

HABITARE HOMES

HABITARE HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025



Habitare Homes invests social impact capital to deliver good quality, sustainable and affordable homes in communities where the need is high.



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Corporate Directory

Directors

G M Berring	
D K Gannicott	
M Noaro	(Appointed 3 March 2025)
M Sayer	(Resigned 17 October 2025)
T H Allison	(Appointed 1 December 2025)
J R Carmichael	(Appointed 1 December 2025)
C E Robinson	(Appointed 1 April 2026)
L Leaver	(Appointed 1 May 2026)
E Burl	
K A Laud	(Resigned 1 April 2026)
N J Singh	(Resigned 1 May 2026)

Registered Company Number

12029015

Registered Provider Number

5128

Registered Office

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London
EC3M 3BY

Company Secretary

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Administrator

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Independent Auditor

Deloitte Ireland LLP
Deloitte & Touche House
29 Earlsfort Terrace
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Chair's Statement

For the year ended 31 December 2025

Habitare Homes Limited ("Habitare Homes" or the "Company") has continued to operate in a challenging environment, marked by ongoing uncertain global economic and political conditions. The importance of affordable housing fulfilling an acute social need has increased in political awareness as more people continue to wrestle with housing affordability. The Labour Government has made substantial changes to the planning framework to stimulate housing delivery and has confirmed its commitment to affordable housing by announcing a new 10 year, £39 billion affordable homes grant programme as well as providing certainty on the rent formula going forward. Unfortunately, the impact of these announcements will take time to materialise. At present, the UK housing crisis has continued to deepen with over 1.3 million people remaining on housing waiting lists and 165,000 children living in temporary accommodation. Households across all tenures continue to struggle with cost-of-living pressures.

It is against this context that Habitare Homes' purpose remains to deploy social impact capital to accelerate the delivery of energy-efficient, affordable homes in areas of constrained affordability.

Our performance highlights of 2025 include:

- A strong portfolio of 12 schemes with the current pipeline on track to deliver over 1,000 affordable homes by Q4 2027 with 479 homes now completed.
- Continued progress on two schemes previously impacted by contractor insolvencies, with remediation works underway.
- Constructive relationships with our managing agents.

As Habitare Homes is transitioning from development delivery to the housing management stage of its lifecycle, we have made tangible improvements to our processes, referenced in the 2025 Centre For Regional Economic Research Impact Audit report.

Improved snagging and defect management is having a marked impact on complaint volumes, while closer collaboration with our lease and management partners is strengthening communication with residents. Although legacy defects at certain schemes are still being resolved, emergency repairs performance has improved to 100% completion within target timeframes, with non-emergency repairs now at 92%. The Board receives quarterly updates to ensure continued oversight and sustained improvement in the resident experience.

The Board has continued to steer the Company through uncertainty, managing Habitare Homes' key risks while upholding high standards of governance and operational integrity in alignment with Regulatory Standards. In 2025, the Board undertook a comprehensive Board Effectiveness review, conducted by Altair. Their overall conclusion was that Habitare Homes has a robust framework for effective governance, underpinned by a strong commitment to continuous improvement and responsiveness to sector expectations. Following their recommendations, a detailed review of the risk management framework and risk map is currently underway. The Board has also resolved to adopt the British Property Federation Code of Governance, which provides a more appropriate framework aligned with for-profit registered providers such as Habitare Homes.

Looking forward, challenges remain with respect to completing the development of our two defaulted sites. We are committed to continuously improving our residents' experience of housing management and lived experience by working more closely and more efficiently with our housing association partners and managing agents. For example, our homes are offered with carpets and white goods to make the homes more comfortable and reduce costs for the residents. As regulation increases, delivering improved service and maintaining our homes to high standards so that we continue to provide residents with a positive lived experience will become even more of a key focus for Habitare Homes.

Chair's Statement (continued)

During 2025 and early 2026, the Board underwent significant renewal. Three new Non Executive Directors joined the Board: John Carmichael and Tracy Allison in December 2025, and Louise Leaver in May 2026. I was appointed Chair on 1 April 2026 (succeeding Katrina Laud), while Charles Robinson was appointed as Executive Director and Eric Burl transitioned to Non-Executive Director to ensure a smooth transition and continuity. Recruitment for a complaints lead is in progress following the departure of Katrina Laud on 1 April 2026, the resignation of Mark Sayer on 17 October 2025, and the resignation of Natalie Singh on 1 May 2026. On behalf of the Board, I express our sincere gratitude to our departing Chair, Katrina, for her outstanding leadership, and to Natalie and Mark for their dedicated service and valuable contributions to the organisation.

I would like to thank Board colleagues and the professional, dedicated and talented team within Man Group for their dedication and hard work through 2025 and I look forward to a successful 2026.

Marc Noaro

Marc Noaro
Chair

Date: 25 June 2026

Board of Directors



Marc Noaro (Chair)

Marc spent most of his executive career with Eurostar, the high speed train service between the UK and mainland Europe. He joined the business before the start of commercial services in 1994 and held a number of senior operational roles, before becoming Eurostar's Chief Customer Officer in 2016 responsible for stations, customer experience, security and the Human Resources teams. He was appointed as an Independent Non-Executive Director at Chelmer Housing Partnership in 2017 and served on the Board and that of its subsidiary, Myriad Homes until 2024, becoming the Senior Independent Director in 2021. He joined Habitare Homes' Board as Vice Chair in March 2025 and has been appointed Chair as of April 2026.



Gabrielle Berring (Independent Non-Executive Director)

Gabrielle is an experienced Real Estate Banker with a strong track record in the banking industry, with experience as a Non-Executive Director for a number of housing led organisations as well as Sheffield Hallam University. Skilled in Leadership, Strategy, as well as Credit Analysis and Structuring, Gabrielle's last full time role was as Director of Loans at Homes England where she was Senior Responsible Officer for the Home Building Fund. Gabrielle's banking experience includes social and affordable housing, local authority off balance sheet structures, project finance/PFI, as well as the wider real estate sector.



Eric Burl (Independent Non-Executive Director)

Eric Burl was Head of Discretionary at Man Group and a member of the Man Group Executive Committee. Eric was previously Head of GPM, Co Head of Global Sales and Marketing, Head of Americas. Based in New York, Eric was responsible for building Man Group's US presence, overseeing business development, new product launches and the expansion of Man GPM. Prior to this, he held the role of Head of Managed Accounts at Man Group's multi manager business which merged with Man FRM in 2012. Before joining Man Group in 2004, Eric worked at UBS in London. Eric holds a Bachelor's Degree in Management Studies from the University of Nottingham and is CAIA certified. Eric, previously an Executive Director, left Man Group at the end of March 2026 and has been reappointed as an Independent Non-Executive Director of Habitare Homes to ensure a smooth transition and continuity.



David Gannicott (Independent Non-Executive Director)

David was most recently Group Business Development Director at Hyde Group, a large housing association with over 50,000 homes in London, where he transformed their development programme. He has a strong track record of success across the housing sector and has worked with both the public and private sectors in furthering the delivery of new affordable homes.

Board of Directors (continued)

**John Carmichael (Independent Non-Executive Director)**

John is the Risk & Governance Director at Hyde Group and a Leadership Team member, bringing 15 years' social housing experience and five years as Director of a privately owned public transport provider.

A Chartered member of the Institution of Occupational Safety and Health, John has over 20 years' experience across commercial and residential property sectors. He served on the Chief Fire Officers Association's Higher Risk Accommodation Group and contributed to the National Fire Chiefs Council's editorial team for the "Fire safety in specialised housing guide".

Recently, John was a member of the Interim Industry Competence Committee, one of three committees established to support the Building Safety Regulator in developing a new regulatory framework for safe, sustainable buildings. John joined the Habitare Homes Board in December 2025 as Health and Safety Lead.

**Tracy Allison (Independent Non-Executive Director)**

Tracy was most recently CEO at West Kent Housing Association, championing the vital role housing associations play within society. A Finance Director by profession, her early career spanned the charity and commercial sectors.

Tracy has held senior positions including Executive Director of Transformation and Business Services at The Hyde Group and Finance Director at Origin Housing. Her Non-Executive experience includes roles with St Mungo's, a leading homelessness charity, and the Joseph Rowntree Foundation. She currently serves as Chair of First Garden Cities Homes. Tracy joined the Habitare Homes Board in December 2025.

**Charles Edward Robinson (Executive Director)**

Charles Robinson is Head of Business Strategy and Head of Business Management within the Discretionary team at Man Group. He is responsible for oversight of the non investment functions, including the day to day management of the business and execution of the Discretionary strategy and is also a member of the Discretionary management team.

Prior to joining Man Group in 2014, Charles worked at Deutsche Bank. Charles holds a BA in Mathematics from Cambridge University. Charles joined the Habitare Homes Board in April 2026.

**Louise Leaver (Independent Non-Executive Director)**

Louise is a Partner in the Banking and Finance Team at Bevan Brittan and the joint head of the firm's Housing practice. Louise is a qualified solicitor with over 25 years' experience. She completed her training and 12 years post qualification with Clifford Chance mostly advising lenders on all types of debt funding, including acquisition and leveraged finance, restructurings, development finance and specialising in housing finance. In 2010 Louise moved to Winckworth Sherwood where she spent 10 years leading the affordable housing finance team.

Louise joined Bevan Brittan in 2020 and is a recognised leader in social housing finance advising on complex funding and finance related projects for registered providers (including capital markets, large scale debt refinancings and joint venture development finance). Louise joined the Habitare Homes Board in May 2026.

Strategic Report

For the year ended 31 December 2025

The Directors present their Strategic Report for the year ended 31 December 2025.

Habitare Homes Limited was incorporated in June 2019. The Company is a registered provider of social housing ("Registered Provider") with its principal activities being the provision of affordable housing to people who are in housing need, either via sales under shared ownership arrangements, or rentals under affordable rent agreements. Our activity is solely in England.

Habitare Homes has in place a strong Board of Directors who collectively bring a wide range of relevant expertise and experience to oversee the Company's activities. The Board's role is to provide strategic direction for the Company, as well as oversight of finance, performance, and regulatory compliance, providing both challenge and support to those tasked with operational delivery. The Board has ultimate responsibility for ensuring the Company maintains a system of internal control that is appropriate for the various risks it may face given the nature of the business and operating environment.

