

Home Group Developments Limited

**Reports and Financial Statements
for the year ended 31 March 2026**

Contents

2 – 5	Strategic Report
6 – 8	Directors' Report
9 – 11	Independent Auditor's Report to Home Group Developments Limited
12 – 23	Financial Statements

Registered Office

One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Registered Number: 04664018

Part of Home Group

Strategic Report

Directors

W Gardner
M Henderson (until 6 September 2026)
H Meehan

Secretary

A Woods

Advisors

Bankers:

Barclays Bank Plc
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Independent Auditor:

Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Solicitors:

Devonshire Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Principal activities

The principal activities of Home Group Developments Limited ("the company" or "HGDL") are the development of outright sale and mixed tenure housing projects (where the social housing properties are sold to the parent company, Home Group Limited, and the remaining properties are sold to external purchasers) and the provision of design and build contract services to the group companies, Home Group Limited and Home Group Scotland (previously Home in Scotland Limited).

Business model

The company is a private, non-charitable company limited by shares which is a subsidiary of Home Group Limited, as defined in Section 100 of the Co-operative and Community Benefit Societies Act 2014. Home Group Limited owns all of the shares issued by the company.

The company develops mixed tenure housing projects for other companies within the group, selling social housing properties to the parent company, Home Group Limited, and the remaining properties to external purchasers, where this would represent a non-charitable activity for the parent company. In addition, the company invests in associates and provides investment, via loan arrangements, into joint venture (JV) partnerships held by another group company, North Housing Limited and various other companies (Vistry Partnerships, Hill Partnerships, Story Homes, Miller Homes and Stonebond Properties). These JVs have been formed to deliver mixed tenure developments on specific sites over a number of years, which the company expects will provide a commercial return on its investments. Further detail can be found on pages 20-21 and 23. Finally, the company provides design and build contract services to other group companies, being Home Group Limited and Home Group Scotland.

The company achieves financial sustainability through generating profits on housing sales and investment in joint ventures, as well as margins on design and build contracts. The senior management team manages the operational performance of the company via monthly meetings to ensure budgets and targets are being met and emerging risks mitigated.

Business review and results

The results for the year ended 31 March 2026 show a profit of £7,611,000 (2025: £6,809,000). The profit before tax for the financial year is attributable to surpluses arising from the sale of properties on mixed tenure housing projects, design and build contract services to Home Group Limited and Home Group Scotland, and interest receivable from the loans the company provides to the joint ventures mentioned above. The results are after a tax charge of £1,173,000 (2025: £233,000 credit). The company's stock balance reduced to £22.3 million from £28.9 million in the prior year, reflecting progress on development sites and the transfer of properties from work in progress to completed units available for sale.

Principal risks and uncertainties

Supporting the delivery of new homes is a key strategic objective for Home Group, however, it is recognised that this must be financially viable and new homes must meet the needs of our customers. The Group manages risks in relation to the supply of new homes and balancing our ambition to build new homes, whilst also investing in our current homes. We have increased the focus on and diversified our Joint Venture (JV) partnerships while reducing exposure to our own direct outright sales schemes due to viability arising from procurement challenges in land and construction.

We score risks as low, medium, high or critical based on the likelihood of them materialising and the impact if they did. We take measurements both without mitigation (the uncontrolled or inherent risk score) and considering the controls we have in place (the controlled or residual risk score). Management and the Board also review the cumulative effect of all risks and evaluate the combined impact these could have should they occur at the same time. Below is a summary of our current strategic risk which relates to the development of new homes:



Risk description	How we manage and mitigate the risk	Controlled risk score
Failure to deliver a viable development investment programme that meets the needs of our customers now and in the future. This could be caused by financial constraints, inaccurate or incomplete data, weak scrutiny or procurement activity (across the business), poor governance oversight. This could lead to the inability to procure the development programme that meets quality requirements and design specifications, a surplus of homes that do not meet our customer's needs, increased costs, additional remedial/adaptation works, reputational damage and failure to comply with regulatory standards.	Rigorous appraisals take place to assess each scheme which is a key control when managing this risk, there is appropriate governance in place via the Development Committee, Subsidiary Boards and Group Board for approvals. Delivery is also monitored by Development Committee. Board reserved matters are set relatively low to provide a high level of transparency to the Board on development activity. We may pursue individual riskier opportunities where these have the benefit of increased returns. Similarly, we will accept lower returns on some opportunities where the risk is lower. We have clear thresholds in place and Board maintain high visibility of our golden rules. We recognise the value of JVs and will seek to share risk which we feel is right in the current time. Performance of JV's is also monitored by the Subsidiary Boards, Development Committee and Board.	L Low

Going concern

After making appropriate enquiries, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the company's financial statements.

