build strong relationships with local authorities, politicians, housing bodies, Welsh Government and suppliers through the implementation of our Stakeholder Engagement Strategy, helping to create opportunities for collaboration, social value and shared impact.

Looking ahead, MHA enters 2026/27 with renewed momentum, a clear strategic direction and a strong sense of purpose. A major priority will be the transition to our new brand, ensuring our identity reflects the scale, reach and ambition of the organisation today while building on our legacy and values. We will also continue to strengthen organisational capability, invest in our homes and services, and prepare for an evolving regulatory landscape, including Building Safety and WHQS 2023 requirements.

I would like to thank our Board members, colleagues, tenants, shareholders and partners for their continued commitment, support and engagement throughout the year. Their contribution helps ensure that MHA remains focused on what matters most: providing safe, sustainable homes and creating thriving communities for the future.

Anthony Deakin

Chair

Strategic Report

Our Values

Our Values underpin our purpose and mission. They reflect who we are and the way we go about our business. **We are proud to be:**





Open

We will act honestly and with integrity and our decisions will be made inclusively and transparently.



Flexible

We will be innovative and proactive and view change as opportunity.



Fair

We are committed to delivering services with an even-hand and ensuring equality of opportunity for everyone.



Achieving

We will set and reach ambitious goals and targets.

Our Objectives

Driving value for money throughout our activities ensures our money goes further and enables us to devote more resources to achieving and exceeding our business objectives, increasing the provision of affordable homes, maintaining existing homes and creating services that our customers value.

For a full breakdown of our objectives for 2025/26, please refer to our Corporate Plan.

Finance & Business Model

MHA's financial position remains robust, underpinned by a stable funding base. Our private placement loan funding from the Pension Protection Fund remains fully drawn at **£65m**, secured at fixed rates of interest agreed in 2021, which continue to represent highly competitive terms relative to the current interest rate environment.

Our revolving credit facility with Barclays, now extended to May 2031, provides continued access to **£20m** of flexible liquidity. This, combined with our long-term fixed rate debt, gives the organisation a well-structured and resilient platform from which to deliver its corporate plan objectives.

Looking further ahead, the scale and ambition of MHA's development programme is such that the organisation anticipates exploring additional funding lines during 2026/27. Securing further long-term finance will form an important part of our treasury strategy as we seek to expand our capacity to deliver new homes across the region and invest in existing stock. The Board is committed to ensuring any new facilities are secured on terms that preserve the organisation's financial resilience and covenant headroom.

Welsh Government funding continues to be a valued and productive element of our financial model, with the annual dowry of **£2.6m** received in 2025/26 complementing our strong underlying operating position and supporting delivery of our planned repairs programme. Funding for 2026/27 has already been confirmed and received, and we are actively engaged with Welsh Government in relation to future years, reflecting the well-established and positive relationship we have developed over many years as a trusted delivery partner.

The Group is committed to a substantial programme of capital investment, with **£45.1m** set aside for the financial year to March 2027, exclusive of expected grant funding. This reflects the scale of our ambition and our continued commitment to delivering quality homes and services across Monmouthshire, Newport and Torfaen. The business plan clearly demonstrates the Association's capacity to sustain this level of investment whilst operating comfortably within its debt limits and meeting all financial covenants.

At 31 March 2026, the Association held a cash balance of **£13.9m**, with the Group position slightly higher at **£14.3m**. These balances are fully allocated to deliver the Group's capital maintenance programme in accordance with our Asset Management Strategy. In addition, the **£20m** revolving credit facility remains undrawn, providing further financial flexibility should it be required.

Financial resilience remains a Board priority. The Association operates a rigorous stress-testing framework, applying both single and combined variable scenarios to its business planning model. Scenarios are reviewed and agreed with the Board annually and encompass a broad range of risks, including reductions in grant funding or rental income, increased build costs, the financial impact of decarbonising our homes, and the effect of Welfare Reform on our residents and income streams. For 2025/26, the stress-testing framework was further strengthened by the introduction of additional inflationary scenarios, reflecting the potential economic consequences of continuing geopolitical instability in the Middle East and its wider impact on global markets.

The Board has formally reviewed and approved the going concern assessment and the business plan assumptions underlying these financial statements.

Value for Money (VFM)

Delivering value for money is fundamental to achieving our purpose and creating lasting social value in the communities we serve. Our approach goes beyond cost efficiency, focussing on maximising overall benefit and ensuring that our resources deliver positive economic. Environmental and social outcomes for residents.

Aligned to our Corporate Plan priorities for People, Places, Planet and Prosperity, we embed VfM in decision making across the business. This ensures that investment supports strong services, sustainable homes and wider community wellbeing.

Apply the '4Es' framework – economy, efficiency, effectiveness and equity – we are strengthening our focus on fair and inclusive service delivery. Alongside this, further developments to measuring social value through the TOMs framework, enables us to have a greater understanding and wider impact of our work.

Key focus:

Aligning investment to maximise social value and strategic outcomes.

Making the best use of our homes and assets.

Strengthening procurement and partnerships to deliver greater value.

Using data and benchmarking to drive continuous improvement.

Embedding a culture where value for money is shared across all colleagues.

We recognise that VfM is demonstrated through both performance and experience. Resident feedback, satisfaction measures and engagement activity remain central to ensuring that services deliver meaningful outcomes while maintaining affordability and quality. This is reflected in the high levels of tenant satisfaction reported in our latest Value for Money Statement (found on our website), and we will continue to work hard to sustain and build on these levels in the years ahead:

91% of tenants are satisfied that their rent provides Value for Money.

92.7% of tenants are satisfied with the service provided by MHA.

85.8% of tenants are satisfied with their neighbourhood as a place to live.

90.2% of tenants satisfied with the way MHA deals with repairs and maintenance.

Risk

The Board is committed to the management of risk in order to achieve the vision and objectives of MHA and remain a viable and sustainable business.



Full details of MHA's approach to risk are set out in the Risk Management Framework which is reviewed annually.

The risk environment has remained challenging during the past financial year, with the organisation continuing to manage risk across a range of interconnected pressures. While overall risk levels have remained stable, external factors, particularly funding constraints and wider economic conditions continue to shape the organisation's risk profile.

The Association has made positive progress in strengthening its resilience, including improvements to IT infrastructure and cyber security arrangements. However, strategic affordability remains a key challenge, particularly in relation to funding decarbonisation ambitions, with cost pressures and limited grant funding creating ongoing uncertainty.

As across the sector, inflationary pressures and increasing regulatory expectations have added complexity to service delivery, requiring careful financial management and planning. At the same time, evolving legislation continues to drive change, placing greater emphasis on effective implementation and compliance.

Cyber threats remain an ongoing risk in an increasingly digital environment. The organisation continues to monitor and strengthen system resilience to support business continuity and safeguard data. Additionally, the Association remains committed to maintaining high standards of health and safety, with robust controls in place to protect tenants and ensure safe homes.

Principal Risks and Uncertainties

The table below sets out the principal risks and uncertainties facing the Association, the Board's assessment of the current trend in each risk, and the key mitigations in place or planned for 2026/27:

Principal risk	Board's assessment	Key mitigations for 2026/27
Funding availability and cost of borrowing – constrained grant funding, the interest rate environment, and the scale of new borrowing needed to fund the development programme.	Increasing	Treasury Strategy and Treasury Management Policy approved annually by the Board; quarterly covenant compliance monitoring; active exploration of additional long-term funding lines during 2026/27.
Decarbonisation and stock investment (WHQS 2023) – affordability of the capital investment required to meet energy efficiency and net zero targets against constrained grant funding.	Increasing	Decarbonisation scenarios built into annual business plan stress-testing; phased investment through the Asset Management Strategy; ongoing engagement with Welsh Government on grant reform.
Treasury facility headroom – increasing reliance on debt facilities as the development programme accelerates.	Increasing – monitored closely	Facility headroom and covenant compliance reviewed quarterly by the Finance, Audit & Risk Committee; facility renegotiation considered as part of the 2026/27 Treasury Strategy where required.
Cyber security and IT resilience – growing exposure as services and data become more digitally dependent.	Stable – improving	Investment in IT infrastructure; network monitoring, endpoint protection and regular penetration testing; progressing toward full Cyber Essentials certification; mandatory staff training and phishing simulations.
Regulatory and legislative change – evolving requirements (WHQS 2023, Renting Homes (Wales) Act 2016, Building Safety) increasing complexity of compliance.	Increasing	Compliance Monitoring Framework reviewed by Committees and the Board; annual self-assessment against the Welsh Government Regulatory Standards; ongoing policy review programme.
Health and safety compliance – maintaining statutory landlord safety obligations across a growing stock portfolio.	Stable	Independently verified compliance monitoring covering gas, electrical, fire, asbestos, legionella and lift safety; compliance rates reported to the Board and its sub-committees.

The Board reviews this assessment, alongside the full Corporate Risk Map and Board Assurance Framework, at each Finance, Audit & Risk Committee and Board meeting.

Governance

We continue to maintain a strong governance framework that supports effective oversight, sound decision-making and delivery of our strategic objectives. During the year, we have made significant progress in Board development, successfully recruiting a number of new members. These appointments continue to enhance the breadth and depth of skills, experience and diversity across the Board, so we are well-positioned to respond to future challenges and deliver our Corporate Plan ambitions.

A key area of progress during the year has been the continued development of our Community Voice arrangements. This Group is now fully aligned with Group Board structures. It is supported by a wider structure of resident engagement (e.g. The Exchange), enabling it to act as a clear conduit for customer views, insights and priorities which are reflected in decision-making, providing meaningful challenge and supporting improved service outcomes.

MHA has also implemented the revised Welsh Government's Regulatory Social Housing Framework, including the new self-assessment regime, with our latest position reported to the Housing Regulator in February. We actively use this process to information organisational learning, challenge existing practice and support the delivery of improved outcomes.

The Future

Our economic vision for 2026/27 and beyond is to build on a year of record investment and continued financial strength, deepening our impact across Monmouthshire and the wider region. With net assets of **£55.0m**, all lender covenants met with substantial headroom, and a **£45.1m** capital programme committed for the year ahead, the Association is well-positioned to pursue sustainable growth and deliver lasting benefit for our communities.

We remain committed to exploring strategic partnerships and collaborative opportunities that will secure additional income streams to reinvest in our core activities. This will include focussing on the external policy context, **for example:**

Ensuring continued financial viability and long-term resilience.

Driving efficiency and value for money.

Engaging with Welsh Government Grant Reform.

Exploring collaboration and partnership working opportunities.

Diversifying activities and income streams.

The Association's significant five-year development programme reflects our commitment to our Corporate Vision and ambition to strengthen the organisation regionally. Following record capital investment of **£32.3m** in 2025/26 — including 32 new homes completed at Rockfield Farm and commencement of our Caldicot scheme — we look ahead with confidence to an even more ambitious programme of delivery.

MHA's local rent policy continues to enable us to set fair, transparent and affordable rents, with **84.9%** of tenants confirming that our rent-setting process was fair.

We have continued to enhance how we deliver value for money and will build on this through our Value for Money Strategy and action plan, alongside tools to further capture and demonstrate social value. By investing in our services and championing fair, local procurement, we aim to deliver real and measurable value for our tenants and communities.

MHA has ambitious plans to extend the provision of affordable homes across Monmouthshire and into neighbouring local authority areas, including Torfaen and Newport. Our Corporate Plan sets out clear objectives for the next five years, providing a robust framework to serve our customers, maintain our financial strength and address the economic challenges facing our communities and sector, underpinning a sustainable, innovative and community-focused future for the Association.