We have established four strategic pillars; resident experience, safe and secure homes, social value creation, and business resilience, that serve as the foundation of our strategy, enabling us to achieve our objectives effectively and efficiently. In addition, our strategy is based on four key values; resident focused delivery, collaboration with stakeholders, accountability, and continuous improvement, which guide all aspects of our business and interactions with our stakeholders. We seek to generate both positive financial returns and demonstrable social returns. Our dual objectives of creating financial and social returns are complementary in creating better outcomes for all stakeholders over the long term.

To date, Habitare has committed to developing 1,063 affordable homes across social rent, affordable rent, and shared ownership tenures. These homes are central to Habitare's commitment to creating social value by building additional sustainable homes in areas of poor housing affordability. The average new build house price to median income multiple averages over 10x in the areas we invest, and over 70% of the portfolio is low cost rented homes. In addition, 90% of the homes are EPC B or above and 39% are EPC A, ensuring that residents will experience lower heating costs while

enjoying a comfortable home. We continue to manage our homes by working with housing associations, and these associations are critical to our strategy's success, enabling excellent customer service for our residents.

As we have started to deliver new homes, our emphasis has expanded beyond development risk and the provision of quality new homes to also prioritise the customer by providing responsive and effective services, ensuring homes are safe and well managed, and enhancing the lived experience within our homes. We continue to listen to our residents to improve the service we and our housing association partners provide. For example, defects in new homes and their remediation were areas that residents, especially in shared ownership homes, had voiced concern over. Over the past year, we have worked with our contracting partners and our housing association partners to lower the defect rate and to better manage the defect repairs process.

Statement of Internal Control

During 2025, Habitare Homes continued to operate within its existing risk management framework which has been designed to effectively identify, manage and mitigate risks to the Company. The Audit and Risk Committee ("ARCOM"), was established in 2022 as a delegated committee of the Board with clear terms of reference, and since February 2024 chaired by a Non-Executive Director. ARCOM provides assurance to the Board, that appropriate systems of internal control, assurance and risk management are in place and that legal, statutory, and regulatory requirements are properly audited where necessary.

In addition, a third party auditor has been engaged to conduct an internal audit of Habitare Homes' financial management, focusing on the robustness of key budgeting and financial planning activities. The report is expected to be shared with the Board ahead of the June 2026 meeting. It will be presented to provide assurance on effective financial planning, as well as an assessment of compliance with the Regulator of Social Housing's ("RSH", also the "Regulator") Governance and Financial Viability Standard, ensuring that stress testing and financial assumptions are supported by reliable evidence.

Strategic Report (continued)**Statement of Internal Control (continued)**

The Risk Map is presented to ARCOM on a quarterly basis, covering key risks and their likelihood of occurrence. Material updates are subsequently reported to the Board for review and approval. Key Risk Indicators ("KRIs") have been defined, with their status including any breaches reported to ARCOM quarterly. The Board also receives a quarterly update on any changes to key risks and material impacts requiring attention.

A range of policies and procedures that address the risks inherent in operating in the sector are in place and contribute to a strong governance framework. In 2025, particular emphasis was placed on embedding the updated policies introduced in response to the consumer regulatory standards, ensuring they are fully operational and consistently applied across the organisation. Policies are reviewed regularly to ensure they are aligned with regulation and market standards, providing the Board with ongoing assurance and confidence in the robustness of the governance framework.

Value for Money

Habitare Homes has been established to deliver additional, high quality affordable housing in areas of the country where affordability is stretched. Delivering on value for money ("VfM") is integral to the Company's ability to achieve its strategic objectives and there are several measures to ensure the VfM considerations are embedded in its business. These include risk management, business planning, and a strong governance framework to enable the Directors to make well informed decisions. As of 31 December 2025, Habitare Homes' portfolio comprised 479 completed properties, with 295 occupied by households. The Company has a pipeline in place to deliver a total of 1,063 properties.

The Company is currently not including sector benchmarking in the VfM metrics data. As the Company is for profit and the portfolio is primarily made up of stock under development and is not yet stabilised, it would be unrealistic to compare against sector benchmarks which are sourced from stabilised not for profit registered providers.

Value for Money Metrics

Metric	Description	2026 Target	2025 Actual	2025 Target
1	Reinvestment	16%	42%	24%
2	New supply delivered	23%	36%	57%
3	Gearing	33%	39%	26%
4	EBITDA MRI	88%	29%	81%
5	Headline social housing cost per unit	£2,203	£2,429	£1,783
6	Operating Margin:			
	a) Social housing lettings	94%	93%	93%
	b) Overall	82%	86%	79%
7	Return on capital employed (ROCE) %	7%	8%	6%
8	% of new supply which is above the local plan or extant planning s106 target	93%	70%	78%
9	Average level of grant subsidy per unit (if any)	£81,438	£73,125	£79,768

Strategic Report (continued)
Value for Money (continued)

The 2025 targets included an estimate of when properties would reach practical completion. During the year ended 31 December 2025, the portfolio suffered delays across many of the projects under construction,

including those impacted by contractor insolvency in 2023. This has impacted the timing of completions within the portfolio, and thus, the ability to meet the 2025 targets above.

Metric 1

Reinvestment %

This metric looks at the fixed asset investment (development spend) in properties during the year as a percentage of the value of total properties held. During the year ended 31 December 2025, the Company achieved a reinvestment rate of 42%, significantly exceeding the target of 24%. This strong reinvestment performance was driven by continued development activity, with £39.1 million invested in the development of new properties and £30.0 million in works to existing properties, alongside £3.3 million in capitalised interest. The higher than expected reinvestment rate also reflects the impact of transfers into Habitare. This dynamic inflates the numerator as costs transferred to Habitare are recognised in a single year. Simultaneously, the denominator representing the value of properties held is reduced due to on site delays and the consequent shortfall against projected valuations. Moreover, due to budget increases at Grantham, we have incurred a write down in value which further drives the denominator downwards. The 2026 target of 16% reflects the fact that several major sites have now reached, or are approaching, practical completion. As a result, development expenditure is decreasing relative to the growing fixed asset base.

Metric 2

New supply delivered %

This metric measures the number of new housing units completed during the year as a proportion of total units owned at year end. The Company completed 174 new homes during the year, against a forecast of 350 at the end of 2024. Delivery was impacted by on site delays

and wider market conditions, most notably the ongoing effects of contractor insolvency at both Grantham and Old Mallings Farm.

At Grantham, the Company is working methodically through the site as NHBC refines its condition requirements for plots requiring remediation. Morro Partnerships are contracted to remediate 61 plots. This process has necessitated the demolition of a number of modular units and their replacement with like for like timber frame house types. The remaining plots on site are currently subject to an options appraisal, with partial demolition and timber frame rebuild among the potential outcomes. The programme will remain subject to change until the preferred approach is confirmed and a contractor appointed.

At Old Mallings Farm, delays in appointing a replacement for Tophat have pushed back the start on site, with a consequential impact on the pace of new home delivery. The Company continues to engage closely with its development partners to monitor progress and manage delivery risk. These factors have been reflected in the targets set for 2026.

Metric 3

Gearing %

This metric measures drawn debt net of cash balances, as a percentage of total fixed assets (housing properties at fair value). At 31 December 2025, the Company had net debt of approximately £67.4 million against housing properties valued at £172.2 million this produces a gearing ratio of 39%.

Strategic Report (continued)
Value for Money (continued)

The Company continues to maintain a prudent approach to leverage, with gearing expected to moderate as development sites reach completion and stabilise. The 2026 gearing target of 33% reflects anticipated debt repayment profiles and a growing stabilised asset base.

Metric 4

EBITDA MRI*

This metric measures the level of operating surplus (adjusted for non cash items) compared to total interest payable, reflecting the Company's ability to service its debt from operating cash flows.

For the year ended 31 December 2025, the Company achieved an EBITDA MRI interest cover of 29%, materially below the 81% target. The numerator comprised approximately £1.45 million of adjusted operating surplus, while the denominator totalled £5.0 million (£3.3 million capitalised interest and £1.7 million interest payable and financing costs).

The lower than expected result is principally driven by two factors. First, the accounting treatment of grant income: approximately £2.5 million of additional grant was recognised relative to the 2025 projection, which significantly reduced the numerator in the calculation. Second, the high level of capitalised interest associated with an active development programme.

This outturn has no impact on Habitare's borrowing covenants or its current development programme.

As more sites reach practical completion and the portfolio stabilises, the Company expects the EBITDA MRI ratio to improve materially. The 2026 target of 88% reflects this anticipated improvement, as stabilised rental income grows relative to development phase financing costs.

Metric 5

Headline social housing cost per unit

This metric assesses the operating cost per unit, which includes costs such as service charges, insurance, lease and management fees amongst other costs. For 2025, this is £2,429 per unit and only reflects units in those schemes where a lease is in place and that are being rented.

Metric 6

Operating Margin %

This metric demonstrates the profitability of social housing lettings. For the year ended 31 December 2025, the Company achieved an unrounded operating margin on social housing lettings of 92.6%, marginally below the 93% target. The numerator comprises an operating surplus on social housing lettings of £13.0 million against turnover from social housing lettings of £14.1 million. The slight shortfall against target is attributable to modest increases in operating costs as the portfolio grows. The Company remains focused on maintaining efficient cost management as more units reach stabilisation.

For the year ended 31 December 2025, the Company achieved an overall operating margin of 86%, exceeding the 79% target. While the margin exceeded target, this was predominantly driven by lower turnover than originally anticipated as a result of on site delays and the subsequent impact on rental and sales income received during the year. In particular, first tranche sales receipts were considerably lower than forecast in 2025. This dynamic has a notably smaller impact on the operating margin on social housing lettings (above), as that metric excludes sales income.

The strong performance is driven by growing rental income from social housing lettings and effective cost management across the portfolio.

*Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %.

Strategic Report (continued)
Value for Money (continued)

Metric 7

Return on capital employed ("ROCE")

This metric compares the operating surplus to total assets less current liabilities and measures the efficient use of capital. For the year ended 31 December 2025, the Company achieved a ROCE of 8%, exceeding the 6% target. The operating surplus of £13.1 million was generated against total assets less current liabilities of £163.8 million.

The improvement reflects the growing contribution of stabilised rental income, government grant income, and property sales, alongside disciplined cost management. As the Company progresses to complete and stabilise its development pipeline, ROCE is expected to remain robust. The 2026 target of 7% reflects a conservative assumption as the asset base grows with new completions.

Metric 8

% of new supply which is above the local plan or extant planning s106 target

This metric demonstrates the additionality of the Company's housing stock in addressing the affordable housing challenge. We aim to deliver 50% more affordable homes than set out in the local plan or in extant s106 agreements. In 2025, 70% of newly delivered stock was "additional" affordable stock, taking the total percentage of additional affordable supply delivered to 31 December 2025 to 77%.

