HABITARE HOMES

HABITARE HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

REGISTERED PROVIDER NO: 5128
REGISTERED COMPANY NO: 12029015

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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Directors, Officers and Advisors

Board of Directors

Non-executive Directors

K A Laud (Chair)

G M Berring

D K Gannicott

N J Singh

Executive Directors

E Burl

Company Secretary

Ocorian Administration (Guernsey) Limited

Registered office

5th Floor
20 Fenchurch Street
London
England
EC3M 3BY

Registered Provider Number

5128

Registered Company Number

12029015

Auditor

Deloitte LLP
Gaspé House
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JE2 3QT
Jersey

Chair’s Statement

Habitare Homes Limited ("Habitare Homes" or the "Company") has navigated through another year marked by significant geopolitical volatility and enduring economic challenges. The ongoing crisis of undersupply in the housing market has intensified the importance of our mission to provide affordable housing solutions to those in need.

In 2023, Habitare Homes delivered our strategic and social impact objectives. Amid soaring rents and an escalating house price to earnings ratio, Habitare has provided 226 households with secure, high-quality housing. Our efforts focused on regions where the financial strain of housing hits hardest, and the impact of our work is most significant.

The macro-economic challenges, including inflation and increase in construction costs, have put a significant financial pressure on contractors. As a result, two of our developers became insolvent. Nevertheless, our team demonstrated exceptional resilience and ability to overcome the hurdles. Leveraging strong contractual safeguards and our team’s expertise and agility, we have been able to take effective measures and progress two key stalled projects, minimising potential delays and cost overruns without compromising our commitment to high-quality standards and social impact.

With its initial funding fully committed, Habitare Homes is on track to deliver 1,111 homes across 11 projects. By the end of 2023, we had 198 occupied homes – 83 Affordable Rented and 115 Shared Ownership homes – spread across key areas in England. Additionally, a strong focus was put on ensuring that Health and Safety standards were met and provided to the tenants, following the Regulator of Social Housing (the "Regulator") and the Housing Ombudsman’s requirements.

The Company’s board of directors (the “Board”) seeks to maintain a clear line of sight into our customers’ experience. Following independent research conducted in 2023 by Sheffield Hallam University, the Board was able to review the findings and identify areas of improvement. Our residents have expressed particular appreciation for the quality of their homes with 83% of survey participants reporting enhanced life satisfaction and willingness to recommend our developments. The study also highlighted areas for improvement, including defects management and the timeliness of our communications. We are actively collaborating with our housing association partners to embed best practices and enhance our responsiveness to the diverse needs of our residents.

Finally, we strengthened our governance and business resilience by making continuous progress in risk management, data assurance, and systems that support the performance oversight of our outsourced services. These enhancements demonstrate our commitment to continuous improvement and stakeholder accountability.

Looking at the future, we have confirmed the Board succession plan and welcomed a Senior Advisor to the Board who has brought extensive industry knowledge and challenged the status quo. Over the course of 2024, our committed programme is to provide 532 homes – 270 Shared Ownership and 325 Affordable Rent – across various locations, including Brighton/Hove, Alconbury, and Grantham, and ensure the highest standard of customer service.

I would like to thank Board colleagues for their commitment, input and expertise, this positions Habitare Homes to build lasting value for all our stakeholders and bring our vision for affordable, quality housing to life.

Katrina Laud

K A Laud
Chair

Date: 26 June 2024

Board of Directors

Katrina Laud (Independent Chair)

Katrina is an accomplished senior executive and housing professional having worked for over twenty years in the social housing sector. She acts as a Director in Savills Housing Consultancy team where she advises a wide range of housing associations from the largest in England to community-based organisations. Other clients include landed estates and trusts. Katrina supports boards and executive teams in effective governance, regulatory compliance, business strategy, growth, and development partnerships. She is the joint author of publications on governance; housing association viability and vitality; and the National Housing Federation Code for Merger, Group Structure and Partnerships.

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 (Executive Director)

Eric Burl is Head of Discretionary at Man Group and is 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.

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.

Natalie Singh (Independent Non-Executive Director)

Natalie is a Partner in the Banking and Finance Team at Trowers & Hamlins, a leading law firm advising the affordable housing sector. Natalie is a qualified solicitor with over 20 years' experience. She completed her training and 10 years post qualification with Gowling WLG advising large listed and unlisted companies in relation to corporate matters (including public offers, disposals, strategic reviews, merger and acquisitions and joint ventures). In 2012, Natalie moved to Anthony Collins Solicitors where she spent 11 years leading the affordable housing finance team. Natalie joined Trowers & Hamlins in 2024 and is a recognised leader in social housing finance advising on complex funding and finance related projects for registered providers and not-for-profit businesses.

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2023.

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 and Wales.

Habitare Homes has in place a strong board of directors who, 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 ensuring the Company maintains a system of internal control that is appropriate to the various risks it may face given the nature of the business and operating environment.

As a developing organisation, we have established robust governance procedures to deliver new affordable housing for both rent and ownership. Our focus on financial viability ensures we provide high-quality services through our partner housing associations. Key local management relationships with these associations are critical to our strategy's success, enabling excellent customer service for our residents.

As we start delivering new homes, our emphasis has expanded from solely concentrating on development risk and the provision of quality new homes to prioritising the customer by providing excellent services, ensuring homes are safe and well managed, and enhancing the lived experience within our homes.

Our strategy is based on four key values – resident focussed delivery, collaboration, accountability, and value creation – and guides 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.

Statement of Internal Control

During the course of 2023, 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), established in 2022 as a delegated committee of the Board and since February 2024 chaired by a non-executive member, provided 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 was engaged to perform an internal audit on Habitare Homes’ third-party contract management with a focus on agreements with the housing associations, as well as on GPM UK services to Habitare Homes. The report was presented to the Board to give assurance on the contractual arrangements being effectively administered and aligned with the regulatory requirements, as well as on data integrity and scrutiny, relationship management, risk assessment and compliance and effective reporting and communication mechanisms.