The Strategic Report was approved by the Board on 15th July 2026 and signed on its behalf by:

Julie Stone
Company Secretary

Board Report

People

By championing a culture of inclusivity, diverse talent and healthy living we will support people to flourish and fulfil their true potential.





Developing our staff

In 2025/26, we appointed two more employees to apprenticeship roles across the organisation.

Our 5-year HR Strategy aims to support our colleagues' personal growth by having a dynamic approach to reskilling existing and attracting new talent. Our Cyclical Performance Management Process provides regular support and feedback for every employee, so they understand how they are contributing to our corporate objectives, and Annual 'Career Conversations' help to identify ambitions whilst supporting and creating opportunities to develop existing skills.

Our annual Future Leaders programme supported **2** employees during the year to develop their leadership skills with a tailored personal development plan, mentoring and project experience.

66 volunteering days were undertaken by MHA staff this year, supporting projects and charities. This helps staff flourish by learning new skills, meeting new people and giving something back to the communities we serve.

Supporting staff health and wellbeing

MHA's 'Life & Soul' group supports our People objectives by ensuring the health & wellbeing of our colleagues and communities are a key focus of our activities.

We have **10** employee Mental Health Champions who are trained mental health First Aiders to help support any staff who are struggling with their wellbeing.

What else have we achieved

In 2025/26 we ...

Held our first staff Conference since pre pandemic.

Provided a number of health and wellbeing events for staff as part of MHA's Life and Soul Group.

Themed quarterly Breakfast meetings, bringing colleagues together to discuss, volunteering opportunities, Safeguarding responsibilities with guest speakers and practical resources.

'Better Together' briefings are held regularly to keep our people up to date with important news and provide them with opportunities to ask Senior Management questions.

Appointed an Independent Chair to our Community Voice Committee.

We also continued to invest in professional development, supporting colleagues to build skills, gain qualifications and progress their careers within the organisation.

We continued to create development pathways through mentoring, leadership support and tailored learning opportunities.

Our focus on learning and development helps us attract, retain and grow talent, ensuring we have the skills and capacity needed for the future.

A diverse and inclusive business

During the year, we developed and approved a new 3-year Equality, Diversity and Inclusion (EDI) Strategy, setting a clear direction for the next phase of our work. Building on strong foundations, our focus has shifted toward embedding EDI more consistently across the business and ensuring that services are fair, accessible and responsive to the diverse needs of our customers and colleagues.

Our approach places greater emphasis on delivering measurable outcomes and social value. We are prioritising areas where we can make the greatest difference, particularly in improving accessibility and support for people with disabilities, recognising this as a key need across our customer base. Alongside this, we are improving our understanding of the challenges faced by different communities as we expand into more diverse geographical areas.

A key feature of the new strategy is a move toward mainstreaming EDI into everyday business activities (e.g. Improving the use of EQIA's and quality of data to inform service design). It also reinforces our commitment to creating inclusive workplaces, challenging barriers within recruitment and employment practices and supporting colleagues to thrive.

We continue to work in partnership with local organisations and community groups to address wider inequalities, including those linked to health, financial inclusion and social isolation. These partnerships, alongside targeted initiatives, support our ambition to build more cohesive and resilient communities.

In relation to the Welsh Language, we have and will continue to actively engage in preparations for the introduction of the new Welsh Language Standards for the housing sector. The new Standards will strengthen expectations around accessibility and linguistic choice and support Welsh Government's wider ambition of increasing Welsh language use across Wales. We will continue to work closely with the Welsh Language Commissioner and partners to ensure a smooth transition and ongoing compliance.





Employment Support

MHA's Financial Wellbeing team provide holistic financial capability support, employability support and training to tenants looking to start their career.

In 2025/26 we ...

Supported **20** people into employment.

Supported **38** Volunteers.

Tackling hardship & Financial Support

In 2025/26 we ...

Maximised income for tenants by **£1.7m** to **490** households.

167 tenants received one to one financial wellbeing coaching.

323 tenants received advice and support provided by our money and benefits experts.

Allocated and spent a hardship fund of **£118,539** helping support **1,459** tenants living with the stress and trauma caused by financial hardship.

Tenant involvement

We carried out a comprehensive review of how we hear the Tenants Voice in our decision making and service delivery. This has helped us strengthen our involvement structures to provide more opportunities for engagement and for tenants to influence the way we work. A group of tenants have worked with us through 25/26 to co-produce The Exchange which was formally launched in May 2026. The Exchange facilitates our consultation processes and activities whether through surveys, feedback, events, focus groups or conversations in the community. We are actively encouraging as many tenants as possible to sign up to The Exchange and have already signed up **211**.

The Exchange





Community Partnerships

We have continued to work with our Volunteer led hubs and work with a total of **10** throughout the County with tenant volunteers actively working within their community to deliver projects and activities that meet their identified priorities.

We teamed up with **SamKat** and **Keep Wales Tidy** to discuss with residents about exciting community garden areas.

In collaboration with **TogetherWORKS Caldicot,** we welcomed **35** attendees, and the atmosphere on the day was full of energy and excitement. Children especially enjoyed exploring outdoors as part of the hunt.

It was also a brilliant opportunity to speak with parents and hear directly from our residents. The event helped us build stronger relationships, understand what families value, and gather meaningful feedback that will shape future activities.

Feedback from families was incredibly positive, with both adults and children sharing their enthusiasm:

"The kids had such a great time, it's really hard to keep them entertained in the holidays. This was perfect."

"It was such a lovely community event. Thank you for putting it on."

Community highlights

In 2025/26 we ...

Co-produced **45** events, projects and activities in partnership with our tenants, partners and communities, attracting **1,252** attendees.

£59,140 received via Community Benefits.

£34,700 in MHA funding was allocated to Community projects.

Awarded **£21,500** to **20** community groups through Pitch for Your Project.

Received **£61,950** through External Funding.

Supported our volunteer led hubs to the value of **£2,520**.



We hosted our third annual **Monmouthshire Volunteer Awards (MVAs)** in partnership with GAVO, celebrating the incredible contributions of volunteers across Monmouthshire. The event welcomed over **100** attendees, including partners, community groups, residents and volunteers, creating a warm and uplifting space to recognise our winners and runner-ups.

Guests enjoyed a range of entertainment, including a local choir, photobooth, and singing waiters—whose surprise performance was a standout moment of the evening. The MVAs continue to grow each year and remain a valued celebration of the individuals who make a meaningful difference in our communities.



iConnect project – MHA delivered a wide-ranging programme of digital inclusion activity designed to support residents experiencing barriers to digital access, confidence, and connectivity. Support was tailored to meet the needs of diverse resident groups, including older people, financially vulnerable households, families with children, young starter tenants, individuals engaging with Universal Credit migration, residents affected by rural isolation, and tenants experiencing complex vulnerabilities such as mental health challenges, domestic abuse, safeguarding concerns, and social isolation.

In 2025/26

142 residents engaged through workshops, events, outreach activity, and one-to-one support.

122 residents received direct support linked to digital inclusion, connectivity, online access, employment, finances, training, and wellbeing.

110 surveys were started and 61 surveys were fully completed to support the evaluation and evidence gathering process (out of 61 responses 100% identified improved digital skills).

56 devices were provided or loaned to residents, including laptops, tablets, mobile phones, MiFi devices, SIM cards, and Jangala connectivity boxes.

The Community Voice Committee made a significant contribution to strengthening tenant voice across governance, service improvement and strategic decision making. The Committee played a central role in shaping and scrutinising the Tenant Voice Review and supported the implementation of The Exchange, which broadened opportunities for tenant engagement and enhanced the way tenant views are captured and reflected in organisational decisions. Through this work, the Committee helped to embed a stronger and more structured approach to tenant involvement.

The Committee also provided valuable input into a number of key service reviews, including responsive repairs, community safety and tenant satisfaction. In each of these areas, members helped to ensure that service design and improvement activity was informed by tenant priorities, experiences and feedback. This strengthened the organisation's understanding of customer needs and supported a more tenant-focused approach to service delivery and performance improvement.

A key area of focus during the year was the development of the Committee's own governance and scrutiny role. This included supporting changes to Community Voice governance arrangements, such as the appointment of a new independent Chair and updates to the Terms of Reference, helping to establish a stronger and more effective scrutiny function. The Committee also reviewed regulatory standards and the self-assessment activity and agreed a forward workplan aligned to regulatory expectations, reinforcing its role in assurance and compliance oversight.

In addition, the Committee contributed to wider organisational priorities, including the corporate plan, rebrand activity, affordability considerations, complaints reporting, performance monitoring and equality, diversity and inclusion objectives. Members also provided input into broader strategic discussions and partnership activity, ensuring that the tenant perspective remained visible within significant organisational developments. Collectively, this work has strengthened accountability, transparency and the influence of tenant voice across both operational and strategic matters.



Housing and Wellbeing Service

Demand for our health and wellbeing service has never been so great. The service provides support to people in housing need or who are at threat of homelessness and is funded by Monmouthshire County Council through the Housing Support Grant.

The team provided support to **131** people across Monmouthshire, and **95%** have been supported to sustain their tenancy.

Support for older residents

Our Community Living Officers have been supporting our older persons' schemes to help tenants feel safe and remain in their own homes. They have also carried out lots of activities to promote wellbeing and reduce isolation. The Team has supported tenants through the person-centred fire risk assessments, ensuring we have up to date information requiring what each tenant needs for evacuation in event of a fire, what they can do to minimise the risk of a fire and any vulnerabilities they may have. Alongside this the team worked with our Safety and Compliance team with a Fire Safety Campaign, to engage with tenants the risks of fire and what is available for support to minimize the risk of fire.



Tenancy Coaching

The Tenancy Coaching Service supported **112** tenants during the year. This included **77** tenants receiving coaching support and **35** tenants referred due to welfare concerns. The service continues to play a critical role in sustaining tenancies, improving property conditions, and supporting tenant wellbeing. **88%** of tenancy coaching referrals are for property conditions, **8%** of these cases have rent arrears, with 6% of the cases referred for hoarding. This past year has also seen the coaches support **2** cases following the floods in Monmouth.



Flood Response and Tenant Support

In November 2025, Monmouthshire Housing Association responded swiftly and compassionately to severe flooding in Monmouth, which displaced residents and affected the wider community. Through clear, timely and accessible communication, MHA provided reassurance and practical support to tenants at a time of significant distress. Staff were present in person at rescue centres and in affected streets, carrying out wellbeing checks, arranging emergency and longer-term accommodation, helping tenants access essential items, medication, food, funding and support, and ensuring each affected household had a dedicated single point of contact. By combining face to face engagement, regular updates, partner coordination and clear written information, MHA ensured tenants felt safe, informed and supported throughout the crisis. The response not only helped residents recover from the immediate impact of the floods but also strengthened trust, improved organisational learning, and reinforced the importance of compassionate, relationship based communication during emergencies

MHA received a Special Recognition Landlord at The TPAS Cymru Awards 2026 for Compassionate Communication through Crisis.

Resident Complaints Received

19 Formal complaints.

7 Compensation claims.

53.85% of Claims/Complaints responded within target.

Corporate Sponsorship Scheme

We allocated **£5,000** to support local groups and community members, recognising the important role this plays in building resilient communities, encouraging a sense of belonging and improving overall wellbeing.

In 2025/26 we supported:

Abergavenny Youth Netball Club.

Caldicot Musical Theatre.

Tintern Village Fete.

TPAS Award sponsorship.

Places

We are committed to delivering high-quality, safe, and affordable homes with vibrant surroundings, collaborating with partners to create thriving communities.