Metric 9

Average level of grant subsidy per unit (if any)

This metric ensures that we are delivering social housing as cost effectively as possible. The average level of grant subsidy approved per unit is £73,125, up from the 2024 actual of £70,291.

This metric underscores our commitment to delivering social housing in a cost effective manner, while adapting to changes in the Government's priorities for affordable housing and responding to evolving market conditions. The average approved grant subsidy per unit has increased, reflecting rising input costs due to build cost inflation. Furthermore, the increased grant rate includes an element which relates to a shift in tenure mix from affordable to social rent aligning with government objectives by enhancing both the supply and quality of rented social housing, thereby ensuring we are delivering affordable homes to those who need them most.

We have experienced delays in claiming grants due to external headwinds, including contractor insolvencies, shortage/unavailability of raw materials, delays due to statutory authorities including utility providers, and a shortage of skilled labour. These challenges have necessitated adjustments in project timelines, with the 2025 grant claims including amounts that were originally anticipated for receipt in 2024.

Strategic Report (continued)**Environmental, social and governance (“ESG”) impact**

Positive environmental and social outcomes are central to the Company’s strategy. The Board invests in developments that have, to the extent commercially possible, the following ESG characteristics: a focus on placemaking, an improvement in the carbon footprint, mixed tenure communities and a demonstrable improvement in housing affordability. In delivering tenant and asset management services, the Board works with housing associations that are rooted in their communities and have a focus on delivering for customers and community stakeholders.

When the Board selects development schemes for investment, they set clear ESG targets that should positively affect the lived experience of the future residents. To ensure that the Board’s commitment to environmental and social outcomes translates into practice, the Board underwrites projects in line with an Impact Underwriting Framework and then audits projects annually using an Impact Audit Framework and Impact Audit Report. These tools have been developed together with New Philanthropy Capital (“NPC”) and Sheffield Hallam University’s Centre for Regional Economic and Social Research (“CRESR”).

The Impact Underwriting Framework includes an assessment of the Board’s partners’ intentions on impact, additionality, financial sustainability, environmental sustainability and housing quality. Further dimensions include our ability to oversee and control intended outcomes through contractual terms and governance structures.

The Impact Audit Framework assesses how the Board performs against the Company’s strategic objectives each year. The Company has its environmental and social outcomes audited independently by the CRESR team. The output and outcome indicators for the audit report are structured around three key areas: housing affordability, residential stability and housing quality (when lived in). Output indicators include a quantitative assessment that sets out what the Board accomplished versus their targets. Outcome data will primarily be captured by CRESR through short surveys and focus groups as we direct our attention to the lived tenant

experience, and the resulting data is analysed for inclusion in the annual Impact Audit report.

The forthcoming 2025 report relates to the fifth year in which homes have been developed by the Company and, as significantly more homes have been developed and are now occupied, the Company’s activities can be assessed against a broader range of output, outcome and other metrics. CRESR has observed a strong delivery trajectory, with planned homes exceeding baseline targets for energy efficiency and sustainability, demonstrating investment beyond development norms. Qualitative insights from resident surveys and interviews show mixed satisfaction levels, with positive feedback on community building efforts, green spaces, and home quality.

However, challenges were identified, including defects management and delays in repairs, which have tempered enthusiasm about perceived housing quality. The weighted survey results indicate a satisfaction rate of 77%, consistent with the previous year, but dissatisfaction remains concentrated among shared owners, with only 43% satisfied with services compared to 71% of renters. Efforts are underway to address these concerns, with the defects process materially improved in January 2025 in collaboration with Housing Association partners, and complaints now reviewed quarterly with the Board.

In 2024, Habitare Homes Limited participated in the Tenant Satisfaction Measures (TSM) small provider pilot programme, operated by the Regulator, which aimed to understand the experience of collecting TSMs from providers with fewer than 1,000 homes. Having completed our first year of TSM reporting, the results are now publicly available and provide valuable insight into the services provided within our homes.

We have reviewed our TSM scores against those collected by our managing agents to understand where deltas exist and what they indicate about service delivery. This benchmarking between our 2024 and 2025 surveys has helped identify areas for improvement, particularly around defects management and communication with shared owners. We will continue to use the TSM framework to track progress and drive improvements in the year ahead.

Strategic Report (continued)**Environmental, social and governance (ESG) impact (continued)**

The Board remains acutely aware of the ongoing pressures on residents as the high cost of day to day expenditures continues to affect households across the UK. We remain committed to alleviating these challenges through the Company's provision of affordable, energy efficient, and sustainable housing across a range of tenures, helping to support communities facing affordability constraints.

Principal risks and uncertainties

We consider the following to be the principal risks and uncertainties that could impact Habitare Homes' activity and ability to meet its long term objectives:

Customer complaints not adequately managed

Ensuring that complaints are adequately managed is of fundamental importance for Habitare Homes to maintain customers' safety, trust and satisfaction. Additionally, Habitare Homes would suffer reputational risks as well as potential intervention by the Regulator. If not resolved in a timely manner, this may result in referral to the Housing Ombudsman and/or the Regulator. If disrepair claims are not resolved in a timely manner, it could lead to negative outcomes for our residents and potentially expensive litigation costs.

Risk of contractor default

Headwinds facing the UK housing market persist, with subdued sales rates and borrowing costs that remain elevated by historical standards. These conditions place financial strain on contractors and housebuilders. Following contractor default on several sites in 2023, Habitare Homes has worked to effectively mitigate the impact on construction timelines and development costs. The site at Coombe Farm has now completed, and Wellingborough is well underway with completion expected in 2027. Grantham and Old Malling Farm remain the principal sources of uncertainty as we work to secure new build contracts with reputable counterparties at commercially viable pricing.

Poor delivery by housing association partners

Habitare Homes has entered into lease and management agreements with housing associations to manage and maintain the Company's homes. While the organisations we have selected have the highest level

of governance rating, G1, by the Regulator, there is a risk that they underperform with respect to their housing maintenance and management obligations. This would not only potentially undermine customer safety and satisfaction, but also impact the Company's reputation, resulting in fines and increased compensation awards from the Housing Ombudsman or fines and censure by the Regulator.

To mitigate these risks, we maintain a close working relationship with each of our managing agent partners, regularly monitoring their performance through KPIs, reporting, annual audits, and ad hoc discussions. This is supported by monthly contract management meetings to address day to day operational issues, alongside an annual strategic review to ensure long term alignment and performance. As a last resort, the Company retains the right to terminate the agreement with a managing agent for poor performance. Over the course of 2025, we have worked closely with our managing agent partners to improve workflows and enhance the quality of data.

Cost of refinancing

In 2022, Habitare Homes completed a financing facility with HSBC Bank Plc ("HSBC") to support the delivery of homes at both development and stabilisation phase. The facility term has since been extended to 2028, with hedging coverage at circa 85%. The development programme is now well progressed with one development remaining (Wellingborough), though we anticipate adding a further construction project to the facility during 2026. The elevated interest rate environment could pose challenges during refinancing, increasing the risk of securing unfavourable terms. The risk has been deemed of medium impact and likelihood, taking into consideration the strengthened relationship with HSBC, ongoing covenant compliance with comfortable headroom, and the macro rate outlook. The anticipated refinancing timeline is now set for 2028.

Risk of suspension of grant funding programme

The likelihood of this risk remains elevated at 4 out of 5, maintaining its status as a key risk. In 2025, the risk partially crystallised when Homes England paused grant payments pending resolution of a shared ownership lease remediation issue, causing cash flow pressures and delays. The team effectively resolved the matter

Strategic Report (continued)

Principal risks and uncertainties (continued)

Risk of suspension of grant funding programme (continued)

and continue to actively manage grant submissions and engage with Homes England on the programme transition.

Corporate Governance

Since its registration as a Registered Provider in April 2021, the Company initially adopted the NHF Code of Governance 2015. Following a gap analysis in 2024, the Board resolved to adopt the British Property Federation (BPF) Code of Governance from 2025, which was deemed more suitable for Habitare's for profit structure, addressing areas such as group structures, outsourced delivery, and Board composition. For the financial year ended 31 December 2025, the Board completed its self assessment against the BPF Code and concluded that the Company was compliant with its principles where applicable.

During 2025, and into early 2026, the Board underwent significant renewal. New independent Non-Executive Directors were appointed, and a structured Chair succession process was undertaken, with Marc Noaro succeeding Katrina Laud as Chair from April 2026. The Board is supported by ARCOM and meets quarterly.

Regulatory Compliance

We are fully committed to delivering homes within the regulatory standards set by the Regulator and to operating within a robust governance framework.

As a Registered Provider of Social Housing, the Company is required to comply with the Economic and Consumer Standards set out by the Regulator and to formally certify compliance with the Governance and Financial Viability Standard and the accompanying code of practice.

For the financial year ended 31 December 2025, the Company carried out a review and the Board is satisfied that Habitare Homes was in compliance with the Regulator's Economic and Consumer standards. The Company has also undertaken an annual review of compliance, and the Board is assured that the Company is compliant with the Regulator's regulatory expectations in the Governance and Financial Viability Standard and its accompanying code of practice.

The Board, in approving the financial statements, is also approving the strategic report in their capacity as Company Directors.

By order of the Board



G M Berring
Director

Date: 25 June 2026

Directors' Report

For the year ended 31 December 2025

The Directors present their annual report and the audited financial statements of Habitare Homes Limited (the "Company") for the year ended 31 December 2025.

Principal activity

The Company is a registered provider of social housing with its principal activities being the provision of affordable housing to people who are in housing need, either via sales under shared ownership arrangements, or rentals under affordable rental agreements, with activity solely in England.

The Company has in place a strong Board of Directors (the "Board"), with the Directors collectively bringing a wide range of relevant expertise and experience to oversee the Company's activity. The Board's role is to provide strategic direction for the Company, as well as oversight of finance, performance and regulatory compliance, providing both challenge and support to those tasked with operational delivery. The Board has ultimate responsibility for the Company.

Directors

The Directors who served during the year and up to the date of the approval of this report were:

G M Berring	
D K Gannicott	
M Noaro	(Appointed 3 March 2025)
M Sayer	(Resigned 17 October 2025)
T H Allison	(Appointed 1 December 2025)
J R Carmichael	(Appointed 1 December 2025)
C E Robinson	(Appointed 1 April 2026)
L Leaver	(Appointed 1 May 2026)
E Burl	
K A Laud	(Resigned 1 April 2026)
N J Singh	(Resigned 1 May 2026)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the audited financial statements in accordance with applicable law and regulation.

