

Registered number: 08428265

Cala Group (Holdings) Limited

Annual Report and Financial Statements

for the year ended 31 December 2025

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Contents

Directors and advisors	1
Strategic Report	
Financial and operational highlights	2
Cala	3
Our Strategy and Ambition	3
Non-Financial and Sustainability Information Statement	11
Chief Executive's review	22
Financial performance review	24
Key performance indicators	27
Risk management	29
Section 172(1) statement and stakeholder engagement	31
Directors' Report	
Corporate governance	35
The board of Directors of Cala Group (Holdings) Limited	35
Organisation structure	35
Going concern	36
Dividends	36
Political and charitable contributions	36
Directors	37
Independent auditor and disclosure of information to auditor	37
Statement of directors' responsibilities	37
Financial Statements	
Independent auditor's report to the members of Cala Group (Holdings) Limited	39
Consolidated statement of comprehensive income	42
Consolidated and company balance sheets	43
Consolidated and company statements of changes in equity	44
Consolidated statement of cash flows	45
Statement of accounting policies	47
Notes to the financial statements	56
Appendix – subsidiary companies	82

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Directors and advisors

Directors

Tom Nicholson

Chief Executive (appointed 15th December 2025)

Michael Rice

Chief Financial Officer (appointed 30th June 2025)

Kevin Whitaker

Chief Executive (resigned 23rd April 2026)

Neil J Stoddart

Group Finance Director (resigned 1st September 2025)

Stephen Green

Non-Executive Director

Giulio Passanisi

Non-Executive Director

Antoni Sugranes

Non-Executive Director

Company Secretary

Emma Johnson

Non-Executive Chair

Ian Sutcliffe

Independent auditor

KPMG LLP

Chartered Accountants and
Statutory Auditor
3rd Floor
Saltire Court
Edinburgh
EH1 2EG

Principal banker

Bank of Scotland

The Mound
Edinburgh
EH1 1YZ

Registered office

Cala House
54 The Causeway
Staines-Upon-Thames
Surrey
TW18 3AX

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report

Group Financial and Operational Highlights

	<u>Year to 31 December 2025</u>	<u>Year to 31 December 2024</u>
Home sales (units)	2,516	2,861
Revenue <i>Before exceptional items</i>	£1,128.1 million	£1,168.3 million
Profit before tax <i>Before exceptional items</i>	£9.4 million	£78.2 million
Profit after tax <i>Before exceptional items</i>	£12.0 million	£54.8 million
House sales gross margin* <i>Before exceptional items</i>	12.6%	17.1%
Operating margin** <i>Before exceptional items</i>	4.3%	9.8%
Private average selling price ('ASP') <i>Excluding affordable housing</i>	£465,000	£463,000
Contracted landbank <i>Gross Development Value ('GDV')</i>	£7.3 billion	£8.4 billion
Overall customer satisfaction score (to 30 September 2025 & 2024)	95.9%	96.2%
Return on capital employed*** (year to 31 December 2025 & 2024)	3.5%	9.3%

* Calculated as the ratio of gross profit to housing revenue, excluding land sales, options and management fees

** Calculated as the ratio of operating profit to total revenue

*** Calculated as the ratio of operating profit to average capital employed, excluding net debt

Further details of the calculation of these financial KPIs are provided in the Key Performance Indicators section on page 27.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

The Strategic Report contains information which has been provided for the purpose of assisting stakeholders in assessing the strategies adopted by the group and the potential for those strategies to succeed. Any forward-looking statements have been made in good faith based on the information available at the time of approval of this report. As a result, actual outcomes may be different from those anticipated because of the inherent risks in the markets in which the group operates, and no assurances can be given about any such statements.

Cala

Cala is a leading provider of desirable new homes, operating through eight regional businesses, across the South of England and Scotland.

The Cala Homes brand is highly regarded within the industry and aspirational for many homebuyers. Our homes are characterised by exceptional design, sector-leading build quality and we have a passion for providing our customers with a great home buying experience.

We are committed to operating our business sustainably and bringing added value and meaningful benefit to the communities in which we build.

We are a highly ambitious group and our business is established in some of the country's strongest markets and we have the resource, capability and platform for further growth.

Cala has the backing and support of our owners Sixth Street Partners and Patron Capital Advisors to deliver our strategic ambitions.

Our Strategy and Ambition

Cala's purpose is to build homes and create places to be proud of, every time. Guided by our values of Passion, Quality, Respect and Delivery, we create well designed, carefully delivered places where people can build their lives, and where the experience of choosing and moving into a Cala home is frictionless and memorable.

It's about more than the homes we build, it's the communities we create and being a business our colleagues are proud to advocate for.

We take pride in delivering for our customers, our colleagues, our shareholders and the businesses and communities we work alongside.

Our vision is to build enhanced value through disciplined delivery

We'll build enhanced value for our customers, colleagues, communities and our shareholders. Making the best use of our resources and doing everything consistently in a single Cala Way is central to our approach.