Throughout the year, risks and controls are continously monitored through regular assessment of the Company's Risk Map (the "Risk Map"). The Risk Map is presented to the ARCOM on a quarterly basis for review, including key risks and the likelihood of occurrence with material updates being reported to the Board quarterly for their review and approval. Key Risk Indicators ("KRIs") have been defined and their status (including breaches) is reported to the Board quarterly. As of Q3 2023, the Habitare Homes KRIs have been moved to a centralised Governance, Risk and Compliance ("GRC") system to ensure more systematic data capture and reporting as well as a comprehensive review of historical information and automatic notifications.

A range of policies and procedures that address the risks inherent with operating in the sector are in place and contribute to a strong governance framework. During 2023, a particular focus was put on expanding comprehensive Health and Safety procedures to ensure that effective processes are in place as well as that all regulatory requirements are being followed.

Strategic Report (continued)

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 a number of 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 at 31 December 2023, the Company had 198 properties that were occupied by households. Over the course of 2023, the Company contracted on a further 2 developments due to deliver 322 properties. Combined with the developments contracted on during 2020, 2021 and 2022 Habitare Homes has plans underway to deliver a total of 1,111 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	2023 Actual	2023 Target	2024 Target
Required Metrics				
1	**Reinvestment**	62%	80%	33%
2	**New supply delivered**	45%	81%	57%
3	**Gearing**	9%	50%	16%
4	**EBITDA MRI**	(275)%	125%	97%
5	**Headline social housing cost per unit**	£2,062	£1,500	£1,361
6	**Operating Margin** **a) Social housing lettings** **b) Overall**	a) 94% b) 7%	a) 89% b) 83%	a) 79% b) 33%
7	**Return on capital employed (ROCE) %**	2%	10%	1%
8	**% of new supply which is above the local plan or extant planning s106 target**	87%	70%	79%
9	**Average level of grant subsidy per unit (if any)**	£48,120	£55,000	£59,327

Strategic Report (continued)
Value for money (continued)

The 2023 targets included an estimate of when properties would reach practical completion. During the year ended 31 December 2023 the portfolio suffered from the insolvency of two developers across three key projects which resulted in some delays impacting the Grantham, Coombe Farm and Wellingborough developments.

In addition, there have been delays at the Tattenhoe development due to additional works being required to meet planning requirements. Final completions have been updated and are now expected in Autumn 2024.

In general, there have been major delays in the supply of materials industry wide, as well as labour shortages. This has impacted the timing of completions within the portfolio, specifically the Alconbury development.

Metric 1

Reinvestment %
This metric looks at the fixed asset investment in properties during the year as a percentage of the value of total properties held. During the year ended 31 December 2023, the Company continued to make progress on the development sites held. In addition, two new developments sites were acquired and development work is steadily increasing. The 2023 reinvestment rate is 62% which is reasonable in comparison to the target of 80%. This was affected by the market conditions which saw two developers becoming insolvent, delaying development works on two sites. As noted in the Chair's statement, the Company has taken effective measures to ensure the developments have commenced works which will be progressing in the subsequent year.

Fixed asset investment, which is the development spend, is expected to reduce next year, as well as an expectation that the fair value of investment property will increase, hence the target metric for 2024 being much lower than the percentage achieved in 2023.

Metric 2

New supply delivered %
This metric considers the number of new housing units developed in the year as a proportion of total units owned at the end of the year. The Company completed 101 new homes during the year. Completions were impacted by various market elements with the insolvency of two developers being key. Effective measures have been adopted in identifying developers to partner with and the Company will continue to engage closely with developers to assess progress. These considerations have been taken into account for the 2024 targets.

Metric 3

Gearing %
This metric measures drawn debt net of cash balances as a percentage of total fixed assets. At the end of 2023 the Company had taken out three development loans, and held two investment loans against stabilised assets. Whilst the Company had a loan balance of £25.5 million, there was also a significant cash balance of £14.7 million which has resulted in gearing of 9%. The Company has eleven developments however the debt was taken against five developments as at year end which maintains a conservative approach to gearing against the total fixed assets owned by the Company.

The 2023 gearing target anticipated that additional schemes within the portfolio would be covered by external debt funding. Due to delays in this process, the gearing metric is below expectation. Work is ongoing to add additional schemes to the debt facility.

The gearing metric factors in cash balances and the Company ended the year with a higher-than-expected cash balance, negatively impacting the gearing metric.

Metric 4

EBITDA MRI*
This metric measures the level of surplus compared to interest payable and reflects the fact that the Company has been developing new build homes which are part financed with debt on variable interest rates. For the year ended 31 December 2023, there were significant debt drawdowns on the debt facility in comparison to 2022 which resulted in increased interest charges. Operating surplus has been impacted by fair value loss adjustments on investment property and inventories, resulting in an unrealised loss on investment properties being recorded

Strategic Report (continued)
Value for money (continued)
Metric 4 – EBITDA MRI* (continued)

in the Statement of Comprehensive Income such that the interest cover is lower than anticipated. As the portfolio of properties completes and stabilises, the EBITDA MRI is expected to become positive. The Company will continue to seek housing associations to partner with in their new developments to ensure maximum property occupation for future property completions which will aim to increase the operating surplus.

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

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 2023, this is £2,062 per unit and only reflects units in those schemes where a lease is in place and that are being rented. Given that the Company leases the properties to housing associations, the costs associated with management and maintenance are embedded in the lease and the responsibility of our housing association ("HA") lessee. As such the costs, will not be directly comparable with the sector.

Metric 6

Operating Margin %
This metric demonstrates the profitability of operating assets, with 6a representing margin on social housing only and 6b accounting for the entire Company portfolio. The Company is still in early stages of delivery with properties completing and handing over steadily through the year. As more properties complete and let, we expect turnover to increase over the subsequent financial periods and the margins becoming more in line with expected targets. Certain market conditions such as fair value movements impact the overall operating margin, therefore, we anticipate that favourable market conditions such as house price growth can result in stable market values.

Fair value movements are gains or losses reflected in the statement of comprehensive income which directly impact the net profit figure. The gains or losses arise from the external valuation reflecting the difference between the cost of the investment property and its market value as determined by the external valuation. In 2023 the market value was lower than cost which resulted in a reduction in net profit. This ultimately reduces the ratio.