The financial statements have been prepared in accordance with applicable law and United Kingdom ("UK") accounting standards (UK Generally Accepted Accounting Practice, "UK GAAP"), The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102"), the Statement of Recommended Practice for Registered Social Housing Providers 2018 ("Housing SORP"), the Accounting Direction for Private Registered Providers of Social Housing 2022, the Companies Act 2006 and the Housing and Regeneration Act 2008. 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 year.

In preparing these audited financial statements, the Directors are required to and have:

- selected suitable accounting policies for the Company's financial statements and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provided additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the financial statements, stated whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' Report (continued)**Statement of Directors' responsibilities (continued)**

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 UK GAAP, FRS102, the Housing SORP for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022, the Companies Act 2006 and the Housing and Regeneration Act 2008. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

The Directors confirm, to the best of their knowledge, that they have adhered to their responsibilities detailed above.

Independent auditor

Deloitte Ireland LLP have been appointed as auditor of the Company and have confirmed their willingness to continue in office, replacing Deloitte LLP (Jersey).

Matters covered in the strategic report

In accordance with Section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Directors consider them to be of strategic importance to the Company.

Qualifying third party indemnity provisions

The Company has provided an indemnity for its Directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Going concern

In preparing the Company's 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, to cease operations, or have no realistic alternative but to do so. At 31 December 2025 (the "reporting date"), the Company has a net asset position of £96,319,771 (2024: £117,509,626) and net current liability position of £8,446,013 (2024: net current asset position of £33,491,435). The Company has entered into an interest free loan arrangement with Man GPM RI Community Housing 1 LP (the "Main Fund", also the "Intermediate Parent") which allows the Company to draw down cash when required and in a manner that minimises interest income and therefore residual income for the REIT balance of business test purposes. As the Company is part of a REIT group, interest earned on cash balances puts the group at risk of failing the REIT balance of business test as it creates residual income. The intercompany loan between the Company and the Main Fund is utilised to draw cash into the Company as required to settle the obligations of the Company, but to avoid holding excess cash within the REIT group.

The Company relies on funding from the Intermediate Parent to finance its capital commitments. As detailed in note 22, the Company has outstanding capital commitments of £102,254,091 (2024: £115,736,567) related to its property investment activities. The Company's Intermediate Parent has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to the 30 September 2027. This will provide sufficient liquidity to the Company to settle its obligations and commitments within the next 12 months after these financial statements are available to be issued.

During the year, the Company issued a further £22,511,921 (2024: £3,050,000) of called up share capital to GPM CH REIT Limited (the "Immediate Parent"). The Company also cancelled shares amounting to £34,331,598 (2024: £nil). Further share capital will be issued to the Immediate Parent as and when it is required to support the investment objective of the Company.

Directors' Report (continued)
Going concern (continued)

Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations for a period of twelve months from the date of approval of the financial statements. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change risk. In line with FRS 102, investment properties and inventories are carried at fair value and the lower of cost and net realisable value respectively, as described in the notes to the financial statements. The valuations have been prepared by Jones Lang LaSalle Limited in accordance with the 2025 edition of the RICS Red Book Global Standards as at the valuation date. The condition of investment properties is monitored by the investment manager and independent valuer. Having assessed the impact of climate change on the entity and its assets, including inventories, the Directors have concluded that climate change does not currently have a significant impact on the financial statements and the Company's ability to continue as a going concern.

Small companies note

In preparing this report, the Directors have taken advantage of the small company exemptions provided by Section 415A of the Companies Act 2006.

By order of the Board

G M Berring
Director

Date: 25 June 2026

Independent Auditor's Report to the members of Habitare Homes Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Habitare Homes Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss 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 Statement of Recommended Practice ("SORP") for Registered Social Housing Providers 2018; the Accounting Direction for Private Registered Providers of Social Housing 2022; the Housing and Regeneration Act 2008; and 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;
- the statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 28.

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

**Independent Auditor's Report to the members
of Habitare Homes Limited (continued)**
Other Information (continued)

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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The directors are also responsible 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 framework 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 the Statement of Recommended Practice ("SORP") for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022, the Housing and Regeneration Act 2008 and the UK Companies Act 2006; 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 specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

**Independent Auditor's Report to the members
of Habitare Homes Limited (continued)**

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

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

Valuation of investment properties

- We assessed and challenged the valuation process and assumptions made by the independent third party valuer;
- With assistance of our valuations specialists, we challenged the valuation methodologies, significant assumptions and critical judgement areas in relation to the valuation's inputs;
- For properties under development, we reviewed additional inputs to the valuation methodologies, for example outstanding costs to spend and expected profit;
- We performed audit procedures to assess the integrity of the information provided to the external valuer by reviewing the inputs into the valuations and ensuring these tie to the substantive audit testing support; and
- We checked the consistency of the approach and arithmetical accuracy of the valuation models.

Accuracy of fair value movements on investment properties

- We assessed the valuations of investment properties (including the cost movement) as outlined above; and
- We performed a fair value movement reconciliation by comparing the opening unrealised gain/loss to the closing unrealised gain/loss and comparing the movement to the balance per the trial balance and financial statements.

Valuation of development property units held as inventory

- To assess the net realisable value of the inventory, we assessed and challenged the independent third party valuer's valuations and assumptions, and performed audit procedures to assess the integrity, consistency, and arithmetical accuracy of the models and information provided to the third party valuer;
- We performed a reconciliation of cost of properties by agreeing the cost per the company's records to the management's budgets, and additional cost incurred during the year;

- We assessed the additional cost incurred during the year and reviewed the nature of the expenditure to verify whether it is correctly capitalised; and
- We evaluated the methodology used to identify impairment and assess the reasonableness of the approach in line with FRS 102, including assessment of the valuation work for any impairment triggers.

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 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.

**Independent Auditor's Report to the members
of Habitare Homes Limited (continued)**

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 have 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.



Brian Jackson (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2, Ireland

29 June 2026

Statement of Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 £	2024 £
Turnover	4	14,941,614	9,693,181
Cost of sales	4	(590,226)	(1,879,104)
Operating expenditure	4	(1,159,248)	(1,011,372)
Unrealised loss on investment properties	4	(19,957,582)	(14,172,410)
(Impairment)/reversal of inventories impairment	4	(887,877)	372,741
Operating loss	4	(7,653,319)	(6,996,964)
Interest income	9	246,331	303,807
Foreign exchange gain		—	222
Financing costs	10	(1,732,402)	(1,730,728)
Fair value loss on interest rate cap	13	(223,982)	(74,969)
Operating loss before tax		(9,363,372)	(8,498,632)
Taxation	11	(6,806)	(44,590)
Loss for the year and total comprehensive loss		(9,370,178)	(8,543,222)

Results wholly relate to continuing activities.

There was no other comprehensive income in the current or preceding year.

The financial statements were approved by the Board and authorised for issue on 25 June 2026.

Gabrielle Berring

G M Berring

Director

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2025
Company number: 12029015

	Notes	2025 £	2024 £
Non current assets			
Investment properties	12	172,219,966	124,950,434
Derivative financial instruments	13	10,467	234,449
		172,230,433	125,184,883
Current assets			
Inventory	14	8,566,920	38,767,931
Debtors: amounts falling due within one year	15	1,701,354	1,929,620
Cash and cash equivalents	16	2,071,840	1,044,643
		12,340,114	41,742,194
Current liabilities			
Creditors: amounts falling due within one year	17	(20,786,127)	(8,250,759)
Net current (liabilities)/assets		(8,446,013)	33,491,435
Total assets less current liabilities		163,784,420	158,676,318
Non current liabilities			
Creditors: amounts falling due in more than one year	18	(67,464,649)	(41,166,692)
Net assets		96,319,771	117,509,626
Capital and reserves			
Called up share capital	21	104,952,050	116,771,727
Reserves		(8,632,279)	737,899
Total equity		96,319,771	117,509,626

The financial statements were approved by the Board and authorised for issue on 25 June 2026.

Gabrielle Berring

G M Berring
Director

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2025

	Notes	Share capital £	Profit and loss account £	Total reserves £
Balance as at 1 January 2024		113,721,727	9,281,121	123,002,848
Loss for the year		–	(8,543,222)	(8,543,222)
Issue of share capital	21	3,050,000	–	3,050,000
Balance as at 31 December 2024		<u>116,771,727</u>	<u>737,899</u>	<u>117,509,626</u>
Loss for the year		–	(9,370,178)	(9,370,178)
Issue of share capital	21	22,511,921	–	22,511,921
Share capital reduction	21	(34,331,598)	–	(34,331,598)
Balance as at 31 December 2025		<u>104,952,050</u>	<u>(8,632,279)</u>	<u>96,319,771</u>

The accompanying notes form part of these financial statements.

Image depicting homes within the Campbell Wharf development.



Statement of Cash Flows

For the year ended 31 December 2025

	2025 £	2024 £
Cash flows from operating activities		
Loss for the year	(9,370,178)	(8,543,222)
Adjustment for:		
Decrease/(increase) in inventories	(5,018,464)	(30,129,249)
Impairment of inventories	887,877	(372,741)
Decrease in debtors	228,266	1,553,573
Increase in creditors	(11,967,330)	(2,850,653)
Revaluation of investment properties	19,957,582	14,172,410
Decrease in interest rate cap	223,982	18,655
Interest income	(246,331)	(303,807)
Foreign exchange income	–	(222)
Bank loan written off	(103,179)	–
Interest expense	1,544,846	1,639,767
Interest capitalised	(3,321,235)	1,016,414
Amortisation of loan costs	84,076	160,470
Other finance costs charged	103,480	(69,510)
Net cash used in operating activities	(6,996,608)	(23,708,115)
Cash flows from investing activities		
Purchase costs of investment properties	(36,893,039)	(9,677,827)
Government grants received	24,566,226	2,488,250
Interest income	246,331	303,807
Net cash used in investing activities	(12,080,482)	(6,885,770)
Cash flows from financing activities		
Issue of share capital	–	3,050,000
Drawdown of loan	21,640,472	15,444,634
Loan costs paid	(17,999)	(128,796)
Interest paid	(1,518,186)	(1,423,185)
Net cash generated from financing activities	20,104,287	16,942,653
Net increase/(decrease) in cash and cash equivalents	1,027,197	(13,651,232)
Cash and cash equivalents at the beginning of the year	1,044,643	14,695,875
Cash and cash equivalents at the end of year	2,071,840	1,044,643

Statement of Cash Flows (continued)
Non-cash transactions for the year ended 31 December 2025:

Purchase costs of investment properties	(27,012,840)
Issue of share capital	22,511,921
Share capital reduction	(34,331,598)
Drawdown of loan	5,094,515
Proceeds from sale of inventory	34,331,598
Movement in arrangement fee	(593,596)
	<u>-</u>

The accompanying notes form part of these financial statements.