For customers, we'll deliver the best possible quality homes and environment they'll love to live in.

For our colleagues, we will create value by offering meaningful opportunities to develop, contribute and feel part of something that makes a positive difference.

For our owners, consistent responsible delivery provides confidence. Through strong and sustainable performance, we can invest in our people, support local communities and protect the planet.

In everything we do, we will act with integrity and drive enhanced value, to be a leading brand within the housebuilding industry. We are committed to achieving our Strategic Ambitions:

- **Industry-leading financial performance by 2029/30**
- **Consistent 5-star Customer Experience**
- **Homes of the highest quality**
- **Landbank strength for future success**

These ambitions keep us focused on delivering for our customers, employees and our shareholders.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Our core foundations support our delivery:

- Health & Safety
- Our People
- Our Values
- Technology
- ESG
- The Cala Way operating platform

We will ensure our strategy generates value for shareholders in a responsible and controlled manner by maintaining a resilient balance sheet through the business cycle with a clear focus and disciplined approach to margin delivery and return on capital.

Our customers

Our business is defined by the quality of what we deliver to our customers and the way in which we service and care for them. We recognise that buying a new home is a significant life milestone and it is our aim to ensure a seamless experience for our customers, at every touchpoint in their homebuying journey.

We uphold our own Customer Charter, adhere to the New Homes Quality Code and maintain an unwavering commitment to delivering customer service excellence throughout the entire homebuying process and beyond.

2025 AT A GLANCE

- Retained HBF 5-star rating
- Overall recommend score of 95.9%
- Trustpilot score 'excellent' at 4.7
- Five Cala Site Managers recognised as Pride in the Job Quality Award winners, one of whom went on to receive the next stage 'Seal of Excellence' Award.

Assessing and reviewing our performance in customer satisfaction is a vital component of our successful delivery and continuous improvement. We are independently rated by the NHBC in the National New Homes Customer Satisfaction Survey conducted for the Home Builders Federation ("HBF").

HBF Five-star rating measurement underwent significant change from being solely measured on recommend score. This is now calculated from the mean score (not percentage satisfied) for Build Quality and Service After at 8 weeks and again at 9 Months. To maintain a five-star rating in the year we had to score above 4.15 in this combined metric. The next year of measurement will increase this score to 4.2. In the 2025 survey so far we have achieved a group combined score of 4.35, and look set to secure five stars again.

In 2025 we received 919 Trustpilot reviews, a slight decrease from 2024 which had 1044. However, 92% of those reviews were five star and this has helped us increase our Trustpilot score to a superb 4.7 out of 5.

The NHBC's Pride in the Job Awards is a UK-wide competition dedicated to recognising site managers who achieve the highest standards in homebuilding. Five of Cala's top site managers were included amongst this year's Quality Award winners, with one securing a Seal of Excellence Award at the next stage of the competition.

Cala operates under the New Homes Quality Code, as a registered developer with the New Homes Quality Board. Every employee at Cala, customer-facing or not, completes training on the NHQC to ensure we remain compliant. We passed all on-site audits carried out by the NHQB in 2025 and we continue to have a strong relationship with NHQB representatives to maintain our compliance and evolve our practice as the code evolves too. The first revisions to the code will be live for all reservations from March 2nd, 2026, and measures to roll out these changes to the business are well underway.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Land and planning

During 2025 the Cala regions contracted 7 new sites projected to deliver 865 new homes with a Gross development value ('GDV') of £392 million and an average selling price ('ASP') including affordable housing of £453,000 (2024: 21 sites, with a GDV of £1,084 million). 11 new sites were added to the strategic land bank with a potential GDV of £675m.

Land contracted during the financial year*	Year to 31 December 2025	Year to 31 December 2024
Sites	7	21
Plots	865	2,287
Consented (by plots)	90%	74%
Average site size	124 plots	109 plots
GDV	£392m	£1,084m
ASP	£453k	£474k
England: Scotland (by value)	53/47%	53/47%
Strategic plots	1,533	1,294

**All figures include private and affordable*

Moving on to progress in planning, our dedicated teams continue to deliver mostly negotiated consents, with only limited recourse to the appeal process. Public consultation is undertaken on all applications for first time planning permission and views expressed are taken into account in progressing final designs. In 2025, we either improved the planning status of land we had acquired with a planning permission or secured a first-time planning permission on 18 sites for 1,973 homes with an estimated GDV of £977 million and an ASP of £495,000 (2024: 3,419 homes with a GDV of £1,483 million). 34% of the plots granted planning permission were pulled through from our strategic land bank.