Despite the challenges we face to deliver new affordable homes, we are committed to assisting Welsh Government to deliver on its target of **20,000** new low carbon affordable homes in Wales.

We are passionate about providing high quality, well designed, affordable homes for the communities we serve and to help address the housing and cost of living crisis.

We are working with partners and stakeholders to focus development in areas of need whilst continuing to preserve and enhance the local environment and biodiversity.

Developing and nurturing existing partnerships is important to MHA's growth as we continue to investigate opportunities to extend our areas of operation across a wider geographical area.

In 2025/2026 we ...

Completed the Development of **32** homes at Rockfield Farm in Undy, reflecting our commitment to delivering high-quality, energy efficient housing that meets the needs of our communities.

To support residents moving into the Rockfield Farm development, MHA organised a "Get Set" community event. The drop-in session brought together colleagues from across the organisation to provide information about the development, showcase property finishes and introduce the support services available. Incoming tenants were able to view site plans, materials and information about their new homes in an informal setting, helping to provide a positive introduction to the development and encourage early community connection.





Signed contracts with J. Harpers & Sons to deliver **48** new homes, transforming a former school site into a vibrant new residential development in the heart of Caldicot. The scheme has been developed in close collaboration with Monmouthshire County Council and our Homesearch Team, ensuring it reflects local housing demand and supports long-term community wellbeing. The project is supported by **£7 million** in Social Housing Grant funding from the Welsh Government.





Purchased **14** homes from the open market to support those in temporary accommodation or facing homelessness taking the total number of acquisitions to **32**.

Actively supported the Delivering Net Zero project to create standardised pattern book homes to achieve operational net zero carbon and make a stepped change in embodied carbon emissions.

Through the Welsh Government's Optimised Retrofit Programme, MHA continued to improve the energy efficiency of existing homes and support progress towards decarbonisation targets. At Newland Way, works included new roof coverings, solar PV installation and external wall insulation, helping to improve the energy performance of homes and reduce future carbon emissions. This formed part of a wider programme delivered during the year, with improvements completed to sites including The Albion, Newland Way and Middle Way.





All our new homes, designed and built by us, will achieve an energy efficiency rating 'EPC' A using low carbon space and water heating solutions and solar PV. We will also consider employing modern methods of construction, where appropriate, and new innovations in pursuit of continuous improvements in safety and speed of delivery. We are committed to reducing construction waste and improving the quality of our homes even further.

Breakdown of our housing stock

To meet the evolving needs of our communities we have a range of housing options. The following table provides a breakdown of our stock as at the end of March 2026.

	Monmouthshire	Newport	Torfaen	Total
General Needs	2,879	17	14	2,910
Intermediate Rent	43			43
Housing for Older People	1,020			1,020
Supported Housing	12			12
Other *market Rent	11			11
Total	3,965	17	14	3,996

In 2025/26, we delivered significant improvements across our housing stock through investment in repairs, maintenance and safety, while maintaining robust compliance across all key statutory areas, including fire, gas, electrical, asbestos and water safety. We also continued to engage tenants on health and safety matters, strengthened our approach through service improvements such as bringing key servicing functions in-house, and maintained a strong safety culture throughout the year, with low incident levels and no RIDDOR-reportable events.

External works programme

We invested in upgrading and maintaining our homes, including improvements to kitchens, bathrooms and energy efficiency measures.

We have continued to provide an excellent repairs service with **97%** of repairs completed Right First Time and attending **99.99%** of appointments when we say we will.

In 2025/26 we spent a total of £16.2m in our repairs and maintenance programme...

Planned repairs	**£9.4m**
Cyclical repairs	**£0.8m**
Responsive repairs	**£2.8m**
Voids repairs	**£2.0m**
Compliance	**£1.2m**

Welsh Housing Quality Standard 2023

Following the launch of the New Welsh Housing Quality Standard WHQS2023, MHA commissioned Savills to carry out a detailed survey programme to identify the work required to bring MHA properties up to the new standard.

A component of WHQS is that all properties have to a Stock Condition Survey undertaken every five years, to ensure any hazards can be identified and rectified, and that the landlord has accurate data on the condition and type of attributes at every property. This data can then be used to develop a 30-year programme of works and Target Energy Pathways to ensure our properties reach an EPC SAP rating of 75 by 2030, with a longer-term aspiration of reaching SAP 92.

Savills have now completed over **2,800** surveys, representing almost **50%** of MHA's rented housing stock. Based on this data, they estimate that delivering full WHQS2023 compliance would cost approximately **£180 million** more than maintaining the current standard. These findings have been submitted to Welsh Government, as MHA cannot meet this funding requirement independently.

Improving energy efficiency, reducing fuel poverty, and lowering carbon emissions present the most significant challenges within WHQS2023. At the end of 2024/25, **37.86%** of MHA properties had an EPC SAP rating below 75. Achieving the 2030 target of all homes reaching a minimum SAP rating of 75 (mid-band EPC C) will require upgrades to approximately **1,600** properties, at an estimated cost of **£22 million**.

To specifically aid us to reach these EPC targets, we have been utilising the Optimised Retrofit Programme (ORP) funding stream. Last year saw us undertake extensive work to the blocks at The Albion, Newland Way and Middle Way, with **160** properties having PV panels installed.

At the end of 2025/26 **37.86%** of our properties have an EPC SAP score of under **75**. The Welsh Government are aware, that without additional financial support it will be difficult to meet the 2030 target.

Whilst some progress is being made towards this target using the current Welsh Government Optimised Retrofit funding and WHQS implementation grant, considerably more funding will be required to meet the 2030 target.

Prosperity

Investing in growth, we will remain a financially strong and resilient business, championing fair and local procurement.

The knock-on impact of rising costs has generated challenges for tenants and staff alike and put significant pressures on our business budgets. Despite these challenges, we have prioritised support, worked hard with customers to keep rent arrears low, and made savings across the business to remain financially strong.

The Income Team demonstrate a strong organisational culture and support service to tenants and have supported all tenants, where required, to successfully migrate from legacy benefits to UC bringing to a close an eight-year programme of work. The final cohort required particularly intensive engagement with some of our most complex and vulnerable tenants, supported through strong partnership working to ensure no tenants were left behind and that legal action was avoided wherever possible.

In 2025/26

Strengthened procurement and partnerships to deliver greater value for money and increase the use of local contractors.

MHA held a 'Meet the Buyer' event with suppliers and contractors as part of its commitment to strengthening value for money through effective procurement and partnership working. The event helped build stronger supplier relationships, launched the Contractor Handbook setting out expectations for working in tenants' homes, and promoted the use of the TOMs framework to support the measurement of social value. A total of 53 contractors attended, with 10 also contributing to the Secret Garden growing space project.

Case Study

A tenant who had disengaged for almost six months, during which time her Housing Benefit stopped and she began accruing rent debt for the first time. Despite repeated attempts by teams and partners to make contact or gain access, including for an annual gas service, a warrant was eventually required.

When entry was gained in December 2025, we found the tenant in severe mental distress, living in extremely poor conditions, with rent debt of around £3,000. It was immediately clear that this was not just an income issue, but a wellbeing crisis. Safeguarding referrals were made and the team worked persistently with safeguarding services, the community mental health team and the GP.

Trust was slowly built through daily visits with consistent presence allowing essential repairs to be carried out. Although the tenant was not well enough at that stage to engage around benefits, the relationship built by the team was crucial in helping partner agencies understand the seriousness of the situation and ultimately securing a formal mental health assessment where the tenant was sectioned and admitted for treatment.

Following her discharge, the tenant again allowed the team immediate access. Her mental health had noticeably improved, and we were able to support her to claim Universal Credit, arrange an Alternative Payment Arrangement and draw on our strong partnerships to secure discretionary funding that cleared the rent debt of over £4,000 in full. The tenant is engaging positively with services, her rent is paid directly, and is no longer in rent debt, and a clear plan is in place to improve her home. She continues to thank the team for not giving up on her. This is one example of the work that sits behind the performance data, work that changes lives, protects tenancies and reminds us why what we do matters.

Planet

As adaptable stewards of the environment, we will continue to build sustainable and eco-friendly homes, championing ecological resilience and contributing towards national zero carbon targets.

Environmental and Compliance

We recognise climate change is one of the key issues facing us all and, as a developer of new houses and a landlord with more than 3,500 properties, we have a significant part to play.

MHA has a responsibility to all its stakeholders to deliver environmental good practice, energy and waste reduction and assist the Welsh Government to meet its target of net zero carbon emissions in Wales by 2050.

MHA acknowledges that organisations have a legal duty to put in place suitable arrangements to manage health and safety. It is part of the everyday process of running the organisation and an integral part of workplace behaviours and attitudes.

MHA have adopted the sector-wide Sustainability Reporting Standard (SRS) for social housing. This will help us to prioritise and measure our efforts in achieving our long-term sustainability goals, helping MHA to grow whilst maintaining a sustainable business, as well as enabling us to be more transparent and open with our performance, with our stakeholders and customers.

In progressing the management strategy of health and safety, MHA, continues to observe the ISO 45001 model "Managing for Health and Safety". This is an international Health & Safety standard.

In 2025/26 we...

Installed **160** Solar PV Panels to properties.

Achieved SAP **75** rating to **2,626** properties.

Achieved **0.5%** target for Waste to Landfill.

Worked with contractors to adhere to the Workplace Recycling Law.

Statement of Board Members' Responsibilities

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

Housing Association legislation requires the Board to prepare financial statements for each financial year. Under that legislation the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Housing Association legislation, the Board must not approve the financial statements unless they are 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 of the Group and Association for that period. In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to 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's 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 Housing Association legislation, the Co-operative and Community Benefit Societies Act 2014 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. The Board is also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditor

Each of the Board Members at the date of approval of this report has confirmed that:

- As far as the Board Members are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- The Board Members have taken all the steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Statement of Internal Control

1. Responsibilities and Scope

- In accordance with the Welsh Government's Housing Association Circular RSL 02/10 Internal Controls and Reporting, the Board acknowledges its overarching responsibility for maintaining and reviewing the Association's system of internal control, including wider risk management responsibilities, and for reviewing its effectiveness.
- On behalf of the Finance, Audit & Risk Committee, the Director of Resources, presents an annual report to the Board covering the period from 1 April 2025 to 31 March 2026. The purpose of this report is to record an assessment of the adequacy and effectiveness of the Association's internal control framework for the period.

2. Internal Control Environment

- The Association's internal control systems are designed to manage, rather than eliminate risk, and aim to provide reasonable, not absolute assurance against material misstatement or loss, over the:
  - safeguarding of assets
  - maintenance of accurate and reliable accounting records
  - integrity of financial and performance information
  - effective management of risks
- The internal control framework is designed to support the Association's ability to achieve its Business Plan objectives.
- The framework includes organisational policies, delegated authorities, financial regulations, performance management, and compliance monitoring.
- There are clearly defined corporate and management responsibilities and reporting structures ensuring that experienced and suitably qualified staff take responsibility for important business decisions.
- The Board Risk Appetite is clearly communicated to the business.
- The Board is skills-based, ensuring strong governance oversight.
- A Board skills audit is undertaken regularly to identify gaps and inform recruitment and succession planning, ensuring the Board retains the competencies required for effective oversight.
- Strategic KPIs set by the Board are regularly reviewed to monitor performance exposure to key risk areas.
- One MHA Board member also sits on the Capsel Board, supporting consistent oversight across the group structure.
- Robust people management controls are in place, including pre-employment checks (including DBS where applicable), mandatory induction programmes, and ongoing training and development aligned to business needs.
- Whistleblowing arrangements are in place and are communicated to all staff.