Further details regarding the adoption of the going concern basis can be found on page 15-16 where we discuss the current economic environment, what we expect to happen in the future and stress testing.

Funding

As at 31 March 2026, the company had loan facilities totalling £25 million from its ultimate parent company, Home Group Limited. The loan facilities consisted of a £15 million facility on a five-year term and a £10 million facility on 364-day terms with £nil (2025: £nil) drawn in total at the year end.

Home Group Repairs Partnership Limited, a fellow subsidiary of Home Group Limited, provides an intra-group borrowing facility to the company for £4.5 million. At year end this was due to expire in June 2026, and it has now been renewed with a new expiry date of June 2031. As at 31 March 2026, £nil (2025: £nil) was drawn on this facility.

Home Group Limited has a £104 million investment of share capital in the company. This was largely invested in the joint ventures which the company's fellow subsidiary North Housing Limited entered into; outlined further in note 7 on pages 20-21.

Future developments

At 31 March 2026, the company was developing a number of mixed tenure sites where the affordable housing will be sold to either the company's parent, Home Group Limited or the company's fellow subsidiary, Home Group Scotland. Homes being developed for sale will be sold to external purchasers. Active sites as at 31 March 2026 included:

- South Oxhey, Three Rivers
- Victoria Road, Hebburn
- Skipton Road, Harrogate
- Acklington Road, Amble

The company is expected to carry out more development-for-sale projects in the future as part of regeneration schemes, working in partnership with private sector developers. It will also undertake its own outright sales developments where these support Home Group's development strategy. The company will also continue to provide construction services to Home Group Limited and Home Group Scotland.

Key performance indicators

The Board and senior leadership team monitor the business on an ongoing basis using a set of strategic key performance indicators (KPIs). The performance management framework enables the company to consistently measure what matters and to continue to challenge itself to improve. The KPIs are summarised below:

	2026	2025
Homes developed (inter-group)	27	175
Homes developed (outright sale)	25	50
Development WIP (stock)	£22.3m	£28.9m
Homes sold (direct)	29	54
Sales income ("turnover")	£20.6m	£52.8m
Sales surplus	£4.1m	£6.0m
Profit before tax	£8.8m	£6.6m
Operating margin	13.9%	3.3%
Outstanding loans to JVs	£52.1m	£41.2m
Homes developed (JVs)	202	236
Homes sold (JVs)	210	228

Development activity undertaken in HGDL remains an important part of Home Group's strategy to build "the right homes in the right places". The number of homes developed during the year has decreased due to larger schemes such as Sladburys, Skipton Road Harrogate and Acklington Road Amble nearing completion. The schemes contributing the most to the total sales in the year- ended 31 March 2026 are:

- Acklington Road, Amble (21 homes, £5.9 million proceeds, £1.8 million surplus);
- Hopes Auction (5 homes, £1.1 million proceeds, £0.3 million surplus);
- Victoria Road, Hebburn (3 homes, £0.9m million proceeds, £0.2 million surplus); and
- South Oxhey, Three Rivers – This scheme is a deemed VAT partnership with Countryside Properties (UK) Limited. During 2025/26 the partnership sold 27 homes for £9.2 million, which HGDL recognised 50% of.

Operating margin has increased due to an increased proportion of outright sales which attract a higher margin than sales of affordable homes to the parent company. Sales turnover has reduced overall due to lower sales volumes than the prior year.

The JV KPIs refer to all joint ventures and associates of the group since the company provides the loans to all these entities.

There are no colleague related KPIs as the company does not employ staff directly.

Streamlined energy and carbon reporting

Streamlined energy and carbon reporting is included in the Directors' Report on pages 6-7.

Section 172 statement

The directors of the company, together with those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006.

The directors recognise their duty to act in the way that they consider, in good faith, would be most likely to promote the success of the company and the wider group, for the benefit of its group members as a whole. When making decisions, the directors also consider the interests of other key stakeholder groups and seek to arrive at conclusions which do not adversely impact those groups as a whole. The company takes a long-term approach to its operations, and to the provision of homes and security for its customers, it therefore makes decisions and monitors closely its development aspirations alongside long term financial planning. It also recognises the impact of its operations on the communities and environment within which it operates, delivering significant numbers of new affordable housing for sale and rent, and building safe and sustainable communities.