Land consented during the financial year*	Year to 31 December 2025	Year to 31 December 2024
Sites	18	27
Plots	1,973	3,419
From strategic landbank (by plots)	34%	53%
Average site size	110 plots	127 plots
GDV	£977m	£1,483m
ASP	£495k	£434k

**All figures include private and affordable*

The group's owned and contracted short term landbank at 31 December 2025 comprises 16,221 plots (private and affordable homes), the scope and planning status of which are summarised below (2024: 18,841 plots). As has been the case from previous years, we continue to meet our commitment to commence development on all sites that have planning and other necessary consents in place. The sites in the landbank at 31 December 2025 have a combined GDV of approximately £7.26 billion, measured at today's selling prices, with an ASP including affordable housing of £451,000. This represents 6.4 years' development potential based on 2025 housing revenue.

Landbank	Plots	£ GDV	£ ASP	Land Cost	Years
Consented	14,587	6,501m	449k	18.3%	5.7
Allocated	1,106	503m	455k	12.1%	0.5
Draft allocation or no planning status	528	254m	480k	20.8%	0.2
Owned / Contracted	16,221	7,258m	451k	18.1%	6.4
Strategic	16,606	6,177m	372k	15.3%	
Total at 31 December 2025	32,827	13,435m	409k	16.8%	
Total at 31 December 2024	33,682	13,799m	410k	17.9%	

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Land and planning (continued)

The group also controls a high quality longer-term strategic landbank comprising 16,606 plots (2024: 14,841), mostly held under option, to be promoted through the planning system to meet future development needs. Our success in this regard means that many of these sites have the prospect of gaining or enhancing their development plan status in the short term, with others reviewed regularly and to be promoted at the appropriate time.

All sites that we expect to contribute towards 2025 have detailed planning permissions in place and construction has commenced. In addition, 89% of the expected gross profit in 2026 has a detailed planning permission in place with a land price agreed with the vendor.

Our People

As of 31 December 2025, we employed 1,450 colleagues, an increase of three compared with the same point in the previous year. Over the course of 2025, we implemented targeted reorganisation across several functions, and overall headcount remained broadly stable despite these changes. To realign the overhead base with projected performance we have further reviewed headcount, and entered a process of redundancies in Q1 2026. As at the time of signing our headcount stands at 1,078.

Our activities have focused on:

- Supporting a fair workplace
- Building an inclusive and diverse team
- Developing our workforce
- Optimising the way we work

Supporting a fair workplace

We are passionate about creating and supporting a fair workplace, and this is demonstrated throughout our work practices.

We ensure that we pay the Real Living Wage to all our directly employed people. We also promote the payment of the Real Living Wage throughout our supply chain through the terms and conditions we have with our sub-contractors.

We have a variety of flexible working and leave policies designed to ensure our people work in a way that suits them whilst continuing to meet the needs of our business and our customers and can take the time they need for family and caring commitments without compromising their wellbeing or career.

Through 2025, we conducted a thorough risk assessment as part of our commitment to preventing sexual harassment in the workplace. We are now working through the action plan and are in the early stages of implementing an anonymous reporting tool which will go live in early 2026 coupled with face-to-face line manager training.

Our approach to wellbeing is built around four Foundations of Wellbeing: Financial, Physical, Mental and Social. These foundations reflect the complexity of wellbeing and recognise that multiple factors influence how people feel and function at work and beyond. In 2025, our six-year partnership with Samaritans came to a successful conclusion. As a key part of our wellbeing strategy, the partnership saw our teams raise £1 million through donations and fundraising, helping to support the vital work of the charity.

Continuing our strong focus on mental health, we established a new partnership with Lighthouse Charity, an organisation dedicated to promoting emotional, physical and financial wellbeing for those working in the construction industry. Through this partnership, we delivered Mental Health Awareness training to all site management teams, equipping colleagues with the knowledge and skills to support others who may be experiencing difficulties. Looking ahead, we aim to have 10% of our workforce trained as Mental Health First Aiders within the next five years.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Building an inclusive and diverse team

We want to attract, inspire, grow and retain high performing and inclusive teams through a diverse culture and with purposeful leadership.

As part of our commitment to building a more inclusive and representative business, we continue to monitor diversity across our workforce and leadership. At 31 December 2025, women represented 36% of our total employee population with representation at senior management level was 21%. The Management Board comprised 12 members during the year, of whom 4 were women, representing 33% female participation at Board level.

We recognise that increasing female representation, particularly at senior levels, remains a key area of focus, and we are committed to improving this over time through targeted development, recruitment and succession planning initiatives.

We are passionate about creating an inclusive work environment, in which everyone can uniquely contribute and do their best work. We asked our people, again in 2025 - voluntarily - to update their personal information via twelve demographic questions designed to help us build a clearer, more accurate picture of who we are. Anonymised and aggregated, this data is used solely to inform how we build better systems, policies, and benefits that reflect the needs of our people. Our overall personal data disclosure rate at the end of 2025 was 64.5%, we have set an ambition to achieve and maintain a voluntary diversity disclosure rate of 75%.