3. Strategic Leadership & Governance

- MHA's Strategic vision and values are reviewed annually to inform the latest Corporate Plan which was approved by the Board in March 2025.
- Emerging and future legislation is monitored on an ongoing basis to inform policies, processes and decision making.
- Standing Orders and Financial Regulations were reviewed and updated in 2025/26, with Board approval in May 2026.
- A tenant satisfaction survey was completed during the year.
- The Association's governance arrangements are aligned with the Community Housing Cymru (CHC) Code of Governance 2021, with compliance reviewed annually by the Board. Reviews of Board effectiveness ensures that members have the right skills and experience to provide appropriate challenge and support, with any gaps addressed through recruitment and succession planning.
- MHA's operational and regulatory framework reflects the requirements of the Renting Homes (Wales) Act 2016 and the Wellbeing of Future Generations (Wales) Act 2015, with policies and procedures reviewed to ensure ongoing compliance.
- The most recent Welsh Government regulatory judgement (November 2024) confirmed a Standard rating Assessment for governance and financial viability. MHA has not been subject to any adverse findings by any regulatory agency during 2025/26 and continues to work to maintain compliance across all regulatory standards.

4. Audit & Assurance

a. Internal audit

- The Internal Audit Service is externally provided by Mazars. The Internal Audit Plan is risk-based and aligned to key business risks.
- As at the reporting date, 21 recommendations (1 high, 10 medium and 10 low priority) were issued during the period; all were accepted by MHA.
- Progress against recommendations is monitored at each Finance, Audit & Risk Committee meeting.
- Mazars provide an annual opinion on the overall adequacy and effectiveness of MHA's governance, risk management, and internal control framework. This opinion is reviewed by the Finance, Audit & Risk Committee and forms a key input to this Statement

b. External audit and independent assurance

- The Finance, Audit & Risk Committee reviews and monitors reports from management, from the Internal Auditor and from the External Auditor to provide reasonable assurance that control procedures are in place and are being followed.
- A comprehensive Compliance Monitoring Framework is maintained and regularly reviewed by Committees and the Board to evidence compliance with Welsh Government Regulatory Standards.
- An Information Governance Framework is in place to manage the collection, storage, and use of personal data, including tenant data held under the Renting Homes (Wales) Act 2016. Information governance arrangements are reviewed regularly and reported to the Finance, Audit & Risk Committee.
- A Board-approved AI Policy is in place as part of MHA's emerging digital governance framework. The policy sets out MHA's approach to the responsible use of artificial intelligence tools, including compliance with UK GDPR obligations and the designation of the Director of Resources as the responsible officer for AI governance.

- Compliance with data protection legislation is externally reviewed by specialist consultants.
- MHA retains external accreditations including:
  - ISO 45001 (Health & Safety & Environmental)
  - Green Dragon Level 5
- MHA maintains independently verified compliance with statutory landlord health and safety obligations, including gas safety, electrical condition inspections, fire risk assessments, asbestos surveys, legionella assessments, and lift safety checks, with compliance rates reported to the Board and its sub-committees.
- Compliance with lender covenants is monitored on a quarterly basis and reported to the Finance, Audit & Risk Committee. MHA was compliant with all loan covenants at the balance sheet date and expects to remain compliant for the foreseeable future.

c. Business Continuity, IT resilience

- Business Continuity Plans have been tested with support from external consultants.
- IT Disaster Recovery Plans were tested by specialist external companies.
- Cyber security controls are in place, including network monitoring, endpoint protection, and regular penetration testing. MHA is working towards its full Cyber Essentials certification.
- Staff receive mandatory cyber security awareness training, with phishing simulation exercises conducted periodically to test organisational resilience.

5. Risk Management Policy & Framework

- In line with RSL 02/10, which emphasises the importance of structured risk identification, assessment, and mitigation, MHA maintains a comprehensive and embedded approach to risk management.
- MHA has a Risk Management Policy in place which clearly outlines the organisation's approach to risk management and defines roles and responsibilities throughout the organisation.
- The Corporate Risk Map is reviewed regularly by managers and the Senior Management Team (SMT). Dashboards are presented at every Finance, Audit & Risk Committee meeting.
- A Corporate Risk Dashboard summarising high-level risks and trend movement is presented at all Board and Committee meetings.
- The full Corporate Assurance Map is reviewed annually and made available for every Board or Committee meeting.
- The Association continues to maintain or put in place a number of procedures designed to mitigate risks facing the Association. These include specific delegated authorities to managers and staff, insurances, performance management reporting, contract procurement processes and an annual self-certification of risks and how they are controlled by the Senior Management Team.
- A Risk Appetite Statement is in place and informs decision-making and escalation processes.
- A Board Assurance Framework (BAF) is maintained and reviewed by the Board, mapping strategic objectives to key risks, controls, and sources of assurance to provide a structured overview of the adequacy of governance and risk management arrangements.

6. Financial Planning & Management including Value for Money (VfM)

- MHA maintains a structured business planning framework including:
  - annual budgets
  - rolling five-year Corporate Plans
  - a 30-year financial forecast
  - monthly management accounts
- Directorate action plans and performance monitoring support delivery against business objectives and budgets. Appraisal modelling of proposed new developments is undertaken.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation through relevant Committees or the Board.
- Development scheme financial appraisals are subject to a defined hurdle rate framework and are reviewed by the Development Committee prior to Board approval. Schemes funded through Social Housing Grant (SHG) are subject to additional Welsh Government oversight and reporting requirements.
- Asset investment decisions, including those relating to the Welsh Housing Quality Standard (WHQS 2023), are informed by stock condition data and are subject to formal approval through the delegated authority framework set out in the Schedule of Delegated Authority.
- A Board approved treasury policy and an annual treasury strategy are in place, which are reported against on a quarterly basis.
- Annual stress-testing of the business plan is undertaken, including sensitivity analysis against downside scenarios across the 30-year financial forecast, with results reviewed by the Board.
- There is a Value for Money (VfM) Policy in place that sits alongside an annual statement & self-assessment publication.
- A Procurement Policy is in place ensuring effective and compliant purchasing arrangements.
- Internal audit assessment of VfM controls is in place for each area of review.
- An Asset and Liability Register is maintained.

7. Fraud Prevention and Reporting

- MHA maintains a suite of policies supporting fraud prevention, detection, and reporting, including:
  - Standing Orders & Financial Regulations
  - Anti-Fraud, Theft & Bribery Policy
  - Whistleblowing Policy
  - Code of Conduct
  - Internal Audit Programme
- Anti-money laundering procedures are in place to manage the risks associated with tenant payments and development-related financial transactions, in line with regulatory expectations.
- The Company Secretary maintains the fraud register.
- No frauds were detected or reported during the reporting period.

8. Adequacy and Effectiveness of the Association's Internal Control System

- The Director of Resources has reviewed the adequacy and effectiveness of the Association's internal control and risk management systems for the period 1 April 2025 to the date of the approval of 2025/26 annual accounts and confirms that they are operating effectively.
- The Board Report, Statement of Board Members' Responsibilities and the Statement of Internal Control were approved by the Board on 15th July 2026.

Julie Stone

Director of Resources

Independent Auditor's Report To The Members Of Monmouthshire Housing Association Limited

Opinion

We have audited the financial statements of Monmouthshire Housing Association Limited (the 'Association') and its subsidiary (the 'Group') for the year ended 31 March 2026 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Equity and Reserves, the Consolidated and Association Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Boards' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The financial statements for the Group and Association for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 11 September 2025.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Group and Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Group and Association; 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 (set out on page 25), 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 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 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 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 considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
  - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
  - The recognition of development and maintenance expenditure in the correct period;
  - The rationale of any major fund flows during the period;
  - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the organisation operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the organisation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Bevan Buckland Audit Ltd
Chartered Accountants & Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date:

Statement of Comprehensive Income

For the year ended 31st March 2026

		Group		Association	
		2026	2025	**2026**	2025
	Notes	**£'000**	£'000	**£'000**	£'000
Turnover	3	**31,648**	29,976	**28,860**	28,011
Operating expenditure	3	**(28,316)**	(26,945)	**(25,667)**	(25,066)
(Loss)/Gain on disposal of PPE	4	**(17)**	2,207	**(32)**	2,181
Operating surplus		**3,315**	5,238	**3,161**	5,126
Interest receivable	5	**926**	1,244	**1,088**	1,420
Interest and financing costs	6	**(1,714)**	(1,638)	**(1,715)**	(1,638)
Fair value movement	12	**(34)**	(14)	**(34)**	(14)
Dividends received		**-**	-		-
Surplus before tax	7	**2,493**	4,830	**2,500**	4,894
Taxation	10	**9**	(17)	**24**	(11)
Surplus for the year		**2,502**	4,813	**2,524**	4,883
Other comprehensive income:					
Actuarial (loss)/gain in respect of pension schemes	19	**(199)**	112	**(199)**	112
Deferred Tax	10	**16**	16	**-**	-
Total comprehensive income for the year		**2,319**	4,941	**2,325**	4,995

There were no recognised gains or losses in either the current or prior year except those reported in the Statement of Comprehensive Income. The notes on pages 41 - 81 form part of these financial statements.
The financial statements on pages 34 - 81 were approved and authorised for issue by the Board on 15 July 2026 and were signed on its behalf by:

Signed ……

Anthony Deakin
Chair

……

Dimitri Batrouni
Vice Chair

……

Julie Stone
Company Secretary

Statement of Financial Position

Registered number: 30087R

	Notes	Group		Association	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
Intangible fixed assets	11	**-**	20	**-**	20
Housing properties	12	**174,744**	155,612	**173,310**	153,953
LCHO Properties	12	**-**	-	**-**	-
Homebuy loans receivable	12	**4,574**	4,534	**4,574**	4,534
Investment	12	**2,960**	1,998	**2,960**	1,998
Other property, plant and equipment	13	**3,660**	3,709	**3,660**	3,703
Non Current Assets		**185,938**	165,873	**184,504**	164,208
Current assets					
Inventories	14	**6,689**	2,917	**5,656**	84
Debtors	15	**15,907**	6,810	**18,668**	11,729
Cash and cash equivalents		**14,286**	27,113	**13,931**	26,454
		36,882	36,840	**38,255**	38,267
Current Liabilities					
Creditors: amounts falling due within 1 year	16	**(15,523)**	(9,103)	**(15,598)**	(9,007)
Net current assets		**21,359**	27,737	**22,657**	29,260
Total assets less net current assets		**207,297**	193,610	**207,161**	193,468
Non-current liabilities					
Creditors: amount falling due after 1 year	17	**(152,253)**	(140,808)	**(152,253)**	(140,808)
LGPS Asset	19	**-**	-	**-**	-
SHPS Liability	19	**(89)**	(166)	**(89)**	(166)
Net assets		**54,955**	52,636	**54,819**	52,494
Capital and Reserves					
Share capital	20	**-**	-	**-**	-
Pension Reserve		**(89)**	(166)	**(89)**	(166)
Revenue Reserve		**55,044**	52,802	**54,908**	52,660
Total Reserves		**54,955**	52,636	**54,819**	52,494

The notes on pages 41 - 81 form part of these financial statements. The financial statements of Monmouthshire Housing Association Limited on 34 - 81 were approved and authorised for issue by the Board on 15 July 2026 and signed on its behalf by:

Signed ……. ……. …….