Metric 7

Return on capital employed (ROCE)
This metric compares the operating surplus to total assets less current liabilities and is a measure to assess the efficient use of capital. The ROCE for Habitare Homes was 2% given that income generation is now stabilising as more properties complete, however there has been a fair value loss which has reduced the operating surplus. Given that the Company is in growth mode, we expect the ROCE to be below the benchmark average for a considerable period of time and steadily increase in line with property 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.

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 £48,120.

The grant approval process saw some delay in 2023 for numerous reasons, including the development delays following contractor defaults. Grant payments are made at varying stages of the development, so any delay in construction can impact the timing of grant receipts. The 2024 target includes grant amounts previously anticipated to be received in 2023.

Further, Homes England have advised that grant amounts available are due to increase to meet the increased costs that the industry is facing. Grants previously targeted within the portfolio are now expected to be higher than originally forecast. For example, the Aldershot, Grantham, and Wellingborough developments are due to receive higher grants than previously expected.

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 select development schemes for investment, they set clear ESG targets that should positively affect the lived experience of the future residents. In order to ensure that the Board's commitment to environmental and social outcomes translates into practice, the Board underwrite projects in line with an Impact Underwriting Framework and then audit our 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 are performing 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 2023 report relates to the third 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 have observed a better-than-anticipated delivery trajectory, with signs of increasing numbers of practical completions. Projects include a range of tenures and offer high levels of affordability for those on median incomes. Qualitative evidence shows powerful signs that the housing being developed is having a profound stabilising effect on households. CRESR's interviews revealed crucial quality of life impacts arising from the quality of homes and the local environments in which they are situated. The vast majority of residents surveyed would recommend their development to friends and family, with signs that for some, moving into their new home directly changed their perceived life satisfaction.

In 2024, Habitare has volunteered to be part of the Tenant Satisfaction Measures (TSM) small provider pilot program. The program is operated by the Regulator and aims to understand the experience of collecting TSMs from providers with fewer than 1,000 homes, as well as any issues they may have encountered. This will provide further insight into our homes and will provide the first report which will be publicly available on the services provided within our homes.

The Board are acutely aware of the pressures on residents due to the continued cost of living crisis in the UK; we strive to help alleviate the issues faced by different communities across the country due to challenges in affordability through the Company's range of affordable, energy efficient and sustainable housing.

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' 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 potentially expensive litigation costs.

Risk of contractor default

The UK housing market remains stressed with sales rates materially lower than expected and interest rates still at elevated levels relative to pre-Covid levels. These supply and demand headwinds have resulted in greater financial pressure on contractors and housebuilders. As a result, two developers engaged in Habitare Homes' projects became insolvent in 2023. Controls and procedures have been put in place to effectively mitigate the impact that the developers' default may have had on the construction delays and increase in development costs.

Cost of refinancing

In 2022, Habitare Homes completed a financing facility with HSBC to support the delivery of more homes, both at development and stabilisation phase. However, the elevated high 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 Bank of England's signals of potential rate decreases and the anticipated refinancing timeline set for November 2026.

Poor delivery of 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, result in fines from the Housing Ombudsman or fines and censure by the Regulator. To mitigate these risks, we have a close working relationship with each of our HA partners and regularly monitor their performance through KPIs, reporting, annual audits and ad-hoc discussions. As a last resort, the Company has the ability to terminate the agreement with the housing association for poor performance. Over the course of 2023, we have worked closely together with the housing associations to improve the workflow and enhance the quality of data. Additionally, the Internal Audit looked at third-party contract management with a focus on agreements with the housing associations and provided recommendations on improvements to be made to ensure that the right controls and reports are in place.

Corporate Governance

During 2021, and since its registration as a Registered Provider in April 2021, the Company adopted the NHF Code of Governance 2015. The 2015 code remains in effect due to its continued relevance. A review is planned to determine the appropriate timing for adoption and implementation of the NHF Code of Conduct 2020. For the financial year ended 31 December 2023, the Board reviewed the Company's self-assessment against the NHF Code of Governance and concluded that the Company was compliant with the principles of the Code of Governance where applicable.

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 2023, 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.

Events after the reporting period

Subsequent to the year end, the Company issued a further £Nil of called up share capital to GPM CH REIT Limited, the Company's immediate parent. Further share capital will be issued to GPM CH REIT Limited as and when it is required to support the investment objective of the Company.

In addition to the above, including commitments entered into subsequent to the year end, the Company's ultimate parent has total committed capital of £48,584,548 to be utilised in line with the group's investment strategy, including in support of the Company's investment objective.

Further information on the events after the reporting period can be found in note 29.

The Board, in approving the financial statements, are also approving the strategic report in their capacity as company directors.

By order of the Board

Gabrielle Berring

G M Berring
Director

Date: 26 June 2024

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2023.

Principal activities

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 and Wales.

Habitare Homes has in place a strong board of directors, 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, and performance and regulatory compliance, providing both challenge and support to those tasked with operational delivery. The Board has ultimate responsibility for the Registered Provider.

Directors

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

G M Berring
E Burl
D K Gannicott
K A Laud
N J Singh

Directors' responsibilities

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

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting practice (United Kingdom Accounting Standards and applicable law). Under Company law, the Directors must not approve the audited 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 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)
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 the Companies Act 2006, the Accounting Direction for Private Registered Providers of Social Housing 2022 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.

Auditor

Ernst & Young LLP resigned as auditor effective 30 November 2023. On the same date, Deloitte LLP were appointed as auditor for the year ended 31 December 2023.

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 has no realistic alternative but to do so. Having performed this analysis, the directors believe that the Company will require additional capital to be able to meet its obligations as and when they fall due for the foreseeable future.

During the year, the Company issued a further £39,050,000 of called up share capital to GPM CH REIT Limited, the Company's immediate parent. Further share capital will be issued to GPM CH REIT Limited as and when it is required to support the investment objective of the Company.

In addition to the above, the Company has total commitments of £238,983,813 related to its property investment activities. The Company's intermediate parent GPM RI Community Housing 1 LP (the "Main Fund"), has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to 30 September 2025. 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.

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.