We have an Inclusion & Diversity Forum comprising voluntary members from across our workforce. The forum's ambition is to get our people involved in making Cala great for everyone through celebrating the diversity of our people, supporting colleagues with mixed lived experiences, and inspiring people to be conscious about inclusivity. In 2025, the I&D Forum led the execution of awareness campaigns on Neurodiversity, Carers and Intersectionality.

Hourly pay for each UK employee has been ranked from highest to lowest and then split into four equally sized groups (quartiles). The illustration below shows the distribution of male and female employees across each of the quartiles:

	2025		2024	
	Male	Female	Male	Female
Top Quartile	80%	20%	80%	20%
Upper Middle Quartile	65%	35%	70%	30%
Lower Middle Quartile	50%	50%	55%	45%
Bottom Quartile	63%	37%	57%	43%

Our gender pay gap is set out below. We are committed to addressing the causes and will do so through the work we are doing to create a more diverse workforce and a more inclusive culture.

In 2025 our gender pay gap remained broadly consistent overall, with a significant change in the bonus pay gap. The bonus pay gap is reflective of bonuses paid in different parts of the business and their respective gender balance, not a change in Cala's policy.

There are a range of factors behind our pay gap. However, like others in our industry, (and as shown in the pay quartiles data below), fundamentally we have more men than women in senior and higher paid roles, and more females working part-time.

In 2025, a smaller proportion of our lowest paid quarter is female, with the lower middle quartile now equally split between men and women.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Building an inclusive and diverse team (continued)

Hourly and bonus pay gaps. Percentages are expressed as a percentage of the male average:

	2025	2024
Mean hourly pay gap	22.31%	20.00%
Median hourly pay gap	23.47%	22.20%
Mean bonus pay gap	2.55%	-26.00%
Median bonus pay gap	-15.41%	-31.40%

Developing our workforce:

We are focused on continuing to inspire and grow our people by investing in personal and professional development, embedding a learning culture.

Through a dedicated budget, we offered a variety of learning opportunities to support both individual and team development. This included dedicated learning programmes on key topics (e.g. health, safety & environment, leadership and management), qualification pathways, and our in-house MentorMe programme.

In 2025 we launched our new leadership development programme, Impact. The programme comprises a series of face-to-face masterclasses, and 1:1 coaching sessions. It covers the critical skills and behaviours that underpin effective leadership in today's modern world; developing your core leadership capabilities and supporting you with your growth at Cala.

This programme was developed through deep analysis and collaboration with an award-winning leadership development agency, who as experts in talent development, delivered the Impact programme to our first cohort of forty-two leaders.

We have facilitated Talent Board meetings in collaboration with Regional Senior Leadership Teams, supporting succession planning, workforce development and future capability requirements.

Learning technologies continue to play a pivotal role in equipping colleagues with the skills and knowledge they need to grow and develop in their roles. In early 2025 we made a further investment in Cornerstone which now hosts an array of learning resources, books, eLearning and guides to support in the day-to-day.

We recognise that our Early Careers colleagues play an essential role in the future of our business. We have a variety of opportunities in Early Careers, ranging from, our Graduate Development Programme, to Degree Apprenticeships, Traineeships, Work Experience and Placements. We are passionate about bringing early talent into the construction industry and through our programmes we aim to share how impactful a career in housebuilding can be and in 2025 we welcomed seven new colleagues onto our pathways. Our ambition is for 5% of our workforce to be part of our Early Careers pathways.

In 2025, Construction continued to strengthen leadership capability through our Construction Academy, ensuring alignment to Cala's Leadership Framework, industry standards, and our commitment to building high-performing teams.

The Constructing Leaders Programme for Site Management teams was successfully delivered to 17 leaders, fully aligned to CITB standards and Cala's Leadership Framework.

The Constructing Excellence Programme was also delivered to 20 senior Construction Managers and high-potential leaders. Aligned to Contracts Manager Leadership Standards, The Cala Way, and industry regulations, the programme builds the leadership capability needed to deliver Cala's business plan and embed our Values.

Investment in professional qualifications continued, with twelve colleagues enrolled in NVQs, 75% of whom have successfully achieved their qualification to date.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Optimising the way we work

A part of our Digital Transformation journey, we implemented a new Cala Help portal to improve the internal customer experience. This combines both self-service and dedicated People Team support.

We have also made significant process enhancements to both our Recruitment applicant tracking system (ATS) and our other People related systems to support employees and line managers through the employee lifecycle.

In 2025 we refreshed our colleague induction which includes a self-led pathway and a virtual onboarding session to ensure colleagues are equipped with the knowledge and information to get their careers off to a great start.

Sustainability

Sustainability is one of Cala's strategic business pillars and we have an overall vision that our homes and developments leave a positive legacy for both people and planet. In 2025, we continued to demonstrate excellence across all aspects of sustainability.