For the purposes of decision making, the directors have identified key stakeholder groups, have evaluated their interests and have engaged with and responded to those stakeholders during the year. These stakeholder groups include:

Customers

HGDL develops social and affordable housing properties (including shared ownership) for sale to Home Group Limited and, where applicable, Home Group Scotland, a fellow wholly owned subsidiary of Home Group Limited. Properties developed for open market sale are sold to external purchasers. HGDL ensures that it plans and designs its schemes to suit customers' immediate and changing needs. It does this by engaging with all parties and stakeholders throughout the development process, thereby ensuring quality and longevity of build, desirable environments and sustainable communities are delivered. Social and affordable housing customers engagement is critical and takes a number of forms including Customer Forums, a Customer Committee (delegated responsibilities from the parent) and regional oversight groups. In addition, direct engagement with customers is undertaken through lessons learned reviews of completed projects, ensuring that customer feedback is captured and incorporated into future design and service improvements. The constitution of the group enshrines customer representation on the main board; two of the Home Group Limited board members and three of the Home Group Scotland board members are customers.

Suppliers

Development activity is largely opportunity led and so procurement arrangements differ on a site-by-site basis. The approach is to promote and ensure fair, open and transparent procurement and, where appropriate, to foster long-term strategic relationships built on trust. HGDL has robust procurement policies and processes in place and complies with the relevant directives, regulations, policies and guidance under the Procurement Act 2023. Understanding and evaluating the impact that the supply chain has on the local area and local economy is an important factor considered with all key contracts, and the group works with suppliers to maximise the community benefit impact.

Employees

Colleagues who work for the company are employed by the parent company. The group has an established and successful framework for managing and supporting colleague wellbeing, including regular "Brilliant Conversations", robust HR policies, an active Colleague Forum, online surveys, an open-door policy and a culture of openness and trust which is fully supported by the directors. The annual colleague survey (carried out by the external company, Great Place to Work) placed the group 17th in the UK for super large organisations, with 78% of colleagues agreeing that Home Group is a great place to work. The group are also signatories to the Chartered Institute of Building's (CIOB) Diversity and Inclusion in Construction Charter, which is a charter for competitive advantage and enhanced employee belonging.

Shareholders

The company is a wholly owned subsidiary of Home Group Limited. The company aligns to the parent and Group's strategic aims, and it develops long-term business plans and annual budgets which all must be approved by the parent to ensure they complement and reinforce the group's own strategic and operational goals.

Other partners

The company operates in the business of identifying, promoting and acquiring land for development; mainly residential development unless there are other ancillary development requirements. The key to the success of the company is the commitment to working and engaging with local communities within which the company operates. This involves taking a lead role in engaging with Homes England, local residents, stakeholders, community groups, councils, ward members and politicians.

Approved by the Board and signed on its behalf by



H Meehan, Director
22 September 2026

Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2026.

Directors

The directors of the company during the year ended 31 March 2026 and up to the date of signing the financial statements unless otherwise stated are:

W Gardner
M Henderson (until 6 September 2026)
H Meehan

The Strategic Report (page 5) outlines how the directors have taken into account the need to build and maintain positive relationships with suppliers, customers and other stakeholders, and how this has affected the company's major decisions during the year.

Proposed dividend and gift aid payment

No dividends were paid, declared or proposed during the current or preceding financial year. During the year, the directors made a gift aid payment of £3.6 million to the ultimate parent company, Home Group Limited (2025: £7.9 million).

Financial risk management

The company's financial instruments comprise borrowings in the form of loans from the ultimate parent company (Home Group Limited) and fellow subsidiary Home Group Repairs Partnership Limited, share capital, cash, and various items arising directly from operations (such as trade debtors, trade creditors etc.). The main risks arising from these financial instruments are interest rate risk and liquidity risk. These are managed at a group level, and further details are disclosed in the Home Group Limited financial statements. There are no entity specific risks which are not disclosed in the Home Group Limited financial statements.

Future developments

A summary of the future developments of the business has been given on page 4 in the Strategic Report.

Political contributions

The company made no political donations nor incurred any political expenditure during the year (or the previous year).

Streamlined energy and carbon reporting (SECR)

HGDL is included in the Home Group report on greenhouse gas emissions and energy consumption under the SECR guidance, which can be found at www.homegroup.org.uk/about-us/corporate/transparency/environmental-social-and-governance/

Across the Group, in 2025/26 our overall carbon footprint was 3,946.77 tCO₂e (2024/25: 3,779.46). The main contributing factor to the increase is the continued growth of the Direct Labour Organisation (DLO) vehicle fleet and operations. We have partially offset the inclusion of this data by realising reduced emissions from our electricity consumption in offices, our server consumption which is managed by a 3rd party, and reduced rail travel and hotel stays.