Anthony Deakin
Chair

Dimitri Batrouni
Vice Chair

Julie Stone
Company Secretary

Statement of Changes in Equity & Reserves

For the year ended 31st March 2026

	Group			Association		
	Called up share capital £'000	**Revenue Reserve (including pension reserve) £'000**	**Total £'000**	**Called up share capital £'000**	**Revenue Reserve (including pension reserve) £'000**	**Total £'000**
Balance at 1 April 2024	-	47,695	47,695	-	47,499	47,499
Surplus for the year	-	4,813	4,813	-	4,883	4,883
Actuarial gain in respect of pension schemes	-	112	112	-	112	112
Deferred Tax	-	16	16	-	-	-
As at 31 March 2025	-	**52,636**	**52,636**	-	**52,494**	**52,494**
Surplus for the year	-	2,502	2,502	-	2,524	2,524
Actuarial (loss)/gain in respect of pension schemes	-	(199)	(199)	-	(199)	(199)
Deferred Tax	-	16	16	-	-	-
As at 31 March 2026	-	54,955	54,955	-	54,819	54,819

The revenue reserve represents the accumulated surplus of the Group and Association.
The notes on pages 41 - 81 form part of these financial statements.

Statement of Cash flows

For the year ended 31st March 2026

		Group		Association	
	Notes	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000
Net cash generated from operating activities	21	**11,964**	7,639	**12,124**	7,460
Cash flows from investing activities					
Purchase of property, plant and equipment		**(32,284)**	(22,677)	**(32,284)**	(22,663)
Proceeds from sale of property, plant and equipment		**236**	2,006	**218**	1,979
Grants received		**10,755**	11,645	**10,755**	11,645
Interest received		**839**	1,155	**1,001**	1,271
Net cash flows from investing activities		**(20,454)**	(7,871)	**(20,310)**	(7,768)
Cash flows from financing activities					
New loans		**-**	4,970	**-**	4,970
Interest paid		**(1,712)**	(1,462)	**(1,712)**	(1,462)
Repayment of loans		**(2,625)**	(8,947)	**(2,625)**	(8,947)
Net cash flows from financing activities		(4,337)	(5,439)	(4,337)	(5,439)
Net (decrease)/increase in Cash and Cash Equivalents		(12,827)	(5,671)	(12,523)	(5,747)
Cash and cash equivalents at beginning of the year		**27,113**	32,784	**26,454**	32,201
Cash and cash equivalents at end of the year		**14,286**	27,113	**13,931**	26,454

The notes on pages 41 - 81 form part of these financial statements.

Statement of Cash flow

Free cash flow for the reporting year ended 31 March 2026

		Group		Association	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
	Note				
Net cash generated from operating activities	**21**	**11,964**	7,639	**12,124**	7,460
Interest paid		**(1,712)**	(1,462)	**(1,712)**	(1,462)
Interest received		**839**	1,155	**1,001**	1,271
Adjustments for reinvestment in existing properties					
Component replacements		**(9,358)**	(9,574)	**(9,358)**	(9,574)
Purchase of other replacement fixed assets		**-**	(4)	**-**	-
Capital Grant received		**8,155**	-	**8,155**	-
Dowry grant received		**2,600**	2,600	**2,600**	2,600
Free cash generated before financing activity		**12,488**	354	**12,810**	295
Loan drawdowns		**-**	4,970	**-**	4,970
Loans repaid		**(2,625)**	(8,947)	**(2,625)**	(8,947)
Free cash generated after financing activity		**9,863**	(3,623)	**10,185**	(3,682)

Notes to the Financial Statement

1. Registration of the Association

Monmouthshire Housing Association Limited (the 'Association') is a registered society under the Co-operative and Community Benefit Societies Act 2014, incorporated and domiciled in England and Wales. The address of the registered office is Nant Y Pia House, Mamhilad Technology Park, Mamhilad, Pontypool, Monmouthshire, NP4 0JJ.

The main activities of the Association and its subsidiary is the provision of affordable homes for rent for people in housing need.

2. Principal Accounting policies and Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. Monmouthshire Housing Association Group is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The financial statements are presented in pounds sterling and, unless otherwise noted, amounts are rounded to the nearest £1,000.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertaking drawn up to 31 March each year. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Board Report. The Group has in place long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan, which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The Board has also considered the impact on the parent of recoverability of the intercompany debtor and the value of WIP. Expected sales proceeds, and market demand post year end, have remained in line with business plan assumptions and scheme appraisals. On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Property, plant and equipment – housing properties

Housing properties, held at cost less depreciation, were transferred from Monmouthshire County Council at no cost and were subject to a nil valuation based on an independent report using the basis of existing use value for social housing.

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings and directly attributable development costs.

Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated.

	Houses	**Flats**
New build	150 years	110 years
Purchased	100 years	80 years

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	80 – 150 years
Roofs	50 Years
Doors and Windows	30 Years
Kitchens	15 Years
Bathrooms	25 Years
Heating Systems	15 Years
Other works	20 Years
Photovoltaic panels	22 Years

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment.

Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Other fixed assets

Head Office (building and furniture)	5 – 100 Years
Computer equipment	3 – 10 Years

Intangible assets

Software purchased and developed, or developed in house, is an intangible asset. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that the asset created will probably generate future economic benefits. These assets will be amortised over 3 - 5 years.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and it is included in surplus or deficit in the Statement of Comprehensive Income.

Grant Funding

Where grants are received from government agencies such as the Welsh Government and local authorities, devolved government agencies, health authorities which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Dowry

The Association received financial assistance from the Welsh Government to support the achievement of the Welsh Housing Quality Standard (WHQS). To meet the requirements of WHQS, the Association has been replacing components of the housing stock. The Grant is accounted for using the accrual method, whereby, the Grant is amortised over the expected useful economic life of the components. There is no requirement to repay this grant when disposal occurs.

Social Housing Grant and other Government Grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support, with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Housing Finance Grant

The Welsh Government Housing Finance Grants (HFG) provide annual housing grant payments in equal instalments over a period of up to 30 years to fund loan principal and interest costs of constructing affordable housing. The net present value of future grant receipts is recognised as a capital grant with an equal amount recognised as a deferred income debtor. The debtor is credited upon receipt of each grant payment and the difference between grant payments and the discounted value of the relevant portion of the debtor released to the Statement of Comprehensive Income as a contribution towards the financing cost of that scheme. The discount rate used for the net present value calculations is the same rate that applies to the associated borrowing to fund the housing assets.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Community benefit loans

Community benefit loans represent Land for Housing loans in connection with the acquisition of land for development and are held by the Association's legal advisers until legal conveyancing has completed. They are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the loan will be received.

Community benefit loans are initially recognised at the amount paid to the Association's legal advisers and reviewed annually for impairment.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group's taxable surpluses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

VAT

The Association is registered for VAT and operated a VAT shelter for its programme of planned works which ended 31st March 2024.

A large proportion of its income, including rents, is exempt from VAT. Most of its expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Any VAT recovered under partial exemption rules is credited to the Statement of Comprehensive Income.

Pensions

Local Government Pension Scheme and Social Housing Pension Scheme

The Group participates in both local government and social housing pension schemes which are multi-employer schemes where it is possible for individual employers, as admitted bodies, to identify their share of the assets and liabilities of the pension scheme. For these schemes, the amounts charged to operating surplus are the costs arising from 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 revenue and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with the assets of the scheme, held separately from those of the Group, 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. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets, such as properties developed for outright sale at completion, together with revenue grants from local authorities and the Welsh Government and charitable fees and donations. Rental income is recognised when the property is available for let, net of voids. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Other income is recognised once the work has been undertaken, this also applies to the recognition of the intercompany income. Revenue from services is recognised on completion of the service when the Association becomes entitled to payment. Revenue from photovoltaic panels is recognised on the basis of the feed-in-tariff receivable for the period.

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

A financial asset is derecognised when the contractual rights to cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at the transaction value adjusted for any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Inventories

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

HomeBuy Loans

The Group operates this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of social housing grant (SHG). On redemption:

- The SHG is recycled,
- The SHG is written off, if a loss occurs,
- The Group keeps any surplus.

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant is recognised as deferred income until the loan is redeemed.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on-demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents also include amounts held by solicitors.

Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. There are no provisions held for the year end 31 March 2026.

Key management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Any estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates would be recognised in the period in which the estimate is revised and in any future periods affected. Detailed below are the key management judgements and estimates management has made within the financial year.

Judgements:

Impairment of social housing properties

The Group is required to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. The Group carries out an impairment review, assessing the Useful Economic Lives of properties and their future value to the Group, taking into account the current level of demand for properties, the level of void losses, projected discounted cash flows and the ongoing investment in property maintenance and improvement. There are no other indicators of impairment present in our housing stock or other fixed assets at 31 March 2026.

Valuation of work in progress

Work in progress (WIP) relates to the construction of new-build dwellings for sale, valued at the lower of cost or net realisable value. Management has reviewed the situation and do not believe that WIP needs to be impaired, as all recent market intelligence and Board updates show that there is no significant detriment to the sales environment by August 2026.

Estimates:

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In these cases, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Investment properties were valued as at 31 March 2026 by professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

FRS 102 requires that defined benefit plan surpluses are recognised only to the extent that they are recoverable either through reduced contributions in the future or through refunds from the plan. The accounting valuation of the Greater Gwent (Torfaen) Pension Fund at 31 March 2026 identified an accounting surplus of £20,971k.

The scheme's actuary has confirmed that they can demonstrate no economic benefit arising to MHA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions.

Accordingly, MHA has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

3. Particulars of turnover, operating costs and operating surplus

Group

	2026 Turnover	2026 Operating Costs	2026 Operating Surplus/ (Deficit)	2025 Turnover	2025 Operating Costs	2025 Operating Surplus/ (Deficit)
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Social Housing lettings (Note 3a)	**28,590**	**(25,735)**	**2,855**	27,659	(25,042)	2,617
Other Social Housing Activities						
Building services external income	**23**	**(50)**	**(27)**	31	(64)	(33)
Other income	**33**	**-**	**33**	47	-	47
Non Social Housing activities:						
Property development and sales	**2,373**	**(2,442)**	**(69)**	1,690	(1,681)	9
Estate agency services	**19**	**(49)**	**(30)**	14	(114)	(100)
Photovoltaic panels	**551**	**(36)**	**515**	459	(42)	417
Commercial Rents	**58**	**(2)**	**56**	54	(2)	52
Other income	**1**	**(2)**	**(1)**	22	-	22
Total	**31,648**	**(28,316)**	**3,332**	29,976	(26,945)	3,031

3. Particulars of turnover, operating costs and operating surplus (continued)

Association

	2026			2025		
	Turnover	**Operating Costs**	**Operating Surplus**	Turnover	Operating Costs	Operating Surplus
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Social Housing lettings (Note 3b)	**28,607**	**(25,514)**	**3,093**	27,659	(24,844)	2,815
Other Social Housing Activities						
Building services external income	**86**	**(50)**	**36**	223	(64)	159
Other income	**33**	**-**	**33**	48	_	48
Non Social Housing activities:						
Property development and sales	**76**	**(101)**	**(25)**	27	(156)	(129)
Commercial Rents	**58**	**(2)**	**56**	54	(2)	52
Total	**28,860**	**(25,667)**	**3,193**	28,011	(25,066)	2,945