During 2025, Cala had new Science Based Targets validated by the Science Based Targets Initiative (SBTi) and become one of the first UK housebuilders to have targets confirmed under the SBTi's Buildings Sector criteria. In addition to reaffirming Cala's commitment to having net-zero greenhouse gas emissions across its value chain by 2045, the new SBTs define near-term and long-term targets for reduction across Cala's Scope 1, 2 and 3 emissions. As part of this process, Cala set a new baseline year (2023) against which all sustainability performance metrics will now be assessed. This year marks the first year of reporting against the new targets.

Our progress against our SBTs was good. Since 2023, absolute Scope 1 and 2 emissions, excluding Direct Use Change Emissions, have fallen by 33.7%. This has been achieved through a combination of sustainability initiatives across our sites and offices, including the use of sustainably sourced HVO (hydro-treated vegetable oil) as an alternative to diesel on our construction sites and improved energy management behaviours. Scope 3 (Upfront Embodied Carbon) emissions have fallen by 3.7%, mainly through the increased use of timber-frame construction across Cala developments. Scope 3 (Other) emissions have fallen by 23.3%, mainly through the continued phase-out of fossil-fuel heating within Cala homes.

Overall, our entire carbon footprint has reduced by 25.8% since 2023, marking good progress towards our 2045 net-zero aspirations.

In addition to efforts to reduce our greenhouse gas emissions, Cala has also made strong progress on biodiversity and nature provisions of our developments. Across the developments where Biodiversity Net Gain was assessed, we achieved an average of 13% BNG – above the legislative requirement. We have also continued to implement Cala's Urban Wildlife Strategy, ensuring that every new Cala home incorporates a range of wildlife supporting features, including integrated bird nesting boxes and hedgehog-friendly fencing.

Beyond environmental measures, Cala's Community Pledge continues to be adopted across all new Cala developments. During 2025, 21 new Community Pledges were approved which include a range of education outreach programmes, support for local businesses, and bursaries for local charities.

Cala is an active member of the Future Homes Hub, and we are proud to support their sustainability initiatives. In 2025, we were a signatory to FHH's New Homes Sector Net-Zero Transition Plan. This sets out a framework for how the housebuilding sector can meet the UK Government's carbon budget delivery plans. Cala's new SBTs are aligned with this approach.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Our Strategy and Ambition (continued)

Health and safety

The health and safety of our employees, contractors and customers is of paramount importance, and we are committed to ensuring that everyone who visits our sites and offices can carry out their duties and go home safe.

The Group has continued to operate a comprehensive health and safety management system that includes monitoring, staff training and management reporting. Monthly on-site inspections are carried out by our own qualified staff, targeting potential hazards and incident trends, as well as providing the opportunity to review future works. On-site inspections work on a quarterly basis with each site receiving an HSE scored inspection on the first month, a coaching and mentoring visit on the second month and an HSE audit on the third month that is repeated every period. With the view of increasing the HSE team presence on site, 2026 will see a change to this format, with each site now receiving both a monthly scored HSE inspection and a coaching and mentoring visit. Coaching and mentoring visits are intended to build on the observations captured during the HSE scored inspections through site engagement to ensure that individuals operating on Cala sites have a thorough and practical understanding of our health and safety requirements.

Achieving zero RIDDOR injuries continued to be our immediate goal, whilst our ultimate challenge is to establish an interdependent culture where people work safely, looking out for one another, so that no one suffers injury or ill health because of our activities.

During 2025 we had 18 RIDDORs, as opposed to 9 during 2024 ending the year with a frequency rate of 0.20 compared to 0.10 in 2024. 2026 has seen both Group and the regional leadership teams working closer together during incident and accident investigations to determine key findings and ensure that actions are driven from the highest level to prevent re-occurrence in the future.

2026 will see a defined effort to drive down overall accidents that lead to lost time incidents (LTIs) as this directly correlates to driving down RIDDORs. 2025 saw a total of 269 incidents, 63 incidents of which resulted in LTIs compared to 2024 that saw 234 incidents, 46 of which resulted in LTIs.

Our commitment to ensuring that our staff have the right level of training to meet their health and safety responsibilities has been a key focus throughout 2025, especially in those roles that carry a higher level of health and safety responsibility.

Directors are required to hold the CITB Directors Role for Health and Safety training to allow them to better understand their health and safety responsibilities.

During 2025 no HSE Prohibition or Improvement Notices were issued for non-compliance with health and safety legislation at any of our operations across the Group.

Recent changes across the business in 2026 has seen the restructuring of the HSE department to a more effective 'flatter' structure giving direct reporting capability from the HSE operational team to the Head of Health, Safety and Environment and directly to the Group Managing Director. Matthew Oldfield the Group Managing Director is the main Board director responsible for health and safety.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
Non-Financial and Sustainability Information (NFSI) Statement

Climate-Related Financial Disclosures

Introduction

This disclosure sets out the UK Mandatory Climate Disclosures (MCD) required under the Climate-Related Financial Disclosures Regulations 2024 of the Companies Act 2006 for Cala Group (Holdings) Limited (“Cala”) covering the year ending 31 December 2025.