We have a dedicated team working to fully understand and reduce our carbon footprint and we have made great progress in targeting and achieving CO₂ improvements across multiple office sites and beyond. We are continuing our commitment to use the data gathered to understand trends, impacts and areas where we can make targeted improvements. All group (including Home Group Limited, Home Group Scotland, Home Group Repairs Partnership Limited and North Housing Limited, as well as HGDL) activities are included except care and support functions and services. There are data gaps which have been analysed, mostly from third party contractors which would fall within Scope 3 below. These are not currently required by the regulations but we improve our accuracy year on year and are hoping to fill these gaps in the future.

Methodology Data used to calculate and convert tCO₂e for all carbon streams comes from the following business usage areas; gas for offices, gas for communal areas, F-gas (Fluorinated gases) leakage, electricity for offices, electricity for communal areas, rail, air, mileage claims, water, electrical Transmission & Distribution (T&D) for both offices and communal areas, and lease van mileage. Where gaps in data existed, we have used best practice to estimate realistic figures.

These estimations used industry standards, Suss Housing SHIFT recommendations and previous data trends to produce the most accurate figures. All carbon calculations have been conducted using Greenhouse Gases (GHG) Protocol methodologies in line with the Streamlined Energy and Carbon Reporting (SECR) regulations 2019.

In line with Environmental Reporting Guidelines (SECR) 2019, the Group's internal carbon scopes have been broken down as;

- **Scope 1 (Direct emissions):** Activities owned or controlled by the Group that release emissions straight into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles: emissions from chemical production in owned or controlled process equipment.
- **Scope 2 (Energy indirect):** Emissions being released into the atmosphere associated with our consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities, but which occur at sources you do not own or control.
- **Scope 3 (Other indirect):** Emissions that are a consequence of our actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal, or purchased materials or fuels.

Measure	Scope	Tonnes CO ₂ e 2026	Tonnes CO ₂ e 2025
Scope 1			
Emissions from combustion of gas - offices	1	43.5	43.6
Emissions from Combustion of Fuel (DLO)	1	1,677.1	1,475.4
Emissions from pool van	1	3.1	2.5
Total scope 1		1,723.7	1,521.5
Scope 2			
Emissions from electricity	2	266.3	280.3
Total Scope 2		266.3	280.3
Scope 3			
Emissions associated with electricity T&D - offices	3	27.9	24.8
Emissions from water usage	3	1.5	1.3
Emissions from mileage claims	3	888.5	857.7
Emissions from server consumption	3	9.0	11.2
Emissions from air travel	3	22.8	22.5
Emissions from rail travel	3	54.6	61.9
Emissions from hotel stays	3	50.0	75.6
Emissions from home working	3	902.5	922.7
Total Scope 3		1,956.8	1,977.7
Total tonnes tCO₂e		3,946.8	3,779.5

Our Intensity Ratio (Carbon against number of rented stock) is 0.081 (2025: 0.079).

The aggregate of: (a) the annual quantity of energy consumed from activities for which the company is responsible involving (i) the combustion of gas (ii) the consumption of fuel for the purpose of transport, and (b) the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport, is 11,906,893.50 kWh (2025: 10,998,310 kWh).

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report, and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Events after the end of the reporting period

The Board considers that there have been no events since the year end that have had a significant impact on the company's financial position.

Auditor

A resolution to reappoint Deloitte LLP as auditor was proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf by



H Meehan
Director
22 September 2026

Independent Auditor's Report to Home Group Developments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Home Group Developments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 14.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including relevant internal specialists such as valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- housing property impairment due to the existence of significant management judgement and estimation uncertainty. In response, we evaluated management's assessment of potential impairment triggers using our experience of the company and wider sector, engaged our valuations specialists to challenge the assumptions and calculations, and compared a sample of key information used in the impairment calculations with published information sources to test the reasonableness of management's assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jeffrey FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
22 September 2026

Statement of Comprehensive Income for the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Turnover	2	20,596	52,820
Cost of sales		(16,495)	(46,854)
Gross profit		4,101	5,966
Administrative expenses		(1,228)	(4,246)
Operating profit	3	2,873	1,720
Reversal of impairment of loan to associate		829	71
Share of profit in joint ventures		150	-
Interest receivable and similar income		4,932	4,785
Profit before taxation		8,784	6,576
Taxation	6	(1,173)	233
Profit for the year		7,611	6,809

All activities are continuing.

There are no other gains or losses to be recognised in the current or prior year other than the profit for the year reported above.

The notes on pages 15 to 23 form part of the financial statements.