Image depicting completed homes in the Alconbury development.

Notes to the Financial Statements

1 Legal status

Habitare Homes Limited (the “Company”) is a private Company limited by shares incorporated in England and Wales under the Companies Act 2006. Details of the registered office and principal activities are set out in the Company Information and the Directors' Report, respectively. In April 2021, the Company registered as a for profit registered social housing provider with the Regulator.

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK Accounting Standards (“UK GAAP”), “The Financial Reporting Standard applicable in the UK and the Republic of Ireland” (“FRS 102”), the Statement of Recommended Practice (“SORP” or “Housing SORP”) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022 and in accordance with the Companies Act 2006.

The Company has also taken advantage of the small companies exemptions in Section 415A of the Companies Act 2006 in respect of its Directors' Report only.

The financial statements are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Board to exercise judgement in applying the Company's accounting policies, as disclosed in note 3.

The functional and presentational currency of the financial statements is Great British Pound Sterling (“£”) and all amounts are rounded to the nearest £1.

The following principal accounting policies have been applied:

(b) Going concern

In preparing the Company's 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, to cease operations, or have no realistic alternative but to do so. At 31 December 2025 (the “reporting date”), the Company has a net asset position of £96,319,771 (2024: £117,509,626) and net current liability position of £8,446,013 (2024: net current asset position of £33,491,435). The Company has entered into an interest free loan arrangement with Man GPM RI Community Housing 1 LP (the “Main Fund”, also the “Intermediate Parent”) which allows the Company to draw down cash when required and in a manner that minimises interest income and therefore residual income for the REIT balance of business test purposes. As the Company is part of a REIT group, interest earned on cash balances puts the group at risk of failing the REIT balance of business test as it creates residual income. The intercompany loan between the Company and the Main Fund is utilised to draw cash into the Company as required to settle the obligations of the Company, but to avoid holding excess cash within the REIT group.

The Company relies on funding from the Intermediate Parent to finance its capital commitments. As detailed in note 22, the Company has outstanding capital commitments of £102,254,091 (2024: £115,736,567) related to its property investment activities. The Company's Intermediate Parent has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to the 30 September 2027. This will provide sufficient liquidity to the Company to settle its obligations and commitments within the next 12 months after these financial statements are available to be issued.

Notes to the Financial Statements (continued)**2 Significant accounting policies (continued)****(b) Going concern (continued)**

During the year, the Company issued a further £22,511,921 (2024: £3,050,000) of called up share capital to GPM CH REIT Limited (the "Immediate Parent"). The Company also cancelled shares amounting to £34,331,598 (2024: £nil). Further share capital will be issued to the Immediate Parent as and when it is required to support the investment objective of the Company.

Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations for a period of twelve months from the date of approval of the financial statements. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

(c) Turnover

Turnover comprises rental income receivable in the year in relation to shared ownership properties and affordable rental units, service charge income, income from shared ownership first tranche sales, staircasing sales of investment properties, support services and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants released to income in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Charges for support services are recognised as they fall due.

Interest income is recognised in the year in which the interest is accrued.

(d) Government grants

Grants received in relation to construction of the investment properties under development are accounted for using the performance model set out in FRS 102 and the Housing SORP. Income is initially recognised as deferred income within creditors until the performance

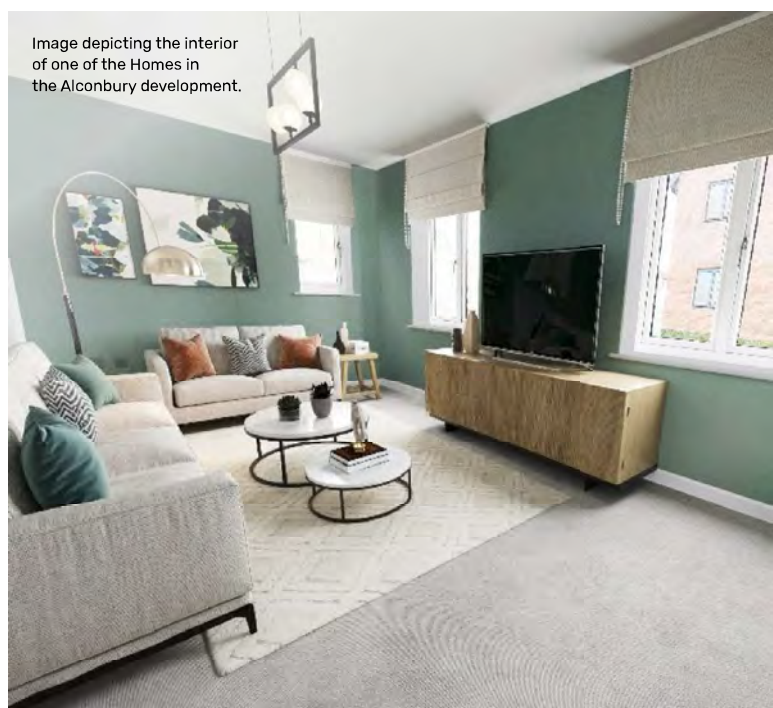


Image depicting the interior of one of the Homes in the Alconbury development.

obligations have been met. This being the point when the construction of the properties is complete. Once the obligations have been met the grant is recognised in full within income.

In some circumstances, typically when a shared owner staircases or the units are sold to a Company that is not a registered provider, an obligation to repay the grant to the relevant body can arise. This is treated as a contingent liability until the conditions for repayment have been met. At this point the amount repayable is recognised as a liability on the Statement of Financial Position and deducted from the measurement of any gain on the staircase transaction. As at the year end date, no liabilities were recognised in the Statement of Financial Position in relation to these repayments. However a contingent liability has been recognised in respect of the possible future obligation to repay the grant (see note 23).

Notes to the Financial Statements (continued)**2 Significant accounting policies (continued)****(e) Financing costs**

The cost of specific borrowings are capitalised against the loan and amortised over the life of the loan.

Interest expense is recognised in the year in which it falls due.

(f) Investment properties

Investment properties will initially be recognised at cost (which comprises the cost of land, of construction, of due diligence, and interest costs capitalised) and then at fair value at subsequent reporting periods. Management is adopting quarterly reporting (and therefore valuation) periods in line with their management reporting. Investment properties will be held at fair value as management consider that they can determine fair value of investment property reliably on a continuing basis, including investment property under construction.

Changes in the fair value are recognised in the Statement of Comprehensive Income in the year in which they arise.

Interest payable on borrowing which has been drawn in order to finance the relevant construction or acquisition is capitalised. Where properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

The Company has appointed Jones Lang LaSalle Limited to act as an external valuer to provide an independent professional opinion of the value of the subject properties as at the valuation date. The valuation has been prepared in accordance with the 2025 edition of the RICS Red Book Global Standards. The valuation of the properties is on the basis that the gross development value is subject to the restrictions of title and is in accordance with FRS 102. The gross development value assumes the units are built as at the valuation date, however a risk margin is deducted for properties under development based on the percentage of remaining costs.

Once complete, assets are held at fair value which is based on the Existing Use Value for Social Housing ("EUV SH"). The Independent Pricing Committee is

provided with the Jones Lang LaSalle Limited valuation report and determines the fair value to apply to the properties in the Net Asset Value of the Company.

Expenditure on shared ownership properties is split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and the remaining element is classed as a fixed asset and included in investment properties at fair value.

Contractual obligations for repairs of investment properties:**Affordable Rent**

The Company holds a head lease arrangement with various Housing Associations. Under all head leases the Housing Associations are obligated to maintain the premises in a lettable standard, incorporating all repairs and maintenance. Habitare Homes Limited releases liability for all repairs and maintenance at the time of handover.

Shared Ownership

The Company has in place management agreements with Housing Associations to manage the Shared Ownership properties. The homes are sold in accordance with the Capital Funding Guide using the model lease. This passes the repairing responsibility on to the shared owner at the point of sale. Depending on the grant funding used, Habitare may be required to meet the first £500 of repair costs in any year for the first 10 years. This is monitored and administered within the Management Agreement.

(g) Inventory

Assets held for sale in the ordinary course of business do not meet the Investment Property definition in FRS 102 or IAS 40. They are stock and will be accounted for as inventory. Inventory will be recognised and measured in accordance with the Housing SORP and FRS 102.

Shared ownership costs relating to the estimated first tranche sale proportion will therefore be held as inventory until the unit is sold. Costs comprise materials, direct labour, direct development overheads and a proportion of land and buildings. Costs will be allocated between the estimated first tranche sale proportion



Image depicting homes within the Grantham development.

Notes to the Financial Statements (continued)

2 Significant accounting policies (continued)

(g) Inventory (continued)

and the element to be retained as investment property. The allocation will take into account market conditions, scheme appraisals, and valuation assumptions to arrive at the likely percentage to be sold and retained.

In accordance with the Housing SORP, Section 8.42, assets held as inventory will be held at the lower of costs and Net Realisable Value ("NRV") and impaired annually as required.

On the sale of the first tranche of the shared ownership unit, the Company will recognise turnover, cost of sales and a gain/loss on disposal.

Private housing units held for sale on the open market are carried in the Statement of Financial Position at the lower of cost and NRV. NRV is the net sales proceeds which the Company expects on sale of a property with vacant possession, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material. Such units are valued on the basis of market value with vacant possession and on the special assumption they have reached practical completion and are available for sale and vacant.

(h) Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms has been agreed and the impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derivative financial instruments are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered and are subsequently remeasured at their fair value at each reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income.

(i) Debtors and creditors

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Notes to the Financial Statements (continued)**2 Significant accounting policies (continued)****(j) Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

(k) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

(l) Current and deferred taxation

The Immediate Parent of the Company qualified to be taxed as a Real Estate Investment Trust ("REIT") with effect from 1 December 2022. The Company, being a member of the REIT structure, will not be subject to standard UK corporation tax on profits (income and capital gains) derived from qualifying property rental businesses in the UK (the "Tax Exempt Business"). As a result, no deferred tax provision has been recognised at the reporting date in respect of property assets or carried forward losses on the basis there will be no future profit against which the balances will unwind.