Cala recognises the significant impact of climate change on local and global environments, and the part our business plays in both mitigating and adapting to climate change. Sustainability (which includes our response to the global climate challenge) is one of the Strategic Foundations of our Business Plan and our efforts in this area are cascaded throughout all aspects of our business.

Cala established its initial Sustainability Strategy and net-zero greenhouse gas (GHG) emissions target in 2021, and good progress has been made across all areas covered by the Strategy. In 2025, following Cala’s sale, we undertook a comprehensive review and subsequent revision of all our sustainability and climate change targets. Our targets to date had been cascaded from our previous owner and many were not suitable for a housebuilding business. Also, many targets had been met or had a target year of 2025. Whilst our overall net-zero target date of 2045 remained, it was important to establish new interim targets that better reflected the nature of Cala’s business.

The main achievement during 2025 was validation of new Science Based Targets (SBTs) – both near-term and long-term net-zero – based on specific criteria developed for the buildings sector. Indeed, Cala are one of the first UK housebuilders to have SBTs validated under these criteria, and the first to have validated targets for Scope 3 Upfront Embodied Carbon emissions. The new SBTs have a 2023 baseline, so all sustainability reporting will now be from that year.

Following the validation of Cala’s SBTs, we have set internal targets for specific areas of the business, including site energy use, customer service vehicles, and construction waste. We have also used the SBTs to develop regional sustainability scorecards, carbon budgets and action plans.

Governance

Board Oversight

Cala’s Management Board has responsibility for the oversight of all Cala’s Strategic Business Pillars and corporate risks, including climate-related risks and opportunities. The Group Managing Director is Cala’s Executive Sponsor for all sustainability and climate change matters. The Management Board approves Cala’s sustainability and climate change targets and strategic approach. Management Board meets every month, and Sustainability (including climate change) is a standing item, with a written update provided by Cala’s Head of Sustainability.



Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)

Governance (continued)

Board Oversight (continued)

The Management Board oversees and monitors progress against Cala's climate-related targets. Data is analysed quarterly by the Group Sustainability Team and submitted to Management Board for review. A more detailed analysis and audit of data is carried out annually and overall progress against climate-related targets assessed. Areas of focus are then identified for action as required.

Operational Management

Cala's Group Sustainability Team is responsible for developing Cala's overall strategic approach to sustainability and climate change, including the assessment and management of business-level climate risks and opportunities. The team is led by Cala's Head of Sustainability who reports to Cala's Management Board.

Responsibility for delivering Cala's sustainability and climate change targets (including climate risk management) at regional level lies with regional management teams and regional Managing Directors. To support this delivery, each region has a cross-functional Regional Sustainability Committee. These are chaired by a member of each region's management team and comprise representatives from key business functions, including land and planning, construction, and sales and marketing. A member of Cala's Group Sustainability team attends each Regional Sustainability Committee meeting. These groups meet on a (minimum) quarterly basis.

Stakeholder Engagement

To inform Cala's approach to climate change risk, Cala engages with a range of external stakeholders. These include industry groups (e.g. the Future Homes Hub, Homes for Scotland), and climate change groups (e.g. edie, Resource Efficient Scotland).

Risk management

Overall Management

Cala's overall risk management process is the responsibility of Cala's Management Board. The Board identify, assess, and manage key corporate risks, and the Risk Register is then maintained by Cala's Head of Legal. Climate has been identified as one of the main risks facing Cala and is addressed within Cala's main corporate risk register.

A more comprehensive and holistic climate risk assessment is required to address the full range of challenges posed by climate change to all areas of Cala's business operations. In the prior year, Cala's Sustainability team developed a preliminary climate risk assessment considering different scenarios and timescales. However, a more detailed and costed assessment is required which is developed in conjunction with senior staff from different Cala business functions. This more detailed assessment has been carried out for this year.

The climate risk assessment is maintained by the Sustainability Team, with any material changes summarised to Management Board. Management Board has overall oversight of the climate risk assessment and will assess the high-level resilience of Cala's overall business model and strategy to different climate related scenarios.

Site Level

Climate risk management at site level is more detailed. Site-specific climate risk assessments (e.g. flood risk assessments) are carried out as required for individual sites, dependent on local geography and climate conditions. Maintenance of these risk assessments is the responsibility of regional delivery teams and site managers.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)

Strategy

The climate risk assessment from the prior year has been updated to reflect latest information, including Cala's new Science Based Targets for greenhouse gas emissions reduction that were validated in October 2025.