Statement of Financial Position as at 31 March 2026

	Notes	2026 £000	2025 £000
Fixed assets			
Investments	7	70,171	59,186
Current assets			
Stocks	8	22,261	28,906
Debtors	9	21,092	24,921
Cash at bank and in hand		19,588	19,186
		62,941	73,013
Creditors: amounts falling due within one year	10	(14,340)	(17,467)
Net current assets		48,601	55,546
Total assets less current liabilities		118,772	114,732
Creditors: amounts falling due after more than one year		-	-
Net assets		118,772	114,732
Capital and reserves			
Called up share capital	11	104,000	104,000
Profit and loss account		14,772	10,732
Shareholders' funds		118,772	114,732

The notes on pages 15 to 23 form part of the financial statements.

The financial statements on pages 12 to 23 were approved by the board of directors on 22 September 2026 and were signed on its behalf by:



H Meehan
Director

Statement of Changes in Equity for the year ended 31 March 2026

	Profit and loss account £000	Share capital £000	Total equity £000
As at 1 April 2024	11,816	104,000	115,816
Profit for the year	6,809	-	6,809
Gift Aid payment to the parent company	(7,893)	-	(7,893)
As at 31 March 2025	10,732	104,000	114,732
Profit for the year	7,611	-	7,611
Gift Aid payment to the parent company	(3,571)	-	(3,571)
As at 31 March 2026	14,772	104,000	118,772

The notes on pages 15 to 23 form part of the financial statements.

1. Principal accounting policies

Basis of preparation

Home Group Developments Limited (the “company”) is a private, non-charitable company limited by shares, incorporated in the UK under the Companies Act 2006, and registered in England and Wales. The registered office of Home Group Developments Limited is One Strawberry Lane, Newcastle Upon Tyne, NE1 4BX.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentational and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

As part of a public benefit entity group, the company has applied the public benefit entity ‘PBE’ prefixed paragraphs of FRS 102.

The company’s parent undertaking, Home Group Limited includes the company in its consolidated financial statements. The consolidated financial statements of Home Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from The Secretary, Home Group Limited, One Strawberry Lane, Newcastle Upon Tyne, NE1 4BX. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Home Group Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

As the company is a wholly owned subsidiary of Home Group Limited the company has taken advantage of the exemption contained in FRS 102.33A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

As set out below the Board has a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date on which the report and financial statements are signed. For this reason, the company continues to adopt the going concern basis in the financial statements.

The company’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The most significant factors impacting our business at this time have been the ongoing macroeconomic issues facing the UK economy.

During the year our activity and financial performance reflected our ability to sell in a challenging market – we achieved a profit before tax of £8.8 million and despite the continuation of external environment pressures with cost inflation and elevated interest rates, the company is not currently using the loan facilities available from group.

The Board remains mindful of the impact of inflation and interest rates which impacts the borrowing capacity of both our customer and ourselves as well as the price of new development contracts.

1. Principal accounting policies (continued)

Looking forwards

As part of our 2027 budget and business planning process we have undertaken detailed forecasting covering the next five financial years, as well as a long term 30-year forecast. Both show the company to be growing and building on its current financial strength.

When considering going concern we have paid particular attention to the 12 month period after this annual report and set of financial statements have been signed. In that period we expect:

- Monthly operating surpluses to be achieved;
- A monthly increase in net current assets as well as net assets;
- Net positive cash flows each month; and
- Continued headroom against our lending limits.

We have given particular consideration to the impact of heightened inflation on our development contracts. The fixed price nature of these shelter us from these impacts and the prevailing cost of contractors is considered in all new appraisals.

Stress testing

We always stress test our financial forecasts to understand the risks they face and the impact of them transpiring. We also model the impact of the mitigations we have identified to address these events if they occur.

The detailed stress testing on our financial forecasts has focussed on the event of a property market crash whereby no sales are transacted for a period of three years and thereafter sales would be achieved at suppressed values. If this was to occur, without taking any mitigating action we would expect to exceed our maximum available funding within three years, though we would still have funding available to us until at least the end of the financial year 2027/28. We have identified mitigating actions that would allow us to remain within the company's lending limits and continue as a going concern throughout the crash period (which is significantly beyond September 2027).

Alongside operational surplus, the company is funded through intercompany loan facilities and its called up share capital. Home Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

On this basis, the Board has a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date on which the report and financial statements are signed. For this reason, the company continues to adopt the going concern basis in the financial statements.

Turnover

Turnover is stated net of VAT. Turnover represents income from outright property sales recognised on legal completion, as well as income from the supply of design and build contracting services and management fees from joint ventures, recognised in line with the contractual terms when the services are rendered.