UK corporation tax remains payable in the normal way in respect of income and gains from the Company's business (generally including any property trading business) not included in the Tax Exempt Business (the "Residual Business").

(m) Reserves

The Company holds only unrestricted reserves, which are presented within the profit and loss reserve. In accordance with FRS 102, investment properties are measured at fair value, with all gains and losses arising from changes in fair value recognised in profit or loss. Accordingly, no separate revaluation reserve is maintained, and cumulative fair value movements are reflected within retained earnings.

(n) Value Added Tax

The Company is able to recover part of the Value Added Tax ("VAT") it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

3 Judgements in applying accounting policies and key sources of estimation and uncertainty**(a) Judgements in applying accounting policies**

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

(i) Allocation of costs for shared ownership

Under shared ownership arrangements, the Company disposes of a long lease on shared ownership housing units for a share of the property ranging between 10% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed after the first tranche sales portion. Sales of subsequent tranches after the first tranche, are treated as a part disposal of investment property and included in operating surplus.

The first tranche sales portion has been estimated to be 40% of the cost of the shared ownership housing units. This is a judgement made by the Directors and is based upon the expectation set through experience of committed sales to date and in consideration of industry research.

When shared ownership properties are sold, the cost of the shared ownership is allocated in line with the proportion of the property sold. This is deemed a fair method of cost allocation.

Any difference between the estimated first tranche sale percentage and the actual amount purchased by the homeowner upon exchange of the shared ownership housing unit will be a transfer between investment property and inventory with the movement being reflected through the Statement of Comprehensive Income.

Government grants received from Homes England are repayable once the scheme leaves social housing, and a liability is recognised once the conditions for repayment have been met. The Company therefore tracks the sales, and at year end, judges that no such liability exists.

Notes to the Financial Statements (continued)**3 Judgements in applying accounting policies and key sources of estimation and uncertainty (continued)****(a) Judgements in applying accounting policies (continued)****(ii) Classification as investment properties versus property, plant and equipment**

Classification of social housing properties depends on the intended use of the property and to what extent it can be attributable to providing a social benefit to the wider community versus other motives, most notably profit.

- Habitare Homes is a for-profit registered provider;
- Its Intermediate Parent is GPM RI Community Housing Fund 1 LP;
- It holds property to earn profitable rentals and capital appreciation, in order to provide a return on investment, including where rent is set at a level below market value;
- It does not hold social housing assets purely for social benefit;
- Therefore, in accordance with Section 16 FRS102, properties are classified as Investment Property and will be accounted for at fair value.

Accordingly, the following properties are classified as Investment Property:

- Rental completed units;
- Rental units under construction;
- Rental units held for affordable rent;
- Retained equity of completed shared ownership units; and
- Estimated retained equity of shared ownership under construction.

Property that will be disposed of in the ordinary course of business, including costs related to first tranche sales of shared ownership properties, are classified as inventory, in accordance with Chapter 8 of the Housing SORP.

(iii) Distinction between investment property and inventory

The Company considers the intention at the outset when each property is acquired in order to classify the property as either an investment property or an inventory. Where the intention is either to trade the property or where the property is held for

immediate sale upon receiving vacant possession within the ordinary course of business, the property is classified as inventory.

Where the intention is to hold the property for its long term rental yield and/or capital appreciation, the property is classified as an investment property. The classification of the Company's properties is a significant judgement which directly impacts the statutory net asset position, as inventories are held at the lower of cost and NRV, whilst investment properties are held at fair value, with gains or losses taken through the Statement of Comprehensive Income.

The Company continually reviews properties for changes in use that could subsequently change the classification of properties. A change in use occurs if property meets, or ceases to meet, the definition of investment property which is more than a change in management's intentions. The fact patterns associated with changes in the way in which properties are utilised are considered on a case by case basis and to the extent that a change in use is established, property reclassifications are reflected appropriately.

There have been property reclassifications amounting to £16,962,247 (2024: none) in the year from inventory to investment property and £5,262,325 (2024: £31,989,227) from investment property to inventory.

(iv) Impairment of inventories

Determining whether there are indicators of impairment of the Company's inventory requires judgement. Potential indicators of impairment are considered and reviews carried out as required. As at 31 December 2025 an independent valuer assessed the fair value of the investment property, which for the portion of the properties held as inventory is taken to be net realisable value. Private housing units held for sale on the open market are carried in the Statement of Financial Position at the lower of cost and NRV.

NRV is the net sales proceeds which the Company expects on sale of a property with vacant possession, less estimated costs to complete the development and the estimated costs necessary to

Notes to the Financial Statements (continued)**2 Judgements in applying accounting policies and key sources of estimation and uncertainty (continued)****(a) Judgements in applying accounting policies (continued)****(iv) Impairment of inventories (continued)**

make the sale, taking into account the time value of money, if material. Such units are valued on the basis of market value with vacant possession and on the special assumption they have reached practical completion and are available for sale and vacant. Market valuation is the key assumption in determining the NRV of those properties. A review of current year inventory has determined that inventories should be impaired to the lower of cost and NRV, resulting in an impairment loss of £889,859 (2024: £1,982).

(b) Key sources of estimation and uncertainty

Areas of estimation uncertainty:

(i) Valuation of investment properties

As at 31 December 2025 an independent valuer, Jones Lang LaSalle, assessed the fair value of the investment property. Fair value measurements were applied to investment properties in the year. See note 12 for details of the estimates and their methodology.

Sensitivity analysis

Changes to key assumptions could impact both the income and financial position of the Company. The impact of changes to key assumptions is considered for the valuation of property assets and the net realisable value of investment properties using a range of reasonable changes and have been applied to asset categories where sensitivities could have the largest impact. The Company measures its market risk exposure internally by running various sensitivity analyses (see note 12).

Image depicting homes in the Campbell Wharf development.



Notes to the Financial Statements (continued)**4 Particulars of turnover, operating expenditure, cost of sales and operating profit/(loss)**

	Turnover £	Cost of sales £	Operating expenditure £	Unrealised loss on investment properties £	(Impairment)/ reversal of impairment of inventories £	Operating profit/(loss) £
Year ended 31 December 2025						
Social housing lettings (4a)	14,060,864	–	(1,035,964)	–	–	13,024,900
Other social housing activities						
First tranche shared ownership sales	880,750	(590,226)	–	–	–	290,524
Other operating costs	–	–	(123,284)	–	–	(123,284)
Impairment loss of inventories	–	–	–	–	(887,877)	(887,877)
Revaluation of housing properties	–	–	–	(19,957,582)	–	(19,957,582)
Total of other social housing activities	880,750	(590,226)	(123,284)	(19,957,582)	(887,877)	(20,678,219)
Total	14,941,614	(590,226)	(1,159,248)	(19,957,582)	(887,877)	(7,653,319)
Year ended 31 December 2024						
Social housing lettings (4a)	7,376,231	–	(536,958)	–	–	6,839,273
Other social housing activities						
First tranche shared ownership sales	2,316,950	(1,879,104)	–	–	–	437,846
Other operating costs	–	–	(474,414)	–	–	(474,414)
Reversal of impairment loss of inventories	–	–	–	–	372,741	372,741
Revaluation of housing properties	–	–	–	(14,172,410)	–	(14,172,410)
Total of other social housing activities	2,316,950	(1,879,104)	(474,414)	(14,172,410)	372,741	(13,836,237)
Total	9,693,181	(1,879,104)	(1,011,372)	(14,172,410)	372,741	(6,996,964)

Notes to the Financial Statements (continued)**4 Particulars of turnover, operating expenditure, cost of sales and operating profit/(loss) (continued)****4a Particulars of social housing lettings**

	2025 £	2024 £
Income		
Rental income	2,359,662	1,923,220
Government grants released to income	11,701,202	5,453,011
Turnover from social housing lettings	<u>14,060,864</u>	<u>7,376,231</u>
Operating expenditure		
Management	309,430	294,805
Legal costs	165,198	42,987
Other costs	561,336	199,166
Operating expenditure on social housing lettings	<u>1,035,964</u>	<u>536,958</u>
Operating profit from social housing lettings	<u>13,024,900</u>	<u>6,839,273</u>
Void losses	<u>-</u>	<u>-</u>

Rental income consists of rental revenue. All social housing lettings relate to general needs housing.

Image depicting homes in the Campbell Wharf development.



Notes to the Financial Statements (continued)**5 Accommodation under management and development**

	Shared ownership under management	Affordable rent under management	Total units under management	Assets under construction	Total accommodation
At 1 January 2025	140	104	244	662	906
Additions	2	59	61	235	296
Disposals	–	–	–	(139)	(139)
Completed	16	158	174	(174)	–
	<u>158</u>	<u>321</u>	<u>479</u>	<u>584</u>	<u>1,063</u>
At 31 December 2025					
At 1 January 2024	136	90	226	680	906
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Completed	4	14	18	(18)	–
	<u>140</u>	<u>104</u>	<u>244</u>	<u>662</u>	<u>906</u>
At 31 December 2024					

2 properties (2024: 1) were impaired in the year.

6 Auditor's remuneration

	2025 £	2024 £
Auditor's remuneration		
– fees payable to the auditor for the audit of the financial statements	84,500	84,500
– fees payable to the auditor for non-audit services	5,000	5,000
	<u>89,500</u>	<u>89,500</u>

7 Employees

As at the reporting date, the Company had no full time property management or corporate employees.

The Company has entered into service level agreements with external third party providers, to provide property management and corporate functions to the Company. The Company is charged an annual fee per unit for these services. This arrangement is expected to be in place until such time as the homes under management within the Company constitute a sufficient number to make employing their own in house property management and corporate functions financially efficient.

Notes to the Financial Statements (continued)

8 Directors' and Board remuneration

The Directors received remuneration and benefits from the Company of £90,806 (2024: £46,500), which included backdated remuneration increases. By year end all Directors fees had been paid (2024: all fees paid). Key management personnel are considered to be the Directors.

The highest paid Director received fees of £15,000 (2024: £15,000) and no other remuneration or pension benefits.

The agreed annual remuneration of each of the Directors is indicated below:

	2025 £	2024 £
G M Berring	12,000	12,000
D K Gannicott	9,000	9,000
E Burl	—	—
M Noaro (Appointed 3 March 2025)	12,000	—
M Sayer (Resigned 17 October 2025)	9,000	9,000
T H Allison (Appointed 1 December 2025)	9,000	—
J R Carmichael (Appointed 1 December 2025)	9,000	—
K A Laud (Resigned 1 April 2026)	15,000	15,000
N J Singh (Resigned 1 May 2026)	9,000	9,000
	84,000	54,000

The Company does not operate a pension scheme.