Directors' Report (continued)

Climate change

In preparing the financial statements, the directors have considered the impact of climate change risk. In line with FRS 102, investment properties are valued at fair value as described in the notes to the financial statements. The valuations have been prepared by CBRE in accordance with the latest version of RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") 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, 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

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

By order of the Board

Gabrielle Berring

G M Berring
Director

Date: 26 June 2024

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

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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102) The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- have been prepared in accordance with the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018;
- have been prepared in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2023 and Housing and Regeneration Act 2008; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting 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 Director's report, and excludes the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory 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. This included UK Companies Act 2006, Accounting Direction for Private Registered Providers of Social Housing 2022 and Housing and Regneration Act 2008; 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.

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

- Valuation of investment properties is one of the key drivers of the Company's net asset value. Valuations are inherently complex and require significant judgement and estimation around the key inputs and assumptions. On the basis of the three valuation approaches; EUV-SH (shared ownership properties), MV-T (affordable rents properties with tenants) and MV-VP (affordable rents properties without tenants), we have pinpointed the main judgements within the discounted cashflows, being the equivalent yields, estimated rent (inside and outside the regulated sector) and on completeness of costs to spend as at the valuation date (for properties under development); and

Independent Auditor's Report to the members of Habitare Homes Limited (continued)
Auditor's responsibilities for the audit of the financial statements (continued)

- Valuation of inventory is calculated as 40% of the lower of cost and net realisable value (NRV) of shared ownership properties which have not yet been through a first tranche sale. NRV is determined from the independent property valuations which are inherently complex and require significant judgement and estimation around the key inputs and assumptions. Our specific procedures performed in response to this significant risk, in addition to discussions with internal specialists include, challenging the assumptions, judgments, and methodologies of the valuations. We have identified relevant inputs to the valuation and on a sampled basis substantively tested these inputs to sufficient and appropriate evidence.

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 concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the strategic report.

We have nothing to report in respect of these matters.

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

Use of our report

This report is made solely to the company's directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Siobhan Durcan

Siobhan Durcan, FCCA, ACA
Senior Statutory Auditor
For and on behalf of Deloitte LLP
Statutory Auditor
St Helier, Jersey

Date: 27 June 2024

Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £	2022 £
Turnover	4	**15,637,061**	8,594,605
Cost of sales	4	**(8,187,897)**	(3,866,295)
Operating expenditure	4	**(989,112)**	(328,304)
Unrealised (loss)/gain on investment properties	4	**(2,999,782)**	2,492,159
Impairment of inventories	4	**(374,723)**	(74,675)
Operating surplus	4	**3,085,547**	6,817,490
Interest income	9	**467,465**	187,762
Foreign exchange gain/(loss)		**330**	(628)
Financing costs	10	**(682,359)**	(51,539)
Fair value loss on interest rate cap	13	**(257,409)**	(6,387)
Operating surplus before tax		**2,613,574**	6,946,698
Taxation	11	**–**	–
Surplus for the year and total comprehensive income		**2,613,574**	6,946,698

Results wholly relate to continuing activities.
There was no other comprehensive income in the year.
The financial statements were approved by the Board and authorised for issue on 26 June 2024.

Gabrielle Berring

G M Berring
Director

The notes on pages 25 to 43 form part of these financial statements.

Statement of Financial Position

As at 31 December 2023
Company number: 12029015

	Note	2023 £	2023 £	2022 £	2022 £
Non-current assets					
Investment properties	12	**130,461,431**		60,951,819	
Derivative financial instruments	13	**253,104**		510,513	
			130,714,535		61,462,332
Current assets					
Inventory	14	**8,265,941**		14,348,196	
Debtors; due within one year	15	**3,482,971**		3,108,137	
Cash at bank and in hand	16	**14,695,875**		11,273,408	
		26,444,787		28,729,741	
Creditors: amounts falling due within one year	17	**(8,613,162)**		(7,993,735)	
Net current assets			**17,831,625**		20,736,006
Total assets less current liabilities			**148,546,160**		82,198,338
Creditors: amounts falling due in more than one year	18		**(25,543,312)**		(859,064)
Net assets			**123,002,848**		81,339,274
Capital and reserves					
Called up share capital	21		**113,721,727**		74,671,727
Revaluation reserve	22		**10,555,509**		3,772,515
Profit and loss account	22		**(1,274,388)**		2,895,032
Total equity			**123,002,848**		81,339,274

The financial statements were approved by the Board and authorised for issue on 26 June 2024.

Gabrielle Berring

G M Berring
Director

The notes on pages 25 to 43 form part of these financial statements.

Statement of Changes in Equity

	Share capital £	Profit and loss account £	Revaluation reserve £	Total reserves £
As at 1 January 2022	10,149,936	(279,151)	–	9,870,785
Surplus for the year	–	6,946,698	–	6,946,698
Transfer to revaluation reserve (note 12)	–	(3,772,515)	3,772,515	–
Issue of share capital	64,521,791	–	–	64,521,791
As at 31 December 2022	**74,671,727**	**2,895,032**	**3,772,515**	**81,339,274**
Surplus for the year	**–**	**2,613,574**	**–**	**2,613,574**
Transfer to revaluation reserve (note 12)	**–**	**(6,782,994)**	**6,782,994**	**–**
Issue of share capital	**39,050,000**	**–**	**–**	**39,050,000**
As at 31 December 2023	**113,721,727**	**(1,274,388)**	**10,555,509**	**123,002,848**

The notes on pages 25 to 43 form part of these financial statements.

Image depicting a home within the Alconbury development.

Top and bottom image showing construction at the chilmington site.