3a. Particulars of income and expenditure from social housing lettings – Group

	General Needs £'000	Supported Housing £'000	2026 Total £'000	2025 Total £'000
Income				
Rents receivable	24,728	-	**24,728**	23,253
Service charge income	578	-	**578**	703
Income for support services	-	148	**148**	145
Amortised government grants	2,693	-	**2,693**	2,696
Other income	443	-	**443**	862
Turnover from social housing lettings	28,442	148	**28,590**	27,659
Cost				
Management costs	(5,200)	(390)	**(5,590)**	(4,685)
Service charge costs	(695)	-	**(695)**	(1,335)
Routine maintenance	(10,322)	-	**(10,322)**	(10,220)
Major repairs expenditure	(2,000)	-	**(2,000)**	(1,593)
Bad Debts	(181)	-	**(181)**	(38)
Depreciation of housing properties	(6,313)	-	**(6,313)**	(6,374)
Other costs	(634)	-	**(634)**	(797)
Operating costs on social housing lettings	(25,345)	(390)	**(25,735)**	(25,042)
Operating surplus/(deficit) on social housing lettings	3,097	(242)	**2,855**	2,617
Rent loss due to voids		**115**		184

3b. Particulars of income and expenditure from social housing lettings – Association

	General Needs £'000	Supported Housing £'000	2026 Total £'000	2025 Total £'000
Income				
Rents receivable	24,728	-	**24,728**	23,253
Service charge income	578	-	**578**	703
Income for support services	-	148	**148**	145
Amortised government grants	2,693	-	**2,693**	2,696
Other income	460	-	**460**	862
Turnover from social housing lettings	28,459	148	**28,607**	27,659
Cost				
Management costs	(5,200)	(390)	**(5,590)**	(4,685)
Service charge costs	(695)	-	**(695)**	(1,335)
Routine maintenance	(10,322)	-	**(10,322)**	(10,220)
Major repairs expenditure	(2,000)	-	**(2,000)**	(1,593)
Bad Debts	(181)	-	**(181)**	(38)
Depreciation of housing properties	(6,088)	-	**(6,088)**	(6,174)
Other costs	(638)	-	**(638)**	(799)
Operating costs on social housing lettings	(25,124)	(390)	**(25,514)**	(24,844)
Operating surplus/(deficit) on social housing lettings	3,335	(242)	**3,093**	2,815
Rent loss due to voids		**115**		184

4. Surplus on disposal of property, plant and equipment

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Housing properties – proceeds	**-**	1,769	**-**	1,769
Housing properties - cost of sales	**(32)**	(103)	**(32)**	(129)
LCHO proceeds	**-**	805	**-**	805
LCHO cost of sales	**-**	(264)	**-**	(264)
Gain/(Loss) on disposal of PPE	**15**	-	**-**	-
Total	**(17)**	2,207	**(32)**	2,181

During the year MHA disposed of zero (2025: 13) properties under the Association's asset management strategy, as they were uneconomical to repair and met the criteria for disposal.

5. Interest receivable

		Group		Association	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
Bank interest receivable		**715**	1,027	**715**	1,027
HFG interest receivable		**87**	90	**87**	90
Other interest receivable		**124**	127	**286**	303
Net interest cost on DB pensions	19	**-**	-	**-**	-
Total		**926**	1,244	**1,088**	1,420

Other interest receivable includes money received from Capsel in relation to the Photovoltaic panel lease.

6. Interest and financing costs

		Group		Association	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
Interest payable		**(1,467)**	(1,462)	**(1,468)**	(1,462)
Net interest cost on DB pensions	19	**(2)**	(14)	**(2)**	(14)
Bank interest		**(245)**	(162)	**(245)**	(162)
Total		**(1,714)**	(1,638)	**(1,715)**	(1,638)

7. Surplus for the year

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Surplus stated after charging / (crediting):				
Depreciation - housing properties	**6,313**	6,374	**6,088**	6,174
Depreciation – other	**43**	50	**43**	46
Amortisation - intangible assets	**20**	19	**20**	19
Amortised government grant	**(2,693)**	(2,696)	**(2,693)**	(2,696)
Loss/(Gain) on disposal of fixed assets	**17**	(2,207)	**32**	(2,181)
Auditor's remuneration (excluding VAT)				
Audit of the financial statements of the Association	**28**	27	28	27
Audit of the financial statements of the Subsidiary	**8**	7	8	7
Other Services	**1**	1	1	1
	37	35	**37**	35
Operating lease rentals	**33**	41	**33**	37

8. Employee Information

	Group		Association	
	2026	2025	**2026**	2025
	No.	No.	**No.**	No.
Average number of employees	**245**	250	**244**	244
Actual number of employees employed at 31 March	**237**	251	**237**	244
FTEs - 37 hours / week				
Direct labour organisation including admin	**68**	75	**68**	75
Head office staff	**143**	143	**143**	137
Total	**211**	218	**211**	212

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Wages and salaries	**8,104**	7,815	**8,043**	7,639
Social security costs	**954**	729	**947**	708
Pension costs	**846**	1,096	**845**	1,091
Total	**9,904**	9,640	**9,835**	9,438

9. Key Management Personnel

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Wages and salaries	**883**	642	**883**	626
Social security costs	**113**	70	**113**	70
Other pension costs	**93**	94	**93**	94
Total	**1,089**	806	**1,089**	790

Key management personnel are defined as the Chief Executive and any other person who is a member of the executive management team and the Board.

9. Key Management Personnel (continued)

Board members are remunerated and receive a salary based on their roles and responsibilities. Total remuneration of £62k was paid to MHA group non-employee members of the Board during the year (2025: £55.1k).

For a full calendar year, the Chair of the Board is paid £9.5k, Vice Chair £6.9k, other Chairs £5.8k, Board members £4.2k and co-opted members £2.7k. For Capsel the Chair is paid £6.9k, Vice Chair £5.8k and members £4.2k. The total remuneration paid to key management personnel during this year was £1,089k (2025: £806k).

	2026	2025
	£'000	£'000
Remuneration of the highest paid director (excluding pension contributions)	**140**	146

Aggregate compensation for loss of office paid during the year was £168k (2025: £nil). This is included within total key management personnel remuneration above. The highest paid director is an ordinary member of the pension scheme. No additional contributions to any pension schemes have been made and no enhanced or special terms apply. The employer's contribution to the pension scheme on behalf of the Chief Executive in the year was £23k (2025: £24k).

The number of key management personnel who received emoluments (including pension contributions) in the following range was:

	Group		**Association**	
	2026	2025	**2026**	2025
Salary Band (£)	No.	No.	No.	No.
50,000 - 59,999	-	-	-	-
60,000 - 69,999	-	-	-	-
70,000 - 79,999	-	-	-	-
80,000 - 89,999	1	1	1	1
90,000 - 99,999	1	1	1	1
100,000 - 109,999	-	-	-	-
110,000 - 119,999	-	1	-	1
120,000 - 129,999	2	-	2	-
130,000 - 139,999	-	-	-	-
140,000 - 149,999	-	1	-	1
150,000 - 159,999	-	-	-	-
160,000 – 169,999	1	1	1	1
310,000 – 319,999	1	-	1	-
Total	**6**	5	**6**	5

10. Tax on surplus on ordinary activities

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Current Tax				
UK corporation tax on surplus for the year	**(15)**	32	**-**	26
Adjustments in respect of prior years	**24**	(15)	**24**	(15)
Total Current Tax	**9**	17	**24**	11

The standard rate of tax applied to the reported surplus is 25% (2025: 25%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus is as follows:

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Overall Surplus/(deficit) before tax	**2,493**	4,830	**2,500**	4,894
Surplus/(deficit) on taxable activities before tax	**60**	129	**-**	129
Profit multiplied by tax rate:				
UK corporation tax charge	**(15)**	32	**-**	32
Expenses not tax deductible	**-**	-	**-**	-
Capital allowances in excess of depreciation:	**-**	-	**-**	-
Group relief	**-**	(6)	**-**	(6)
Utilisation of tax losses	**-**	-	-	-
Adjustment to tax in respect of prior periods	**24**	(9)	**24**	(15)
Current tax charge for the year	**9**	17	**24**	11
Deferred tax				
Deferred tax charge to OCI	**16**	**16**	**-**	-

11. Intangible fixed assets

Intangible fixed assets include software purchased and developed inhouse. Cost is measured initially at acquisition cost or costs incurred to develop the asset.

	Group 2026 £'000	Association 2026 £'000
Cost		
As at 1 April 2025	**481**	**482**
Additions	**-**	**-**
Disposals	**-**	**-**
As at 31 March 2026	**481**	**482**
Amortisation		
As at 1 April 2025	**461**	**462**
Charged	**20**	**20**
Eliminated on disposal	**-**	**-**
As at 31 March 2026	**481**	**482**
Net book value		
As at 31 March 2026	**-**	**-**
As at 31 March 2025	20	20

12. Tangible Fixed Assets – Housing Properties (Group)

	Group		
	Completed Properties £'000	**Under Construction £'000**	**Total £'000**
Cost			
At 1 April 2025	**186,808**	**22,634**	**209,442**
Schemes completed in the year	22,146	(22,146)	-
Additions			
New developments	-	21,890	21,890
Component additions	9,358	-	9,358
Aborted development written off	-	(299)	(299)
Disposals	(258)	-	(258)
In-year transfer	(114)	(5,538)	(5,652)
As at 31 March 2026	**217,940**	**16,541**	**234,481**
Depreciation			
At 1 April 2025	**(53,830)**	**-**	**(53,830)**
Charge for the year	(6,313)	-	(6,313)
Eliminated on disposal	308	-	308
In-year transfer	98	-	98
As at 31 March 2026	**59,737**	**-**	**59,737**
Net Book Value			
As at 31 March 2026	**158,203**	**16,541**	**174,744**
As at 31 March 2025	**132,978**	**22,634**	**155,612**

12. Tangible fixed assets – Housing Properties (Association)

	Association		
	Completed Properties	**Under Construction**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2025	**183,290**	**22,884**	**206,174**
Schemes completed in the year	22,146	(22,146)	-
Additions			
New developments	-	21,890	21,890
Component additions	9,358	-	9,358
Aborted development written off	-	(299)	(299)
Disposals	(258)	-	(258)
In-year transfer	(114)	(5,538)	(5,652)
As at 31 March 2026	**214,422**	**16,791**	**231,213**
Depreciation			
At 1 April 2025	**(52,221)**	**-**	**(52,221)**
Charge for the year	(6,088)	-	(6,088)
Eliminated on disposal	308	-	308
In-year transfer	98	-	98
As at 31 March 2026	**(57,903)**	**-**	**(57,903)**
Net Book Value			
As at 31 March 2026	**156,519**	**16,791**	**173,310**
As at 31 March 2025	**131,069**	**22,884**	**153,953**

Freehold land and buildings with a carrying value of £20.7m (2025: £20.7m) are pledged as security. Those measured on a Market Value – Subject to Tenancies (MV-ST) basis, currently total £47.6m (2025: £25.8m), which includes market rent properties (note 12a), have been pledged to secure the undrawn revolving credit facility for the Association. Long-term loans secured in 2020-21 against housing assets are valued on a MV-STT basis, based on an independent Savills valuation dated July 2025, and are currently valued at £101.3m (2025: £81.2m). Under its current lending facilities, the Association is not permitted to pledge these assets as security for other borrowings or sell them to another entity. In total, 2,339 properties are uncharged whereas the remaining 1,670 properties are charged.

Work to existing properties includes costs charged by contractors, external consultants, and related in-house supervision and administration costs which have been capitalised. The Association capitalised £0.3m of component replacement work undertaken by the Association's Building Services department (2025: £1.64m). This represents the element of the Group and Association's planned replacement programme which is undertaken by the Association's workforce. The balance of the programme is undertaken by contractors.