The Board of Directors is represented by the Executive and Non-Executive Directors.

The Board were reimbursed for expenses of £4,706 (2024: £1,073).

9 Interest income

	2025 £	2024 £
Interest income on cash at bank	205,585	178,359
Interest on derivative financial instruments	40,746	125,448
	246,331	303,807

Notes to the Financial Statements (continued)**10 Financing costs**

	2025 £	2024 £
Loan interest payable	1,544,846	1,639,767
Loan arrangement fees and associated costs	187,556	90,961
	<u>1,732,402</u>	<u>1,730,728</u>

11 Taxation

During the year ended 31 December 2022, the Immediate Parent registered under the REIT regime. Therefore, no future taxable profits will arise for the Company against which any previously carried forward tax losses in respect of pre trading expenses can unwind. All deferred tax assets have been unwound and there will be no further deferred tax assets recognised.

Following the Immediate Parent's REIT registration, the Company's income and gains arising from its property rental and shared ownership property business are exempt from UK tax. Corporation tax remains payable on income and gains arising from other activities, including non-property related income such as bank interest.

	2025 £	2024 £
Current income tax		
Tax on non property related income	51,396	44,590
Prior year credit	(44,590)	–
Total current tax	<u>6,806</u>	<u>44,590</u>
Deferred tax		
Charge for the year	–	–
Total deferred tax	<u>–</u>	<u>–</u>
Current income tax expense	<u>6,806</u>	<u>44,590</u>

Notes to the Financial Statements (continued)

Taxation (continued)

For the year ended 31 December 2025, the UK Corporation tax rate was at 25% (2024: 25%). The tax assessed for the year differs from the amount that would result from applying the standard rate of corporation tax in the UK to the loss on ordinary activities before tax, primarily due to the impact of REIT-exempt income and valuation movements. The differences are explained below:

	2025 £	2024 £
Loss on ordinary activities before tax	<u>(9,363,372)</u>	<u>(8,498,632)</u>
	2025 £	2024 £
Tax calculated at domestic tax rate of 25% (2024: 25%)	(2,340,843)	(2,124,658)
Exempt REIT (income)/expenses	(2,883,234)	(1,373,855)
Non-deductible expenses	64,921	—
Valuation loss on investment property	5,210,552	3,543,103
Prior year adjustment	(44,590)	—
Current income tax expense	<u>6,806</u>	<u>44,590</u>

12 Investment properties

	Properties under construction 2025 £	Completed properties held for affordable rent 2025 £	Completed properties held for shared ownership 2025 £	Total 2025 £	Total 2024 £
Valuation					
At 1 January	85,111,124	19,945,849	19,893,461	124,950,434	130,461,431
Additions at cost	12,442,625	—	—	12,442,625	6,951,515
Transfer from inventory	16,962,247	—	—	16,962,247	—
Works to existing properties	39,763,332	—	—	39,763,332	32,682,711
Interest capitalised	3,321,235	—	—	3,321,235	1,016,414
Schemes completed	(53,933,171)	53,561,464	371,707	—	—
(Loss)/gain on revaluation of investment properties	(25,466,488)	(428,472)	5,937,378	(19,957,582)	(14,172,410)
Transfer to inventory	(3,109,156)	—	(2,153,169)	(5,262,325)	(31,989,227)
At 31 December	<u>75,091,748</u>	<u>73,078,841</u>	<u>24,049,377</u>	<u>172,219,966</u>	<u>124,950,434</u>

Notes to the Financial Statements (continued)**12 Investment properties (continued)**

Completed housing properties are stated at Existing Use Value for Social Housing ("EUV SH"), including notional directly attributable acquisition costs. Additions during the year relate to costs paid towards units under development.

As at 31 December 2025, the Company's social housing properties have been valued by Jones Lang LaSalle Limited, professional external valuers.

On 7 April 2025, all of the 30 units held by In Place (Coombe) Limited under the Coombe Farm property were transferred to the Company at a cost of £12,442,625. At the end of April 2025, all remaining HSBC loan and commitments held by In Place (Coombe) Limited with HSBC have been transferred to the Company.

In valuing housing properties, a discounted cash flow methodology has been adopted with the following key assumptions:

- Discount rate: 6.85% to 10.00% (2024: 7.38% to 7.70%)
- Level of long term annual rent increase in real terms for 2025: 2.50% to 3.00% (2024: 0.50% to 1.00%)

The impact of changes to key assumptions is considered for the valuation of property assets and the net realisable value of investment properties using a range of reasonable changes and have been applied to asset categories where sensitivities could have the largest impact. As at 31 December 2025, an upward change in the discount rate by 0.5% would result in a downward change in property valuation by £13,839,492 (2024: £6,731,775). A downward change in the discount rate by 0.5% would result in a upward change in property valuation by £15,684,984 (2024: £7,432,294).

An increase of 0.5% in rental growth rate would increase the valuation of properties by £19,641,241 (2024: £8,242,378) and a downward change of 0.5% would decrease the valuation by £17,160,402 (2024: £7,219,868). This sensitivity analysis is based on the Directors' reasonable estimate of a possible shift in the discount rate and all other variables remaining constant. Actual results may be different and the difference could be material.

If the investment properties were held at historic cost, their net book value would be £201,826,306 (2024: £138,064,072) and the accumulated depreciation would be £5,031,275 (2024: £1,566,395).

Interest of £3,321,235 (2024: £1,016,414) was capitalised during the year. Interest on the development loans was fully capitalised.

The revaluation in the current year comprises:

	2025	2024
	£	£
Revaluation gains recognised in profit or loss	12,397,878	2,945,457
Revaluation losses recognised in profit or loss	(32,355,460)	(17,117,867)
	<u>(19,957,582)</u>	<u>(14,172,410)</u>

Notes to the Financial Statements (continued)

13 Derivative financial instruments

	2025 £	2024 £
Interest rate caps	<u>10,467</u>	<u>234,449</u>

Derivative financial instruments are measured at fair value through profit or loss and comprise of interest rate cap arrangements to hedge a portion of external debt in order to mitigate the Company's exposure to rising interest rates.

£14,683,000 (2024: £14,683,000) of external debt has been hedged via floating SONIA interest rate caps in which the Company has capped the interest rate at 4% per annum, payable on a quarterly basis until the termination date. The effective date of the caps were 3 April 2023 and 2 December 2024 with both terminating on 11 November 2027.

As at 31 December 2025, the fair value of the interest rate caps was £10,467 (2024: £234,449) and the fair value loss recognised in the Statement of Comprehensive Income during the year was £223,982 (2024: £74,969). Interest income recognised in the year was £40,746 (2024: £125,448).

14 Inventory

	2025 £	2024 £
Shared ownership properties:		
Completed properties	1,801,066	571,143
Proportion of shared ownership properties allocated as first tranche sales (work in progress)	6,765,854	4,175,854
Properties under development for market sales	–	34,020,934
	<u>8,566,920</u>	<u>38,767,931</u>

On 29 January 2025, 6 units held by In Place (Dysart) LP as development units held as inventory were transferred to the Company at a market value price of £1,480,000 together with all remaining associated outstanding capital commitments.

On 12 February 2025, development properties held as inventory amounting to £34,331,598 were transferred at cost by the Company to In Place (CG) Limited.

On 31 March 2025, out of a total of 146 units held under the Wellingborough scheme by In Place (Glenvale) Limited, a total of 141 units were transferred at a cost £14,570,215 to the Company, together with all remaining associated outstanding capital commitments. The remaining 5 units were transferred to the Company in December 2025 at a cost of £197,758.

Notes to the Financial Statements (continued)**14 Inventory (continued)**

On 19 August 2025, In Place (Dysart) Limited transferred 6 units of development properties held as inventory to the Company at a cost of £1,352,274.

Inventory is stated at the lower of cost and NRV, which is taken to be EUV SH, including notional directly attributable acquisition costs. As at 31 December 2024 and 2025, the Company's housing properties, from which a portion have been classified as inventory, have been valued by Jones Lang LaSalle Limited, professional external valuers.

Properties under development for market sales relate to private housing units under development with intention to be sold on the open market and are not subject to any social housing restrictions. These units were valued on the basis of market value with vacant possession and on the special assumption they have reached practical completion and are available for sale and vacant.

In valuing housing properties, discounted cash flow methodology was adopted with the key assumptions disclosed in note 12.

A review of current year inventory has determined that inventories should be impaired to the lower of cost and NRV, resulting in an impairment loss of £889,859 (2024: £1,982) and a reversal of impairment loss amounted to £1,982 as at 31 December 2025 (2024: £374,723).

15 Debtors: amounts falling due within one year

	2025 £	2024 £
Amounts owed by Group undertakings (note 26)	54,755	503,468
Rental debtors	423,054	324,253
Other debtors	891,545	453,601
Grant receivable	332,000	648,298
	<u>1,701,354</u>	<u>1,929,620</u>

At the year end there were no material rent arrears. No expense (2024: £Nil) was recognised in the Statement of Comprehensive Income in relation to bad or doubtful rental debtors.

Amounts owed by Group undertakings are unsecured, interest free, and repayable on demand.

16 Cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	<u>2,071,840</u>	<u>1,044,643</u>

Notes to the Financial Statements (continued)

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Deferred capital grant (note 19)	16,665,476	3,800,452
Accruals	2,362,435	2,626,831
Amounts owed to group undertakings (note 26)	1,685,601	1,795,938
Trade creditors	60,367	27,538
Other creditors	12,248	–
	20,786,127	8,250,759

Amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

18 Creditors: amounts falling due in more than one year

	2025 £	2024 £
Loan due in 2-5 years	67,464,649	41,166,692

The loan is secured on the investment properties at Lewes, Alconbury, Towergate, Tattenhoe, Coombe Farm, Campbell Wharf, Aldershot and Wellingborough. The loan attracts interest at 2.9% above SONIA subject to an interest rate cap of 4% (see note 13) and is due for repayment in 2028. At the year end, the loan is held net of fees of £743,179 (2024: £373,630) and the amortisation charged to the Statement of Comprehensive Income in the year in respect of these fees was £84,076 (2024: £160,470). The Company was not in breach of its loan covenants at 31 December 2025 or 2024.