Statement of Cash Flows

	Note	2023 £	2022 £
Cash flows from operating activities		**2,613,574**	6,946,698
Surplus for the financial year			
Adjustments for:			
Decrease/(increase) in inventories		**5,707,532**	(10,633,077)
Impairment of inventories		**374,723**	-
Decrease/(increase) in debtors		**1,969,996**	(3,074,697)
Decrease in other creditors		**(883,519)**	(3,942,700)
Revaluation of investment properties		**2,999,782**	(2,492,159)
Decrease/(increase) in interest rate cap		**257,409**	(510,513)
Interest income		**(467,465)**	(187,762)
Foreign exchange (income)/loss		**(330)**	628
Interest charge		**481,688**	5,581
Interest capitalised		**928,796**	–
Amortisation of loan costs		**–**	11,179
Other finance costs charged		**200,671**	34,779
Net cash generated/(used) in operating activities		**14,182,857**	(13,842,043)
Investing activities			
Purchase costs of investment properties		**(74,953,979)**	(52,886,981)
Government grants received		**808,159**	10,775,341
Interest income		**467,465**	187,762
Net cash used in investing activities		**(73,678,355)**	(41,923,878)
Financing activities			
Issue of share capital		**39,050,000**	44,549,905
Drawdown of loan		**23,958,413**	1,344,263
Loan costs paid		**(25,215)**	(238,556)
Interest paid		**(65,233)**	–
Net cash generated in financing activities		**62,917,965**	45,655,612
Net increase/(decrease) in cash and cash equivalents		**3,422,467**	(10,110,309)
Cash and cash equivalents at the beginning of the year	16	**11,273,408**	21,383,717
Cash and cash equivalents at the end of the year	16	**14,695,875**	11,273,408

The notes on pages 25 to 43 form part of these financial statements.

Notes to the financial statements

1 Legal status

Habitare Homes Limited is a private Company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office is given on page 1 of these financial statements and the principal activities are given in the Directors' Report.

In April 2021, the Company registered as a for profit registered social housing provider with the Regulator.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice), FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (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 their Directors' Report only.

The accounts 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 (see note 3).

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

The following principal accounting policies have been applied:

2.2 Going concern

As discussed in the Directors' Report, 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 at least twelve months from the date of approval of the financial statements. Thus, the Company continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 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.

Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed.

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 period in which the interest is accrued.

Image depicting homes within the Chilmington development.

Notes to the financial statements (continued)
Accounting policies (continued)

2.4 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 2018. Income is initially recognised as deferred income within creditors until the performance 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, and no repayments have been made, however a contingent liability has been recognised in respect of the possible future obligation to repay the grant (see note 24).

2.5 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 period in which it falls due.

2.6 Investment properties

Investment property 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 property 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 CBRE 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 latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book"). 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 FRS102. 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 completed, assets are held at fair value which is based on the Existing Use Value for Social Housing (EUV-SH). The Independent Pricing Committee was provided with the CBRE Limited valuation report and determined 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 relates to sales proceeds included in turnover, 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
Habitare Homes Limited 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
Habitare Homes Limited 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.

2.7 Inventory
Assets held for sale in the ordinary course of business do not meet the Investment Property definition in FRS102 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 2018 and FRS102.

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 and direct development overheads. Costs will be allocated between the estimated first tranche sale proportion 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 2018, 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.

2.8 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.

Debtors
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.

Creditors
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.

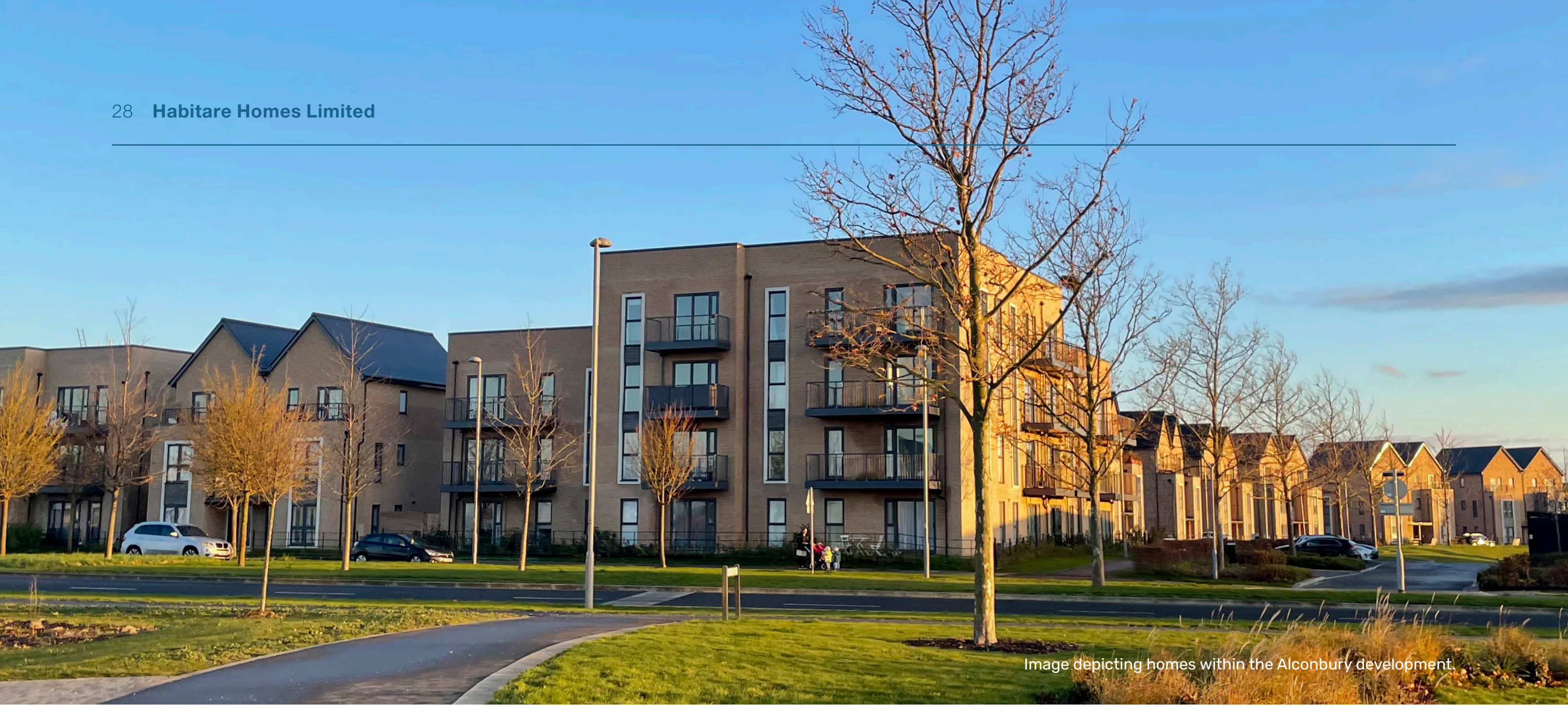
Image depicting homes within the Alconbury development.