Timeframes

Climate risks and opportunities were assessed against three timeframes:

Timeframe	Dates	Commentary
Short Term	Up to 4 years (2026 – 2030)	Considers risks and opportunities of immediate material impact to Cala, in particular those that may impact existing sites. Aligns with the commitment that all new Cala homes will be fossil-fuel free from 1 st January 2030.
Medium Term	4 – 9 years (2030 – 2035)	Considers risks and opportunities of medium-term impact to Cala. Aligns with Cala's near-term Science Based Targets (2035).
Long Term	9 Years +	Considers risks and opportunities of long-term impact to Cala. Aligns with Cala's long-term (net-zero) Science Based Targets (2045). This also aligns with Scottish Government and UK Government climate legislation.

Scenario Analysis

Climate risks and opportunities were assessed initially against two climate scenarios. Additional scenarios may be considered when the formal process is revisited during 2026.

Scenario	Predicted Temperature by 2100	Global Increase	Commentary
Low Emissions Scenario	1.4 – 1.8oC		Global decarbonisation policies result in a significant reduction in GHG emissions, and global warming is kept under 2oC.
High Emissions Scenario	Above 3.8oC		No new decarbonisation policies are introduced, and emissions remain on an upwards trajectory. Global warming increases with marked physical climate impacts.

Risk and Opportunity Rating

Risks and opportunities have been classified broadly based on likelihood and the overall financial/ reputational impact to Cala's business. The financial impact of the risks and opportunities will be determined in 2026 following a more comprehensive climate risk assessment process.

	Risk/ Opportunity Rating	Commentary
Risks	Low Impact	Unlikely to occur and/or minimal impact on Cala's 'Business As Usual' costs. Low risk of reputational damage.
	Medium Impact	Some impact on costs, and medium risk of reputational damage if not addressed. Likely to occur within reported timeframes.
	High Impact	High likelihood of occurrence within reported timeframes. High impact on costs and high risk of reputational damage if not addressed.
Opportunities	Low Impact	Unlikely to occur and/or unlikely to yield opportunities beyond 'Business As Usual' operations.
	Medium Impact	Likely to occur within reported timeframes and could represent a significant financial opportunity to Cala.
	High Impact	High likelihood of occurrence within reported timeframes. Significant financial opportunity to Cala, so should be embraced.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

NFSI Statement - Climate-Related Financial Disclosures (continued)

Strategy (continued)

Risk	Risk Description	Impact Timeframe	Impact to Cala	Risk Rating		Cala's Response
				Low Emissions Scenario	High Emissions Scenario	
TRANSITION RISKS						
Carbon Pricing	Various policies exist, are planned, or under consultation which place a price on emitting carbon. Additionally, existing and future carbon prices could rise significantly.	Medium Term	Carbon pricing could significantly impact Cala financially should our overall mitigation efforts not achieve planned net-zero targets. As Cala procures carbon intensive construction materials, these materials would become more expensive should carbon prices rise.	Medium Impact	Low Impact	We will understand how carbon prices differ under different climate scenarios and how this will impact total costs both construction and general costs. We will procure lower carbon products and request EPDs from our major suppliers.
Embodied Carbon Regulations	Given the contribution of the construction sector and buildings to the UK's carbon emissions, regulations that place significant emphasis on reducing embodied carbon in construction and housebuilding may be enacted.	Short to Medium Term	Cala will be required to reduce the embodied carbon of the homes it produces. Dependent on the reduction required, this will entail significant cost impact through the procurement of more capital-intensive materials or may entail the re-designing of our house types.	High Impact	Medium Impact	We have undertaken a lifecycle analysis of our standard house designs. Therefore, we have a strong understanding of the 'carbon hotspots'. This will enable us to take direct and informed action to reduce embodied carbon should such policies arise. We will engage with our supply chain to understand their decarbonisation strategies to ascertain the speed and extent at which the embodied carbon of the construction materials we use to build our homes can be reduced and how this compares to relevant sectoral decarbonisation pathways.
Local Planning Authority Requirements	Given Local Authority net zero transition plans and sustainability strategies, LPAs increasingly require homes to be zero-carbon and sustainable for planning permission to be granted and for the sale of land.	Short Term	As Cala's business is reliant upon securing planning permission for its developments, Cala will be required to greater evidence its action on mitigating and adapting to climate change as well as highlighting alignment to broader sustainability targets.	Medium Impact	Low Impact	We have a range of commitments and strategies aimed at making our operations more sustainable, these include reducing our emissions, reducing waste, supporting urban wildlife, and supporting local communities. We have already delivered our first zero-carbon ready homes and all Cala homes will be zero-carbon ready by 2030.
Reporting Requirements	As the UK progresses to meet its legally obligated net zero by 2050 target, government and regulators may impose additional climate reporting	Medium to Long Term	Additional reporting requirements would increase compliance costs through increased investment in data collection, analysis, and assurance. Increased reporting requirements would entail greater market pressure to perform well on reported climate performance.	Low impact	Low impact	Cala's Group Sustainability Team is actively and continuously undertaking exercises to assess incoming legal and voluntary reporting requirements to understand our performance in relation to these metrics across the wider industry. We aim to be transparent in our methodology and performance.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)
Strategy (continued)