On 2 June 2025 the Board approved that the Wellingborough development be added to the loan facility held with HSBC. On the same date the Board also approved an extension to the loan facility limit and term by 2 years.

Notes to the Financial Statements (continued)**19 Deferred capital grant**

	2025	2024
	£	£
At 1 January	3,800,452	6,768,000
Grant received in the year	24,566,226	2,488,250
Released to income in the year	(11,701,202)	(5,455,798)
At 31 December	16,665,476	3,800,452

Grants will be utilised against capital expenditure and recognised as income in the Statement of Comprehensive Income in full on completion of the properties.

The deferred capital grant is repayable to Homes England if affordable housing units are converted to non affordable housing. A contingent liability has been disclosed in respect of capital grant recognised as income (see note 23).

Total accumulated government grants received to date, including grant receivable at the year end is £41,634,476 (2024: £17,068,250) of which a total of £24,969,000 (2024: £13,267,798) has been recognised in the Statement of Comprehensive Income since the Company has been in operation.

20 Financial instruments

	2025	2024
	£	£
Financial assets held at fair value through profit and loss	10,467	234,449
Financial assets measured at amortised cost	11,393,814	40,785,125
Financial liabilities measured at amortised cost	71,681,673	45,616,999

Financial assets held at fair value through profit and loss comprises the interest rate caps (see note 13).

Financial assets measured at amortised cost include cash at bank and in hand, trade receivables, and government grants receivable. Related income is shown in note 9.

Financial liabilities measured at amortised cost include loans, trade creditors, accruals, other creditors, and amounts owed to group undertakings. Related expenses are shown in note 10.

Notes to the Financial Statements (continued)**20 Financial instruments (continued)**

The Company considers the below to be the main financial risks:

Market risk

The Company's financial assets and liabilities do not create any material exposure to price, foreign exchange or counterparty risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's operations are financed through a mixture of investment injections, external debt, generated cashflows and government grants for development activities.

It is considered that the Company, via the Group and external debt funding, has sufficient financial resources to meet its financial obligations, and therefore the risk is considered to be low.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations and arises principally from the Company's tenant (in respect of trade receivables arising under operating leases).

The Company has entered into lease and management agreements with housing associations to manage and maintain the Company's homes including letting and collection of underlying rent from shared owners. The organisations selected to partner with the Company have the highest level of governance rating, G1, by the Regulator.

Future consideration in relation to affordable housing following the introduction of Welfare Reform and Universal Credit changes, specifically the government's decision to transfer benefit payments directly to some tenants will be considered by the Board upon the transfer of the affordable housing to the Company.

Detailed scenario planning will be used to estimate the impact of any government policy changes on future tenancies. The business plan takes account of these changes in setting future levels of tenant indebtedness.

The risk is mitigated with the mechanisms established to support and sustain tenancies and focus on affordability as part of the tenancy allocation processes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the external debt repayments and related interest expense will fluctuate because of volatility in market interest rates.

The Company has entered into two interest rate cap arrangements to hedge its interest rate exposure. The interest rate fluctuations continue to be monitored and the resultant impact of the interest rate caps will also be reviewed continuously.

Notes to the Financial Statements (continued)**21 Share capital**

	2025 £	2024 £
Allotted, called up and fully paid		
104,952,050 (2024: 116,771,727) Ordinary shares of £1 each	<u>104,952,050</u>	<u>116,771,727</u>

The Company has one class of ordinary shares which entitles holders to voting rights and carry no rights to fixed income.

During the current year, the Company made the following share issues and reductions of ordinary shares to its Immediate Parent, all at par:

Issue of shares:

20 March 2025	2,343,000
31 March 2025	14,570,215
7 April 2025	5,598,706

Share capital reduction:

12 February 2025	34,331,598
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22 Capital expenditure commitments

	2025 £	2024 £
Capital expenditure:		
Expenditure contracted for but not provided for in the accounts	102,254,091	115,736,567
Expenditure authorised by the Board, but not contracted	<u>–</u>	<u>–</u>
Closing balance at 31 December	<u>102,254,091</u>	<u>115,736,567</u>

The Company's total outstanding commitments are financed through a mixture of investment injections, external debt, generated cash flows and government grants for development activities.

Notes to the Financial Statements (continued)

23 Contingent liabilities

The Company has received grants totalling £41,634,476 (2024: £17,068,250), of which £24,969,000 (2024: £13,267,798) have been released to the Statement of Comprehensive Income following the practical completion of units in accordance with the Housing SORP. The full grants received are contingently repayable to grant providers should there be a change of use of relevant housing units. This repayment risk also applies to deferred grant amounts of £16,665,476 (2024: £3,800,452) held in the Statement of Financial Position for assets not yet reaching practical completion.

There were no other contingent liabilities or commitments other than those already disclosed in these financial statements as at 31 December 2025 and 31 December 2024.

24 Minimum future lease payments

The future minimum lease payments under non cancellable operating leases for rental income are as follows:

	2025 £	2024 £
Due within 1 year	2,359,662	2,167,364
Due in 2-5 years	9,438,648	8,669,455
	<u>11,798,310</u>	<u>10,836,819</u>

The rental income on the leases above relates to 5 year leases under the affordable rent model.

The Company also has rent receivable under 125 year leases under the shared ownership model, however, as the tenant can choose to increase their percentage of ownership, there is no minimum future rent payment and therefore no amounts are disclosed beyond 5 years.

The Company has not recognised any (2024: £Nil) contingent rent as income in the year.

Notes to the Financial Statements (continued)

25 Statement of net debt

	At 1 January £	Cash movement £	Amortisation of loan issue costs £	Capitalised commitment fees £	Interest accrued £	At 31 December £
2025						
Cash at bank and in hand	1,044,643	1,027,197	–	–	–	2,071,840
Loan	(41,268,727)	(25,261,616)	–	(36,270)	(1,347,578)	(67,914,191)
Capitalised loan fees	102,035	–	369,549	–	(22,042)	449,542
	<u>(40,122,049)</u>	<u>(24,234,419)</u>	<u>369,549</u>	<u>(36,270)</u>	<u>(1,369,620)</u>	<u>(65,392,809)</u>
2024						
Cash at bank and in hand	14,695,875	(13,651,232)	–	–	–	1,044,643
Loan	(26,063,162)	(14,200,736)	–	(16,842)	(987,987)	(41,268,727)
Capitalised loan fees	519,850	–	(146,220)	–	(271,595)	102,035
	<u>(10,847,437)</u>	<u>(27,851,968)</u>	<u>(146,220)</u>	<u>(16,842)</u>	<u>(1,259,582)</u>	<u>(40,122,049)</u>

26 Related party transactions

The Company's Intermediate Parent has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to 30 September 2027. This will provide sufficient liquidity to the Company to settle its obligations and commitments within the 12 months after these financial statements have been issued.

Man Group Operations Limited, an indirect wholly owned subsidiary of Man Group PLC to which the Company is related, paid for certain operating fees and expenses, including organisational costs, on behalf of the Company, which are then recharged back to the Company. For the year ended 31 December 2025 these amounted to £1,260,336 (2024: £1,025,892) of which £178,897 (2024: £202,949) remains outstanding at the year end.

For the year ended 31 December 2025, amounts of £nil and £113,991 (2024: £1,350 and £76,849) were owed to Man Investments Holdings Inc and the Main Fund respectively for invoices paid on behalf of the Company.

For the year ended 31 December 2025, the Company owed In Place (CG) Limited an amount of £1,195,056, relating to the transfer of retentions payable from the Company not included in the purchase price of the development homes transferred by the Company during the year.

In Place (Alconbury) Limited, a wholly owned subsidiary of the Immediate Parent, owed an amount of £44,989 (2024: £47,498) to the Company for loan related costs paid on its behalf.

Notes to the Financial Statements (continued)

In Place (Trading) LP, a wholly owned subsidiary of the GPM CH Trading LP, a related partnership, owed an amount of £nil (2024: £455,870) to the Company for loan related costs paid on its behalf.

On 29 January 2025, 6 homes held by In Place (Dysart) LP as development homes held as inventory were transferred to the Company at a market value price of £1,480,000 together with all remaining associated outstanding capital commitments.

On 12 February 2025, development property homes held as inventory amounting to £34,331,598 were transferred by the Company to In Place (CG) Limited.

On 31 March 2025, out of a total of 146 homes held under the Wellingborough scheme by In Place (Glenvale) Limited, a total of 141 homes were transferred at a cost £14,570,215 to the Company, together with all remaining associated outstanding capital commitments. The remaining 5 homes were transferred to the Company in December 2025 at a cost of £197,758.

On 7 April 2025, all of the 30 homes held by In Place (Coombe) Limited under the Coombe Farm property were transferred to the Company at a cost of £12,442,625. At the end of April 2025, all remaining HSBC loan and commitments held by In Place (Coombe) Limited with HSBC were transferred to the Company.

On 19 August 2025, In Place (Dysart) Limited transferred the 6 remaining homes held as inventory to the Company at a cost of £1,352,274.

For remuneration of Directors and key management personnel, see note 8.

27 Controlling party

The immediate parent of the Company is GPM CH REIT Limited, a company registered in Guernsey.

The intermediate parent of the Company is Man GPM RI Community Housing 1 LP, a private fund limited partnership registered in Guernsey.

The ultimate parent of the Company is Conyers Trust Company (Bermuda) Limited, a company registered in Bermuda.

The smallest and largest group of undertakings for which the Company's results are included in are the consolidated financial statements of Man GPM RI Community Housing 1 LP. The consolidated accounts are not publicly available and the entity's registered office is PO Box 286 Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

28 Events after the reporting period

Subsequent to 31 December 2025, there have been appointments and resignation of Directors, which have been disclosed in the Company Information section of the financial statements.

On 26 March 2026, the Company issued 1,750,000 ordinary shares for a total amount of £1,750,000 to the Immediate Parent. There was also a repayment of loan from the Intermediate Parent for a total amount of £1,750,000.

In March 2026, following the identification of additional defective works at the Grantham site, including items not in accordance with building standards, technical requirements, and approved drawings, a further development cost of £2.5 million was agreed with the appointed contractor to remediate the unsatisfactory items across the affected homes, with completion expected over the coming months. This includes the demolition and rebuilding of a number of plots where it was determined that the cost of remediation approached or exceeded the replacement cost of demolition and rebuild.

On 16 April 2026, the Company borrowed £2.5m from In Place (CG) Limited under an interest free Promissory note with an unspecified date for repayment.

There are no other events subsequent to the year end that require adjustment or disclosure in the financial statements.