Notes to the financial statements (continued)
Accounting policies (continued)

Derivative financial instruments

During the prior financial year, the Company entered into a hedging arrangement with its bankers, capping floating interest rates on its debt facilities until November 2027 limiting its exposure to fluctuations in variable interest rates. The Company accounts for this contract as a derivative held on the statement of financial position as either an asset or liability, remeasuring to fair value at the end of each financial period, with any changes to the instrument's value recognised through profit and loss. The Company uses valuations provided from leading industry experts to assist with the assessment of the instrument's value, taking account of the forecast interest yield curve and anticipated changes in interest rates over the term of the instrument.

2.9 Debtors and creditors

Debtors and creditors with no stated interest rate and 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.

2.10 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.

2.11 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.

2.12 Current and deferred taxation

The Group of which the Company is a part elected to be taxed as a REIT with effect from 1 December 2022, with the Company's immediate parent GPM CH REIT Limited being the principal company of the REIT Group. The Company will not be subject to standard UK corporation tax on profits (income and capital gains) derived from its qualifying property rental businesses in the UK and elsewhere (the "Tax-Exempt Business"). As a result, no deferred tax provision has been recognised at the balance sheet 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").

2.13 Reserves

The Company only holds unrestricted funds.

The Company holds a revaluation reserve representing the cumulative gain on revaluation on investment properties, which is not distributable. Losses on revaluation are recognised in the profit and loss reserve unless they reverse a gain previously recognised in the

2.14 Value Added Tax

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

Notes to the financial statements (continued)

3 Judgements in applying accounting policies and key sources of estimation and uncertainty

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

- **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.

- **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 ultimate 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.

Image depicting homes and construction within the Coombe Farm development

Notes to the financial statements (continued)
3 Judgements in applying accounting policies and key sources of estimation and uncertainty (continued)
Classification as investment properties versus property, plant and equipment (continued)

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
— 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 SORP 2018.

- **Impairment of inventories**

  Determining whether there are indicators of impairment of the Company's inventory requires judgement. Management considers potential indicators of impairment and carries out reviews as required. As at 31 December 2023 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. A review of current year inventory has determined that investments should be impaired to the lower of cost and net realisable value, resulting in an impairment loss of £374,723 (2022 - £74,675).

Areas of estimation uncertainty:

- **Valuation of investment properties**

  As at 31 December 2023 an independent valuer, CBRE, 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 in their methodology.

Images depicting homes and construction within the Chilmington development.

Notes to the financial statements (continued)

4 Particulars of turnover, operating costs, cost of sales and operating surplus/(deficit)

	Turnover 2023 £	Cost of sales 2023 £	Operating expenditure 2023 £	Loss on revaluation 2023 £	Impairment of inventories 2023 £	Operating surplus 2023 £
Social housing lettings (4a)	**5,201,636**	**–**	**(309,983)**	**–**	**–**	**4,891,653**
Other social housing activities						
First tranche shared ownership sales	**10,435,425**	**(8,187,897)**	**–**	**–**	**–**	**2,247,528**
Other operating costs	**–**	**–**	**(679,129)**	**–**	**–**	**(679,129)**
Impairment of inventories	**–**	**–**	**–**	**–**	**(374,723)**	**(374,723)**
Revaluation of housing properties	**–**	**–**	**–**	**(2,999,782)**	**–**	**(2,999,782)**
Total of other social housing activities	**10,435,425**	**(8,187,897)**	**(679,129)**	**(2,999,782)**	**(374,723)**	**(1,806,106)**
Total	**15,637,061**	**(8,187,897)**	**(989,112)**	**(2,999,782)**	**(374,723)**	**3,085,547**

	Turnover 2022 £	**Cost of sales 2022 £**	**Operating expenditure 2022 £**	**Gain on revaluation 2022 £**	**Impairment of inventories 2022 £**	**Operating surplus 2022 £**
Social housing lettings (4a)	4,045,307	–	(28,505)	–	–	4,016,802
Other social housing activities						
First tranche shared ownership sales	4,549,298	(3,866,295)	–	–	–	683,003
Other operating costs	–	–	(299,799)	–	–	(299,799)
Impairment of inventories	–	–	–	–	(74,675)	(74,675)
Revaluation of housing properties	–	–	–	2,492,159	–	2,492,159
Total of other social housing activities	4,549,298	(3,866,295)	(299,799)	2,492,159	(74,675)	2,800,688
Total	8,594,605	(3,866,295)	(328,304)	2,492,159	(74,675)	6,817,490

Notes to the financial statements (continued)

4a Particulars of social housing lettings

	2023 £	2022 £
Income		
Rent receivable net of service charges	**1,276,987**	74,372
Service charge income	**62,149**	20,935
Government grants released to income	**3,862,500**	3,950,000
Turnover from social housing lettings	5,201,636	4,045,307
Operating expenditure		
Management	**155,457**	5,990
Routine maintenance	**116**	–
Legal costs	**62,101**	22,515
Other costs	**92,309**	–
Operating expenditure on social housing lettings	**309,983**	28,505
Operating profit from social housing lettings	**4,891,653**	4,016,802

All social housing lettings relate to general needs housing.

While not all properties available for letting were occupied, the Company receives rent from Housing Associations regardless of occupancy, resulting in £Nil in void losses for both years.

5 Accommodation in management and development

	Shared ownership under management	Affordable rent under management	Total units under management £	Assets under construction £	Total accomodation
At 1 January	46	79	**125**	459	**584**
Additions	–	–	**–**	322	**322**
Disposals	–	–	**–**	–	–
Units completed	90	11	**101**	(101)	–
At 31 December	**136**	**90**	**226**	**680**	**906**

39 (2022 – 34) properties were impaired in the year.

Notes to the financial statements (continued)

6 Auditor's remuneration

	2023 £	2022 £
Auditor's remuneration (excluding VAT) – fees payable to the auditor for the audit of the financial statements	**75,000**	36,750

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.

8 Directors' and Board remuneration

The Directors received remuneration and benefits from the Company of £39,000 (2022 – £39,000), of these £31,000 (2022 – £39,000) were payable at the year end and are included within accruals. Key management personnel are considered to be the Directors.