12. Tangible fixed assets – Housing Properties (Association) (continued)

	2026	2025
	£'000	£'000
Analysis of work to existing properties:		
Capitalised replacement of components	**9,358**	9,574
Charge to Statement of Comprehensive Income	**2,000**	1,593

12a. Investment Properties

	Group		**Association**	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
At 1 April 2025	**1,998**	1,435	**1,998**	1,435
In-year transfer	**-**	595	**-**	595
Additions	**1,036**		**1,036**	
Movement in fair value	**(74)**	(32)	**(74)**	(32)
At 31 March 2026	**2,960**	1,998	**2,960**	1,998

At 31 March 2026, 12 properties remain as market rent valued at £2.365m (2025: £1.458m). These properties were valued on the basis of MV-STT by an independent valuer with a recognised and professional qualification in March 2026.

MHA has 5 commercial units, and these have been valued at 31st March 2026 by an independent valuer with a recognised and professional qualification. We have recognised a fair value movement of £(74)k (2025: £55k) in relation to these commercial units.

12b. Low Cost Home Ownership

	Group		**Association**	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Cost as at 1 April 2025	**-**	-	**-**	-
Additions during the year	**-**	259	**-**	259
Disposals during the year	**-**	(259)	**-**	(259)
As at 31 March 2026	**-**	-	**-**	-

The LCHO balances do not form part of the figures in note 12 above.

12c. Home buy Loans Receivable

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
At 1 April 2025	**4,534**	4,287	**4,534**	4,287
Loans issued in year	**384**	377	**384**	377
Loans redeemed during the year	**(344)**	(130)	**(344)**	(130)
At 31 March 2026	**4,574**	4,534	**4,574**	4,534

Home buy loans receivable represent the initial value of MHA's remaining equity share in properties funded under the equity share LCHO Schemes.

13. Property, Plant and equipment – other

	Group			Association		
	Freehold property	**Fixtures & Fittings**	**Total**	**Freehold property**	**Fixtures & Fittings**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 1 April 2025	4,492	775	5,267	4,492	714	**5,206**
Additions	-	-	-	-	-	-
Eliminated on disposal	-	(62)	(62)	-	-	-
As at 31 March 2026	4,492	713	5,205	4,492	714	**5,206**
Depreciation						
At 1 April 2025	(789)	(769)	(1,558)	(789)	(714)	**(1,503)**
Charge for the year	(43)	(3)	(46)	(43)	-	**(43)**
Eliminated on disposal	-	59	59	-	-	-
As at 31 March 2026	(832)	(713)	(1,545)	(832)	(714)	**(1,546)**
Net Book Value As at 31 March 2026	**3,660**	**-**	**3,660**	**3,660**	**-**	**3,660**
As at 31 March 2025	**3,703**	**6**	**3,709**	**3,703**	**-**	**3,703**

14. Inventories

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Assets held for sale	**5,554**	-	**5,554**	-
Raw materials and consumables	**102**	84	**102**	84
Work in progress	**1,033**	2,833	**-**	-
Total	**6,689**	2,917	**5,656**	84

Inventories are valued at the lower of cost or net realisable value.

15. Debtors

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Rent arrears (gross)--	**850**	941	**850**	941
Provision for bad debts	**(315)**	(289)	**(315)**	(289)
Net rental debtors	**535**	652	**535**	652
Intercompany debtor	**-**	-	**39**	51
Finance lease (inter co debtor)	**-**	-	**199**	193
Other debtors	**11,445**	2,332	**11,295**	2,163
Taxation and Social Security	**61**	-	**24**	-
Prepayments and accrued income	**1,054**	937	**906**	858
Housing Finance Grant	**96**	93	**96**	93
Overdraft (other inter co debtor)	-	-	**300**	150
Total	**13,191**	4,014	**13,394**	4,160

The following debtors are due after more than one year:

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Housing Finance Grant	**2,632**	2,728	**2,632**	2,728
Finance lease - intercompany debtor	**-**	-	**1,642**	1,841
Other intercompany debtor	**-**	-	**1,000**	3,000
Deferred Tax Debtor	**84**	68	**-**	-
Total falling due after more than one year	**2,716**	2,796	**5,274**	7,569
Total debtors	**15,907**	6,810	**18,668**	11,729

The finance lease debtor is with Capsel for PV panels. See note 26 for further details

16. Creditors – Amounts falling due within one year

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Rents in advance	**707**	713	**707**	713
Deferred rental income	**368**	410	**368**	410
Other creditors	**1,288**	1,136	**1,292**	972
Accrued interest	**491**	247	**491**	247
Accruals	**4,479**	2,851	**4,438**	2,736
Grants in advance	**1,236**	156	**1,236**	156
Government grants (Note 17a)	**2,693**	2,697	**2,693**	2,697
Community benefit loan	**4,070**	800	**4,070**	800
Retentions	**109**	20	**109**	20
Tax and social security	**82**	58	**6**	42
Pensions	**-**	15	**-**	15
Intercompany creditor	**-**	-	**188**	199
Total	**15,523**	9,103	**15,598**	9,007

17. Creditors – Amounts falling due after more than one year

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Housing loans	**64,697**	64,697	**64,697**	64,697
Welsh Government dowry grant (Note 17a)	**22,515**	22,150	**22,515**	22,150
Social Housing grant (Note 17a)	**48,194**	38,366	**48,193**	38,366
Housing Finance Grant (Note 17a)	**2,312**	2,428	**2,313**	2,428
Community benefit loan	**1,620**	8,315	**1,620**	8,315
Other government grants (Note 17a)	**12,793**	4,852	**12,793**	4,852
Recycled Grant	**122**	-	**122**	
	152,253	140,808	**152,253**	140,808

The housing loans are secured on the Association's freehold properties. In 2021 MHA refinanced its housing loan portfolio and interest is now payable at 2.25% and 2.3% (2025: 2.25% and 2.3%).

Community benefit loans are secured on the Association's freehold properties. Interest is payable at the HMT Public Expenditure Statement interest rate of 2.15% on the proportion of the loan to be used in respect of Affordable Housing. Interest is payable on proportion of loan to be used for market rate housing at a rate of 5.53%, in line with Subsidy Control Act 2022 Rules. The maximum term of the loan is for 5 years.

17. Creditors – Amounts falling due after more than one year (continued)

Analysis of debt repayments:	Group		Association	
Housing loans	**2026**	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Due within:				
One year	**4,070**	-	**4,070**	-
Between one and two years	**-**	800	**-**	800
Between two and five years	**1,620**	8,315	**1,620**	8,315
In five years or more	**64,697**	64,697	**64,697**	64,697
	70,387	73,812	**70,387**	73,812

MHA refinanced its housing loans in 2020/21 with a 40-year private placement. £50m was drawn in February 2021, with a further £15m drawn down in January 2024. The interest rate is fixed for the duration of the loan at 2.25% on the first tranche £50m and 2.3% on the second tranche. The Association also has undrawn revolving credit facilities of £20m (2025: £20m). All loans are secured against the Association's housing assets at either MV-STT or EUV-SH valuations. Under its current lending facilities, the Association is not permitted to pledge these assets as security for other borrowings or sell them to another entity. In total 2,339 properties are uncharged whereas the remaining 1,670 properties are charged.

17a. Creditors – Government Grants Group and Association

	Dowry Grant	SHG	HFG	Other Government Grants	Total
	£'000	£'000	£'000	£'000	£'000
Grant Received					
As at 1 April 2025	44,700	40,068	3,389	5,160	93,317
Received	2,600	10,245	-	8,015	20,860
Reclassified / Repaid	-	(131)	-	(22)	(153)
As at 31 March 2026	**47,300**	**50,182**	**3,389**	**13,153**	**114,024**
Amortisation					
As at 1 April 2025	20,315	1,412	845	252	22,824
Amortised	2,235	288	116	54	2,693
As at 31 March 2026	**22,550**	**1,700**	**961**	**306**	**25,517**
As at 31 March 2026	**24,750**	**48,482**	**2,428**	**12,847**	**88,507**
As at 31 March 2025	24,385	38,656	2,544	4,908	70,493
Due within:					
Less than one year	2,235	288	116	54	2,693
Between two and five years	8,940	1,160	464	219	10,783
In five years or more	13,575	47,034	1,848	12,574	75,031
	24,750	48,482	2,428	12,847	88,507

18. Provisions

There are no Group or Association provisions for the year end 31 March 2026 (2025: none).

19. Defined benefit schemes

SCHEME: Local Government Pension

Monmouthshire Housing Association is an admitted member of the Greater Gwent (Torfaen) Pension Fund, which is part of the Local Government Pension Scheme (LGPS) – a funded defined benefit scheme based on final salary. The Association's contributions in the year were 16.4% of pensionable salary (2024: 16.4%).

The schemes are funded schemes.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2026 by Hymans Robertson LLP. The present value of the defined benefit obligations, the related current service costs and the past service costs were measured using the projected unit credit method.

The key assumptions used are:	**2026**	**2025**
	% p.a.	% p.a.
Pension increase rate	3.00%	2.75%
Salary increase rate	3.70%	3.25%
Discount rate	6.30%	5.80%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males		**Females**	
	2026	**2025**	**2026**	**2025**
Current pensioners	21.1 years	20.5 years	24.4 years	24.0 years
Future pensioners*	21.9 years	21.5 years	25.7 years	25.4 years

*Figures assume members aged 45 as at the last formal valuation date.

Historic Mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements is shown below:

Current Pensioners	**Future Pensioners**
CMI 2022 model, with a 55% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.	CMI 2022 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position. A commutation allowance is included for future retirements to elect to take 75% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation of the Employer.

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension

Monmouthshire Housing Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

The key assumptions used are:	**2026** % p.a.	**2025** % p.a.
Discount Rate	6.25%	5.94%
Inflation (RPI)	3.26%	3.04%
Inflation (CPI)	3.04%	2.80%
Salary Growth	4.04%	3.80%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension (continued)

The mortality assumptions adopted imply the following life expectancies:

	2026 Life expectancy at age 65 (Years)		2025 Life expectancy at age 65 (Years)
Male retiring in 2025	20.9	Male retiring in 2024	20.5
Female retiring in 2025	23.2	Female retiring in 2024	23.0
Male retiring in 2045	22.2	Male retiring in 2044	21.7
Female retiring in 2045	24.6	Female retiring in 2044	24.5

Assets

	31 March 2026 £'000	31 March 2025 £'000
Global Equity	139	132
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	223	218
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	2	4
Property	61	59
Infrastructure	-	-
Private Equity	3	1
Real Assets	118	141
Private Credit	151	144
Credit	50	45
Investment grade credit	74	36
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
High Yield	-	-
Cash	-	16
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	-
Secured Income	38	20
Liability Driven Investment	381	357
Currency Hedging	-	2
Net Current Assets	12	3
Total assets	**1,252**	**1,178**

None of the fair value 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.