Interest receivable

Interest receivable on loans to group companies is recognised using the effective interest method. Note 14 outlines the terms of these loans.

Investments

Investments in subsidiary undertakings, joint ventures and associates are stated at cost less impairment charges and includes long term loans to joint ventures and associates of the company and other group companies. Joint ventures are those entities over whose activities the company has joint control, established by contractual agreement and requiring unanimous consent. Associates are those entities over which the company has significant influence over the financial and operating policy decisions, assumed at greater than 20% of voting power.

1. Principal accounting policies (continued)

Stocks

Costs incurred in respect of properties in the course of construction and completed properties developed for outright sale are accrued and carried forward as stock at the lower of cost and net realisable value.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. No deferred tax is provided on differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Gift aid payment

Gift aid payments are only recognised as a liability at the year end to the extent that they have not been paid prior to the year end. They are presented in the Statement of Changes in Equity if there is a deed of covenant prior to the year end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

Classification of financial instruments issued by the company

In accordance with FRS 102.2, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

1. Principal accounting policies (continued)

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The judgements and estimates which have the most significant impact on amounts recognised in the financial statements are set out below.

Significant management judgements

Carrying value of stock

Judgement is exercised in determining the carrying value of stock in line with the accounting policies set out on page 17.

An impairment review has been carried out as at 31 March 2026 to determine whether any schemes required impairment. In determining whether an impairment is required, the anticipated costs to build (current carrying value plus expected future costs) of each scheme has been compared to the estimated recoverable amount which is the higher of a scheme's fair value less costs to sell and its value in use. The fair value reflects sales values achieved on the sale of similar housing properties where this data is available.

The company has also reviewed the latest forecasts for its ongoing development schemes including costs to date, estimated costs to complete, future grant receipts and any anticipated sales proceeds from property developed for sale to determine whether there is an indicator of impairment in terms of properties in the course of construction held as either fixed assets or stock.

Investment in joint ventures and associates

For loans to joint ventures and associates, the company has reviewed future projections for joint ventures to assess the likely recoverability of loans at the balance sheet date.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Impairment testing

Where indicators of impairment have been identified we have tested the carrying values of our work in progress (see note 8). In doing so we make a number of estimates.

A scheme under development is impaired if its anticipated costs to build (current carrying value plus expected future costs) are higher than its selling price less costs to sell, with the impairment provision being restricted to the current carrying value. We calculate anticipated costs to build for each scheme by taking into account costs incurred to date, estimated costs to complete, and future grant receipts. Future grants are either based upon formal agreements held with grant providers or anticipated based on communications held with the provider and could be subject to change.

The two key estimations made by management are future costs and sales values. The carrying value of stock has been considered in the context of the macroeconomic factors facing the UK economy. We have reviewed our development contracts and confirmed they are all on a fixed price basis which gives us protection from rising inflation. Further, our sales activity remains strong and we have not experienced a decline in this area to date.

Impairment charges and reversals identified are included in the Statement of Other Comprehensive Income.

2. Turnover

The company's activities all take place in the United Kingdom and are split between the following activities:

	2026 £000	2025 £000
Intercompany construction services	4,161	22,945
Outright property sales	16,387	29,875
Other income	48	-
	20,596	52,820

3. Operating profit

Operating profit is stated after charging / (crediting):

	2026 £000	2025 £000
(Reversal of impairment) / impairment:		
- Fixed asset investment	(829)	(71)
- Properties held for sale	-	2,543
External auditor's remuneration for audit of financial statements	30	29

The company did not obtain any non-audit services from its external auditor during the year. Accordingly, no non-audit fees were incurred (2025: £nil).

4. Remuneration of directors

The directors received no remuneration from the company during the year (2025: £nil). The directors are remunerated by the parent organisation, Home Group Limited.

5. Employee information

The company utilises the staff of other group companies to provide administrative, legal, development and finance services. The company itself does not employ any staff.

6. Taxation

	2026 £000	2025 £000
Current tax		
UK corporation tax	2,201	1,597
Adjustments in respect of prior years' UK corporation tax	(1,028)	(1,830)
Total current tax	1,173	(233)
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	1,173	(233)

The company's current tax charges for the period are lower (2025: lower) than the standard rate of corporation tax in the UK (25%). The differences are explained below:

	2026 £000	2025 £000
Profit before taxation	8,784	6,576
Current UK Corporation tax on above at 25% (2025: 25%)	2,196	1,644
Effects of:		
Income not taxable	(245)	(17)
Adjustments to tax charge in respect of previous periods	(1,028)	(1,830)
Share of profit in Reserved Alternative Investment Fund	497	178
Utilisation of JV losses previously not recognised	(247)	(26)
Impact of surplus gift aid payment	-	(182)
Total tax credit	1,173	(233)

The UK corporation tax rate of 25% was substantively enacted on 10 June 2021.