The highest paid director received fees of £15,000 (2022 – £15,000) and no other remuneration or pension benefits.

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

	2023 £	2022 £
K A Laud	**15,000**	15,000
G M Berring	**8,000**	8,000
D K Gannicott	**8,000**	8,000
N J Singh	**8,000**	8,000
E Burl	**–**	–
	39,000	39,000

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 £Nil (2022 – £Nil).

Notes to the financial statements (continued)

9 Interest income

	2023 £	2022 £
Interest income on cash at bank	**392,934**	187,762
Interest on derivative financial instruments	**74,531**	–
	467,465	187,762

10 Financing costs

	2023 £	2022 £
Loan interest payable	**481,688**	5,581
Amortisation of loan issue costs	**–**	11,179
Other financing costs	**200,671**	34,779
	682,359	51,539

11 Taxation

During the year ended 31 December 2022 the immediate parent company GPM CH REIT limited registered under the Real Estate Investment Trust (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 in the future.

Upon the immediate parent company'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 will be payable on future profits and gains from any other activities.

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021.

Notes to the financial statements (continued)

12 Investment properties

	Properties under construction 2023 £	Completed properties held for affordable rent 2023 £	Completed properties held for shared ownership 2023 £	Total 2023 £	Total 2022 £
Valuation					
At 1 January	34,344,480	21,066,003	5,541,336	60,951,819	5,572,679
Additions at cost	38,699,675	–	–	38,699,675	52,886,981
Works to existing properties	41,521,587	–	–	41,521,587	–
Interest capitalised	928,796	–	–	928,796	–
Schemes completed	(23,592,118)	2,296,808	21,295,310	–	–
Gain/(loss) on revaluation of investment properties	4,869,905	(1,473,832)	(6,395,855)	(2,999,782)	2,492,159
Transfer to inventory	(7,101,188)	–	(1,539,476)	(8,640,664)	–
At 31 December	89,671,137	21,888,979	18,901,315	130,461,431	60,951,819

Completed housing properties are stated at EUV-SH, including notional directly attributable acquisition costs. As at 31 December 2023, the Company's housing properties have been valued by CBRE Limited, professional external valuers. In valuing housing properties, discounted cash flow methodology was adopted with the following key assumptions:

Discount rate: 6.55% to 10.65%
Annual inflation rate after 2 years: 3.40%
Level of long-term annual rent increase: 2.50% to 3.00%

If the investment properties were held at historic cost, their net book value would be £130,438,826 (2022 – £58,415,417) and the depreciation charge in the year would be £532,228 (2022 – £44,243).

Notes to the financial statements (continued)
12 Investment properties (continued)

The revaluation in the current year comprises:

	2023 £	2022 £
Revaluation gains (see below)	**7,641,400**	3,772,515
Revaluation losses (profit and loss reserve)	**(10,641,182)**	(1,280,356)
	(2,999,782)	2,492,159

The accumulated downward revaluation at 31 December 2023 was £11,063,133 (2022 – £1,280,356).

The transfer to the revaluation reserve comprises:

	2023 £	2022 £
Revaluation gains transferred to the revaluation reserve	**7,641,400**	3,772,515
Less: reversal gain that reverses prior year impairment	**(207,321)**	–
Reversal of prior year upward revaluation	**(651,085)**	–
	6,782,994	3,772,515

Interest of £928,796 (2022 – £Nil) was capitalised in the period. Interest on the development loans was fully capitalised.

13 Derivative financial instruments

	2023 £	2022 £
Interest rate cap	**253,104**	510,513

Derivative financial instruments are measured at fair value through profit or loss and comprise of an interest rate cap arrangement to hedge a portion of external debt in order to mitigate the Company's exposure to rising interest rates. At the year end £9,719,488 (2022 – £1,046,082) of external debt was hedged via a floating SONIA interest rate cap in which the Company has a capped the interest rate at 4% per annum, payable on a quarterly basis until the termination date. The effective date of the cap was 8 December 2022 with a termination date of 11 November 2027.

As at 31 December 2023 the fair value of the interest rate cap was £253,104 (2022 – £510,513) and the fair value loss recognised in the Statement of Comprehensive Income during the year was £257,409 (2022 – £6,387). Income recognised in the year was 74,531 (2022 – £Nil).

Notes to the financial statements (continued)

14 Inventory

	2023 £	2022 £
Shared ownership properties:		
Completed properties	**1,353,380**	1,807,880
Proportion of shared ownership properties allocated as first tranche sales (work in progress)	**6,912,561**	12,540,316
	8,265,941	14,348,196

Inventory is stated at the lower of cost and net realisable value, which is taken to be EUV-SH, including notional directly attributable acquisition costs. As at 31 December 2023, the Company's housing properties, from which a portion have been classified as inventories, have been valued by CBRE Limited, professional external valuers. 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 investments should be impaired to the lower of cost and net realisable value, resulting in an impairment loss of £374,723 (2022 – £74,675).

15 Debtors

	2023 £	2022 £
Debtors: amounts falling due in one year		
Rental debtors	**410,034**	62,582
Other debtors	**728,409**	914
Corporation tax recoverable	**28**	28
Prepayments	**–**	9,333
Deposit	**–**	3,035,280
Grant receivable	**2,344,500**	–
	3,482,971	3,108,137

The deposit related to monies paid as a deposit for work that had not yet taken place.

At the year end there were no material rent arrears. No expense (2022 – £Nil) was recognised in the Statement of Comprehensive Income in relation to bad or doubtful rental debtors.

Notes to the financial statements (continued)

16 Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**14,695,875**	11,273,408

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**1,613**	16,545
Amounts owed to group undertakings (see note 27)	**1,522,414**	11,417
Deferred capital grant (see note 19)	**6,768,000**	7,477,841
Accruals	**299,635**	487,932
Other creditors	**21,500**	–
	8,613,162	7,993,735

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

18 Creditors: amounts falling due in more than one year

	2023 £	2022 £
Loan due in 2-5 years	**25,543,312**	859,064

The loan is secured on the investment properties at Alconbury, Tattenhoe and Towergate, and attracts interest at 2.9% above SONIA, which is subject to an interest rate cap of 4% (see note 13). It is due for repayment in 2027. At the year end, the loan is held net of fees of £519,850 (2022 – £525,559) and the amortisation charged to the Statement of Comprehensive Income in the year in respect of these fees was £182,066 (2022 – £11,179). The Company is not in breach of its loan covenants at the reporting date.