19. Defined benefit schemes (continued)

SCHEME: Social Housing Pension (continued)

We were notified in 2021 by the Trustee of the Scheme that it had performed a review of the changes made to the Scheme's benefits over the years, identifying uncertainty surrounding some of these changes. The Trustee sought clarification from the Court on these items, and the hearing took place in February 2025; the Court's judgment remains outstanding at the date of approval of these financial statements. It is estimated that these matters could potentially increase the value of the full Scheme liabilities by £155m, calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court's determination is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

19. Defined benefit schemes (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net (Liability)/Asset for year end 31 March 2026 for LGPS and SHPS

	LGPS Net (liability)/asset £'000's	SHPS Net (liability)/asset £'000's	Total Pensions (liability)/asset £'000's
Fair value of plan assets	46,238	1,178	**47,416**
Present value of funded obligations	(30,207)	(1,344)	**(31,551)**
Present value of unfunded obligations	-	-	**-**
Effect of Asset Ceiling	(16,031)	-	**(16,031)**
Opening position as at 31 March 2025	-	(166)	(166)
Service cost			
Current service cost	(865)	(7)	**(872)**
Expenses	-	(5)	**(5)**
Past service cost (including curtailments)	(88)	-	**(88)**
Effect of settlements	-	-	**-**
Total service cost	(953)	(12)	**(965)**
Net interest			
Interest income on plan assets	2,703	71	**2,774**
Interest cost on defined benefit obligation	(1,768)	(79)	**(1,847)**
Interest on the effect of the asset ceiling	(929)	-	**(929)**
Total net interest	6	(8)	**(2)**
TOTAL defined benefit cost recognised in SOCI	(947)	(20)	**(967)**
Cash flows			
Participants' contributions	463	(4)	**459**
	(463)	4	**(459)**
Employer contributions	1,161	82	**1,243**
Estimated benefits paid	(867)	40	**(827)**
	867	(40)	**827**
Estimated unfunded benefits paid	-	-	**-**
Estimated contributions in respect of unfunded benefits paid	-	-	**-**
Effect on business combinations and disposals	-	-	**-**
Expected closing positions	214	(104)	**110**
Remeasurements			
Changes in financial assumptions	1,416	39	**1,455**
Changes in demographic assumptions	865	(11)	**854**
Other experience	(2,348)	30	**(2,318)**
Return on assets excluding amounts included in net interest	3,864	(43)	**3,821**
Changes in effect of the asset ceiling	(4,011)	-	**(4,011)**
Total remeasurements in OCI	(214)	15	**(199)**
Fair value of plan assets	53,328	1,324	**54,652**
Present value of funded obligations	(32,357)	(1,413)	**(33,770)**
Surplus not recognised	(20,971)	-	**(20,971)**
Closing position as at 31 March 2026	-	(89)	**(89)**

19. Defined benefit schemes (continued)

The Greater Gwent (Torfaen) Pension Fund has a gross accounting surplus at the reporting date of £20,971k. In line with FRS 102 requirements MHA has recognised an asset on the balance sheet to the extent that it is able to recover the surplus, either through reduced contributions in the future, or through refunds from the plan.

The scheme's actuary has confirmed that they can demonstrate no economic benefit arising to MHA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions.

Accordingly, MHA has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

19. Defined benefit schemes (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2025 for LGPS and SHPS

	LGPS Net (liability)/asset £'000's	SHPS Net (liability)/asset £'000's	Total Pensions (liability)/asset £'000's
Fair value of plan assets	43,306	1,196	**44,502**
Present value of funded obligations	(34,639)	(1,485)	**(36,124)**
Present value of unfunded obligations	-	-	**-**
Effect of Asset Ceiling	(8,667)	-	**(8,667)**
Opening position as at 31 March 2024	-	(289)	(289)
Service cost			
Current service cost	(1,175)	(7)	**(1,182)**
Expenses	-	(4)	**(4)**
Past service cost (including curtailments)	-	-	**-**
Effect of settlements	-	-	**-**
Total service cost	(1,175)	(11)	**(1,186)**
Net interest			
Interest income on plan assets	2,115	60	**2,175**
Interest cost on defined benefit obligation	(1,697)	(72)	**(1,769)**
Interest on the effect of the asset ceiling	(420)	-	**(420)**
Total net interest	(2)	(12)	**(14)**
TOTAL defined benefit cost recognised in SOCI	(1,177)	(23)	**(1,200)**
Cash flows			
Participants' contributions	455	7	**462**
	(455)	(7)	**(462)**
Employer contributions	1,107	104	**1,211**
Estimated benefits paid	(877)	(47)	**(924)**
	877	47	**924**
Estimated unfunded benefits paid	-	-	**-**
Estimated contributions in respect of unfunded benefits paid	-	-	**-**
Effect on business combinations and disposals	-	-	**-**
Expected closing positions	(70)	(208)	**(278)**
Remeasurements			
Changes in financial assumptions	6,521	255	**6,776**
Changes in demographic assumptions	61	-	**61**
Other experience	300	(71)	**229**
Return on assets excluding amounts included in net interest	132	(142)	**(10)**
Changes in effect of the asset ceiling	9,087	-	**9,087**
Total remeasurements in OCI	16,101	42	**16,143**
Fair value of plan assets	46,238	1,178	**47,416**
Present value of funded obligations	(30,207)	(1,344)	**(31,551)**
Surplus not recognised	(16,031)	-	**(16,031)**
Closing position as at 31 March 2025	-	(166)	**(166)**

20. Share Capital – Group and Association

	2026	2025
	£	£
As at start of year	**65**	61
Issued during the year	**-**	11
Shares cancelled during the year	**-**	(7)
As at end of year	**65**	65

The shares provide members with the right to vote at general meetings, but members do not have a right to any dividend or distribution in a winding up and are not redeemable.

21. Statement of Cash Flows

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Cash flow from operating activities				
Surplus for the financial year	**2,502**	4,813	**2,524**	4,883
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	**6,356**	6,424	**6,131**	6,220
Amortisation of intangible fixed assets	**20**	19	**20**	19
Movement in fair value of properties	**34**	14	**34**	14
Decrease/(increase) in stock	**1,782**	289	**(19)**	14
Decrease/(Increase) in trade and other debtors	**2,039**	(1,457)	**4,183**	(1,289)
Increase/(decrease) in trade and other creditors	**1,397**	2,054	**1,563**	2,309
Profit on disposal of tangible fixed assets	**17**	(2,207)	**32**	(2,181)
Amortisation of government grants	**(2,693)**	(2,696)	**(2,693)**	(2,696)
Pension costs less contributions payable	**(278)**	(25)	**(278)**	(25)
Adjustments for investing or financing activities:				
Interest payable	**1,714**	1,638	**1,715**	1,638
Interest receivable	**(926)**	(1,244)	**(1,088)**	(1,420)
Taxation		17	**-**	(26)
Net cash generated from operating activities	**11,964**	7,639	**12,124**	7,460

Net debt reconciliation – Group

	At 1 April 2025 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2026 £'000
Cash and cash equivalents				
Cash	26,062	(12,696)	-	13,366
Cash equivalents	1,051	(131)	-	920
	27,113	(12,827)		14,286
Borrowings				
Debt due within one year	(800)	(3,270)	-	(4,070)
Debt due after one year	(73,012)	6,695	-	(66,317)
	(73,812)	3,425	-	(70,387)
Total	**(46,699)**	**(9,402)**	**-**	**(56,101)**

Net debt reconciliation – Association

	At 1 April 2025 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2026 £'000
Cash and cash equivalents				
Cash	25,403	(12,392)	-	13,011
Cash equivalents	1,051	(131)	-	920
	26,454	(12,523)		13,931
Borrowings				
Debt due within one year	(800)	(3,270)	-	(4,070)
Debt due after one year	(73,012)	6,695	-	(66,317)
	(73,812)	3,425	-	(70,387)
Total	**(47,358)**	**(9,098)**	**-**	**(56,456)**

22. Financial Commitments

Capital commitments are as follows:

	Group		Association	
	2026	2025	**2026**	2025
	£'000	£'000	**£'000**	£'000
Contracted but not provided for	**23,138**	21,436	**23,138**	21,436
Approved by the Board but not contracted for	**26,264**	13,247	**26,264**	13,247
	49,402	34,683	**49,402**	34,683

The expenditure will be funded by a combination of Social Housing Grant, existing cash balances which amounted to £13.9m (2025: £26.5m) and the undrawn revolving credit facility of £20m as at 31 March 2026.

23. Contingent Liability

Defined Benefit Pension Scheme

The Association is aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent court of appeal ruling published in July 2024. These ruled that certain amendments made to the NTL Pension Plan were invalid because they were not accompanied by the correct actuarial confirmation.

There remains significant uncertainty as to whether the judgments will result in additional liabilities for UK pension schemes, and it is possible that the Department of Work & Pensions will introduce legislation to allow changes to be certified retrospectively.

A detailed review of historic documentation will be needed to determine whether the changes made by the Scheme were valid (assuming retrospective certification does not become an option), and such a review will take some time to complete.

As a result, the Association cannot be certain of the potential implications (if any) and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made.

24. Operating Leases

The total minimum lease payments under non-cancellable opening leases are as follows:

	Group		Association	
	2026	2025	**2026**	2025
Payments due: -	**£'000**	£'000	**£'000**	£'000
Office equipment				
Not later than one year	**4**	4	**4**	4
Between two and five years	**14**	12	**14**	12
Later than five years		-	**-**	-
Total	**18**	16	**18**	16
Motor Vehicles				
Not later than one year	**25**	29	**25**	28
Between two and five years	**4**	4	**4**	4
Later than five years		-		-
Total	**29**	33	**29**	32
Total Operating leases	**47**	49	**47**	48

25. Housing Stock

	As at 1 April 2025	Acquisitions	Disposals	As at 31 March 2026
Housing accommodation at a social rent	3,867	102	(26)	**3,943**
Housing accommodation at intermediate rent	43	-	-	**43**
Supported Housing Accommodation	10	2	-	**12**
Housing accommodation at market rent	10	1	-	**11**
LCHO - held for sale	-	-	-	**-**
	3,930	105	(26)	**4,009**

At 31 March 2026, the Association was developing an additional 48 units (2025: 37 units) for social housing. Of the social housing units above 13 (2025: 13) are leased to partner organisations who lease them at social rents.

26. Related party transactions

Monmouthshire Housing Association's board consists of 14 independent members. All members are remunerated based on their responsibilities. No board member can use their position to their advantage. Board member travel expenses total £2.4k in the year (2025: £3.3k). There are no tenant board members.

Capsel Limited is a non-charitable company which is 100% owned by Monmouthshire Housing Association Limited and any staff time and costs are recharged from the parent company. The recharge varies from 2% to 100% dependent on the level of involvement. For the year ending 31 March 2026, the total recharge was £17k (2025: £20k). In addition, directors' salaries recharged to Capsel for the year amounted to £16k (2025: £16k).

During the year, Capsel Limited undertook £901k (2025: £972k) of work for Monmouthshire Housing Association Limited. Monmouthshire Housing Association undertook £36k (2025: £236k) of work for Capsel Limited. Property purchases from Capsel in the year amounted to £900k (2025: £Nil). In addition, land was transferred from Capsel to Monmouthshire Housing Association under a 'golden brick' arrangement for an initial consideration of £450k, total agreement is value £1.5m.

The year-end inter-company balances were:

- Owed by Monmouthshire Housing Association to Capsel £188k (2025: £199k)
- Owed by Capsel to Monmouthshire Housing Association £3.18m (2025: £5.24million)

27. Ultimate controlling party

The ultimate controlling party of Monmouthshire Housing Association is the Board. The Group prepare publicly available Annual Financial Statements; copies of which are available upon request from the registered office.

28. Investments - Association

Capsel Limited is a company registered in the U.K. and is 100% owned by Monmouthshire Housing Association Limited. The primary activities of Capsel Limited are construction and repair of properties, renewable energy and property management.

Capsel has made a £7k loss (2025: £53k loss) with their net assets totalling £212k at 31st March 2026 (2025: £219k).

Capsel – Registered Office

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Capsel – Registered Number

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Scan the QR code to access the MHA website.

Please contact the Corporate Services Team on **01495 761104** or **corporateservices@monmouthshirehousing.co.uk** if you require this document in Welsh or any other language, PDF, large print, Braille or in an audio format.