7. Fixed asset investments

	Loans to other group companies £000	Investments in associates £000	Total £000
Cost and net book value			
At 1 April 2025	41,162	18,024	59,186
Reversal of impairment	829	-	829
Additions	40,526	-	40,526
Repayments	(30,370)	-	(30,370)
At 31 March 2026	52,147	18,024	70,171

Other group companies include the following joint ventures and associates where another group company (North Housing Limited) is a member:

- Joint ventures:
 - Evolution Gateshead Developments LLP;
 - Gateshead Regeneration LLP;
 - Linden (Manse Farm) LLP;
 - Home Hill LLP;
 - HGSB (Meadway Cuffley) LLP;
 - HGSB (Alexander Lane Shenfield) LLP;
 - HGSB (The Paddocks Ongar) LLP;
 - Cow Dyke Farm Harrogate LLP; and
 - Sadler Woods LLP.
- Associates:
 - Evolution Morpeth LLP.

The registered office of North Housing Limited is One Strawberry Lane, Newcastle Upon Tyne, NE1 4BX.

7. Fixed asset investments (continued)

During the year, the company reversed £829,000 of the impairment previously recognised against its loan to the Evolution Morpeth LLP. The reversal reflects improved sales rates, resulting in higher forecast cash flows and an increase in the expected recoverability of the loan.

The investments in associates are:

Organisation	Registration number	Registered address	Share Class	Percentage held	Investment at 31 March
Ptarmigan Planning 4 Limited *	09649923	2 Frederic Mews, London, SW1X 8EQ	Ordinary	2026: 46.25% 2025: 46.25%	2026: £3,024k 2025: £3,024k
CT UK Residential Real Estate Limited	13199209	C/O Aztec Financial Services Solent Business Park, Forum 4, Parkway South, Whitely, Fareham, Hampshire, PO15 7AD	F	2026: 22.75% 2025: 22.75%	2026: £15,000k 2025: £15,000k

* The interest in Ptarmigan Planning 4 Limited may vary between 33% and 49% depending on other shareholdings. It was established for land promotion and development activities and has five wholly owned subsidiaries: Ptarmigan Berinsfield Limited, Ptarmigan Birchington Limited, Ptarmigan Thatcham Limited, Ptarmigan Radley Limited and Project CXIII Limited.

8. Stock

	2026 £000	2025 £000
Outright sale properties:		
Completed properties	8,450	5,631
Work in progress of properties under construction	13,811	23,275
	22,261	28,906

9. Debtors

	2026 £000	2025 £000
Amounts due from group undertakings	18,611	20,424
Corporation tax	-	784
Other taxation and social security receivable	88	73
Collaborative joint fund	1,504	2,794
Accrued income	41	232
Other debtors	848	614
	21,092	24,921

Of the amounts due from group undertakings, £17.5 million (2025: £17.5 million) is a deposit with Home Group Limited which is repayable within two business days of the company requesting repayment. The amount is subject to interest at a rate to be determined by Home Group Limited on a monthly basis in line with competitive market rates. The remaining amounts are all intercompany transactions which are in the normal course of business and settled within one calendar month.

10. Creditors: amounts falling due within one year

	2026 £000	2025 £000
Trade creditors	1,749	222
Amounts due to group undertakings	3,668	8,592
Retentions	2,637	3,152
Accruals and deferred income	733	356
Taxation creditors	577	-
Other creditors	4,976	5,145
	14,340	17,467

Other creditors largely represent overpayments made by joint ventures on their loan repayments.

Amounts due to group undertakings are intercompany transactions and are in the normal course of business, and settled within one calendar month.

11. Called up share capital

	2026 £000	2025 £000
Allotted, issued and fully paid:		
At 1 April (ordinary shares of £1 each)	104,000	104,000
At 31 March (ordinary shares of £1 each)	104,000	104,000
Allotted, issued and unpaid:		
2 ordinary shares of £1 each	-	-
	104,000	104,000

12. Ultimate parent undertaking

The Board regards Home Group Limited as the ultimate parent company and the ultimate controlling party. Home Group Limited is the parent undertaking of the only (and therefore both the largest and smallest) group of undertakings for which group accounts are drawn up and of which the company is a member. Copies of the consolidated financial statements of Home Group Limited can be obtained from The Secretary, Home Group Limited, One Strawberry Lane, Newcastle upon Tyne, NE1 4BX (the registered address).