Notes to the financial statements (continued)

19 Deferred capital grant

	2023 £	2022 £
At 1 January	**7,477,841**	652,500
Grant received in the year	**3,152,659**	10,775,341
Released to income	**(3,862,500)**	(3,950,000)
At 31 December	**6,768,000**	7,477,841

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 and the Combined Authority for Cambridgeshire and Peterborough when the final sale is completed or the units are sold to a company that is not a registered provider. A contingent liability has been disclosed in respect of capital grant recognised as income (see note 24).

Total accumulated government grant received or receivable at the year end is £14,580,500 (2022 – £11,427,841) of which £7,812,500 (2022 – £3,950,000) has been recognised cumulatively in the statement of comprehensive income.

20 Financial instruments

	2023 £	2022 £
Financial assets held at fair value through profit and loss	**253,104**	510,513
Financial assets measured at amortised cost	**25,716,350**	11,335,990
Financial liabilities measured at amortised cost	**27,388,474**	1,374,958

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

Financial assets measured at amortised cost include cash at bank and in hand, inventories 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 payment 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 an interest rate cap arrangement 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

	2023 £	2022 £
Allotted, called up and fully paid		
113,721,727 (2022 – 74,671,727) Ordinary shares of £1 each	**113,721,727**	74,671,727

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

During the year the Company made the following share issues of ordinary shares to its immediate parent company, all at par:

13 February 2023	22,550,000
25 April 2023	2,000,000
19 September 2023	8,000,000
24 November 2023	6,500,000

22 Reserves

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The Company holds a revaluation reserve representing the cumulative unrealised gain on revaluation on investment properties, which is not distributable. Losses on revaluation are recognised in the profit and loss reserve unless they reverse a gain previously recognised in the revaluation reserve.

23 Capital expenditure commitments

	2023 £	2022 £
Capital expenditure:		
Expenditure contracted for but not provided in the accounts	**111,676,805**	52,883,504
Expenditure authorised by the board, but not contracted	**–**	114,928,808

The Company's total commitments of £48,584,548 as noted in the Directors' Report are financed through a mixture of investment injections, external debt, generated cashflows and government grants for development activities.

Notes to the financial statements (continued)

24 Contingent liabilities

The Company has received grants totalling £14,580,500 (2022 – £11,427,841). £7,812,500 (2022 – £3,950,000) of these grants have been released to the Statement of Comprehensive Income following the practical completion of units in accordance with the Housing SORP. The Company has a contingent liability of £5,710,000 (2022 – £3,950,000) for grant amounts recognised in the Statement of Comprehensive Income as these may be repayable to the grant providers should there be a change of use of relevant in housing units. The same repayment requirements also impact the deferred grant amounts currently included in the balance sheet of £6,768,000 (2022 – £7,477,841) for assets that have not yet met practical completion.

25 Minimum future lease payments

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

	2023 £	2022 £
Due within 1 year	**1,854,652**	191,280
Due in 2-5 years	**7,418,607**	749,180
	9,273,259	940,460

The rental income on 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 since the tenant could choose to increase their ownership %, there is no minimum future rent payment.

The Company has not recognised any (2022 – £Nil) contingent rent as income in the year.

26 Statement of net debt

	At 1 January 2023 £	Cash movement £	Amortisation of loan issue costs £	Other £	Interest accrued £	At 31 December 2023 £
Cash at bank and in hand	11,273,408	**3,422,467**	**–**	**–**	**–**	**14,695,875**
Loan	(1,384,623)	**(23,930,169)**	**–**	**(133,924)**	**(614,446)**	**(26,063,162)**
Capitalised loan fees	525,559	**176,357**	**(182,066)**	**–**	**–**	**519,850**
	10,414,344	**(20,331,345)**	**(182,066)**	**(133,924)**	**(614,446)**	**(10,847,437)**

Other movements are made up of the commitment fee of £133,924 (2022 – £34,779) capitalised and added to the loan balance, and the capitalisation of £Nil (2022 – £298,182) accrued loan fees.

Notes to the financial statements (continued)

27 Related party transactions

The Company's intermediate parent GPM RI Community Housing 1 LP (the "Main Fund"), has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to 30 September 2025. 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.

Man Group Operations Limited, an indirect wholly owned subsidiary of the Group of which the Company is a part, 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 2023 these amounted to £1,019,523 (2022 – £233,976) of which £30,413 (2022 – £11,417) remains outstanding at the year end.

In Place Dysart Limited, a wholly owned subsidiary of the Company's immediate parent, sold 58 affordable rent units (Dysart Road, Grantham) to the Company for £5,490,978 (2022 – £7,138,864) of which £1,515,789 (2022 – £Nil) was outstanding at year end.

In Place (CW) Limited, a wholly owned subsidiary of the Company's immediate parent, sold no (2022 - 79) affordable rental units to the Company for £Nil (2022 – £13,591,066) of which £Nil (2022 – £Nil) was outstanding at year end.

All of the above companies are registered under the Companies Act 2006 and are not registered housing providers.

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

28 Controlling party

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

The intermediate parent 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) Ltd, a company registered in Bermuda.

The smallest and largest group of undertaking which the results of the Company are consolidated is 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.

29 Events after the reporting period

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 intends to liquidate the Company to cease operations, or has no realistic alternative but to do so. Having performed this analysis, the directors believe that the Company will require additional capital to be able to meet its obligations as and when they fall due for the foreseeable future.

During the year to 31 December 2023, the Company issued a further £39,050,000 of called up share capital to GPM CH REIT Limited, the Company's immediate parent. Further share capital will be issued to GPM CH REIT Limited as and when it is required to support the investment objective of the Company.

In addition to the above, the Company has total commitments of £238,983,813 related to its property investment activities. The Company's intermediate parent GPM RI Community Housing 1 LP (the "Main Fund"), has confirmed its intention to provide support or assistance, which may include financial support, to the Company for the period up to 30 September 2025. 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.

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.