13. Capital commitments

	2026 £000	2025 £000
Contracts placed for future work in progress expenditure not provided in the financial statements	45,903	30,660
Work in progress expenditure that has been authorised by the Board but has not yet been contracted for	92,737	68,846

The above commitments, that have been contracted for but not provided, included £8.1 million (2025: £6.6 million) on-costs required to manage effective delivery of the contracts.

14. Related party disclosures

Evolution Gateshead Developments LLP, Evolution (Saffron Walden) LLP, Evolution (Shinfield) LLP, Linden (Manse Farm) LLP, Linden (Mowbray View 2) LLP, Linden (Northstowe) LLP, Home Hill LLP, Sadler Woods LLP, Cow Dyke Farm Harrogate LLP, HGSLB (Alexander Lane Shenfield) LLP, HGSLB (Meadway Cuffley) LLP and HGSLB (The Paddocks Ongar) LLP are joint ventures of North Housing Limited, and Evolution Morpeth LLP is an associate of North Housing Limited, which is also a subsidiary of Home Group Limited. Related party transactions in relation to these LLPs during the year were as follows:

	Loans repayments from related parties £000	Loans in year to related parties £000	Interest receivable £000	Outstanding receivables £000
Year ended 31 March 2026				
Joint ventures of North Housing Limited:				
Evolution Gateshead Developments LLP	8,492	7,215	935	7,756
Linden (Manse Farm) LLP	5,674	990	374	2,415
Linden (Mowbray View 2) LLP	2,106	677	34	-
Home Hill LLP	4,220	-	358	2,001
Sadler Woods LLP	1,050	-	472	6,009
Cow Dyke Farm Harrogate LLP	-	4,618	175	4,793
HGSLB (Alexander Lane Shenfield) LLP	-	2,364	56	2,420
HGSLB (Meadway Cuffley) LLP	-	12,142	681	12,823
HGSLB (The Paddocks Ongar) LLP	-	3,086	4	3,090
Associate of North Housing Limited:				
Evolution Morpeth LLP	8,828	5,590	755	10,840
	30,370	36,682	3,844	52,147
Year ended 31 March 2025				
Joint ventures of North Housing Limited:				
Evolution Gateshead Developments LLP	8,474	11,462	831	8,098
Linden (Manse Farm) LLP	5,491	1,250	778	6,725
Linden (Mowbray View 2) LLP	3,205	1,200	203	1,395
Home Hill LLP	-	400	463	5,863
Sadler Woods LLP	1,380	2,323	625	6,587
Associate of North Housing Limited:				
Evolution Morpeth LLP	5,865	3,850	966	12,495
	24,415	20,485	3,866	41,163

Loans to Gateshead Regeneration LLP are from Evolution Gateshead Developments LLP, who in turn receive loans from the company and Vistry Partnerships Limited, the members. Interest is payable at a rate calculated using the adjusted SONIA rate plus a margin.

Loans to Linden (Manse Farm) LLP, Linden (Mowbray View 2) LLP and Evolution Morpeth LLP are made alongside matching loans from Vistry Linden Limited. The loan to Home Hill LLP is made alongside a matching terms loan from Hill Residential Limited. The loan to Sadler Woods LLP is made alongside a matching terms loan from Story Homes Limited. Interest on these loans is calculated on a daily basis at a rate of the current Bank of England Base Rate plus a margin.

The loan to Cow Dyke Farm Harrogate LLP is made alongside an interest-free loan from Miller Homes Holdings Ltd. Loan principal drawdowns and repayments are made on matching terms across the two loan agreements. HGDL charges interest on this loan at a rate of the current Bank of England Base Rate plus a margin.

The loans to HGSLB (Meadway Cuffley) LLP, HGSLB (Alexander Lane Shenfield) LLP and HGSLB (The Paddocks Ongar) LLP are made alongside loans from Stonebond Properties (Chelmsford) Ltd. HGDL is providing 95% of the funding facilities for these LLPs and Stonebond are providing 5%. Interest on these loans is calculated on a daily basis at a rate of the current Bank of England Base Rate plus a margin.

All loans are secured on charges over the partnership's assets. They are provided under facilities with defined terms but no fixed repayment schedule. Repayment is made from available cash flows after settlement of trade creditors, with principal repaid before interest, in accordance with the LLP agreements. Extensions to facility terms require approval at HGDL Board.

In relation to Evolution Morpeth LLP the outstanding balance includes a total impairment provision of £2,459,000 (2025: £3,287,000).