Risk	Risk Description	Impact Timeframe	Impact to Cala	Risk Rating		Cala's Response
				Low Emissions Scenario	High Emissions Scenario	
PHYSICAL RISKS						
On-site Extreme Weather Events	The severity and frequency of extreme weather events is expected to increase as global average temperatures increase; this will impact construction sites.	Short Term	Cala sites are highly susceptible to the direct physical impacts of climate change including extreme heat, extreme cold, extreme rain, and drought. These impacts could lead to disruption on site, delaying construction time and sales. The physical damage of owned or rented assets and equipment may occur. Construction staff are likely to become more vulnerable to the impacts of extreme weather.	Medium Impact	High Impact	Cala's Health & Safety teams assess weather conditions and take appropriate remedial actions where necessary. Build programmes can be flexed to mitigate impacts on sales. Moving forwards, the correct storage of equipment will become increasingly important, Cala has guidelines and policies for the correct and safe storage of equipment.
Supply Chain Disruption	The severity and frequency of extreme weather events is expected to increase as global average temperatures increase; this will impact supply chains.	Medium Term	The feedstock of our key materials and fuels may become disrupted as well as the timely delivery of materials to site. A key feedstock to Cala's operations is timber, with the majority of UK construction timber sourced from Scandinavia. The probability of forest fires in this area are c. 200% more probably under >2°c of warming. Disruptions to our supply chains may delay construction timelines, increasing costs and delaying the sale of houses and completion of sites	Medium Impact	High Impact	Cala works closely with our supply chain to understand key risks. Our group deals typically have more than one supplier allowing us to diversify the risk. Our timber frame company (Taylor Lane) sources timber from a range of suppliers across Europe, so can diversify the risk of a loss of supply in one geographic area.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

NFSI Statement - Climate-Related Financial Disclosures (continued)

Strategy (continued)

Risk	Risk Description	Impact Timeframe	Impact to Cala	Risk Rating		Cala's Response
				Low Emissions Scenario	High Emissions Scenario	
PHYSICAL RISKS (CONTINUED)						
Overheating in Homes	As climate change intensifies, average temperatures are forecast to increase. This will increase the frequency and severity of heatwaves, impacting households.	Medium Term	Should customers, particularly those in the Southern regions in which Cala operates, face increasingly frequent heatwaves and higher temperatures, air conditioning units or alternative cooling technologies may be required in the construction of new houses, which would increase costs.	Low Impact	Medium Impact	Cala undertakes overheating assessments during the design process of its homes in higher-risk areas. Homes are designed with high levels of insulation that can restrict the flow of heat into homes. Passive shading and other design techniques can be integrated into house designs to reduce overheating. It is possible that future designs of heat pumps could be utilised to be dual-function (heating in winter, cooling in summer).
Increased Flooding	As climate change intensifies, extreme precipitation events are expected to increase in severity and frequency. Further sea levels are expected to rise. This means developments will be susceptible to an increased risk of flooding.	Short Term	Customers are expected to become increasingly concerned of flood risks in home areas, both for the home itself and the wider area. Flooding also poses a risk to the construction of homes, possibly impacting project timelines through site access, material deliveries, and damage to existing construction. Cala must consider these impacts when acquiring and buying development land now and into the future.	Medium Impact	High Impact	Flood Risk Assessments are carried out on all Cala sites in areas showing as susceptible to flooding. Should a FRA highlight an extreme risk, Cala may not consider the site further. Sustainable Urban Drainage Systems are installed as standard to manage and mitigate flood risk. Further flood defences are installed as required depending on the outcomes of FRAs.
Water Scarcity	As climate change intensifies, periods of drought are expected to increase, leading to increased water scarcity.	Medium Term	Cala uses significant volumes of water in its construction processes, it is conceivable water restrictions may be extended to the construction industry in the future delaying construction timelines consequently delaying sales. The homes we build, particularly in Southern regions, may become increasingly susceptible to water shortages	Low Impact	Medium Impact	Our homes are built to demand low levels of water demand (currently 110 lpppd as standard), and we are planning to go lower.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

NFSI Statement - Climate-Related Financial Disclosures (continued)

Strategy (continued)

Opportunity	Opportunity Description	Impact Timeframe	Impact to Cala	Opportunity Rating		Cala's Response
				Low Emissions Scenario	High Emissions Scenario	
Green Finance Options	A greater range of options for raising capital may become present through green finance mechanisms.	Short to Medium Term	A greater range of financing options presents an opportunity for Cala to lower its cost of borrowing as well as to increase its sources of finance. The lower running costs of a sustainable home attract 'green' mortgages, making our homes more affordable.	Low Impact	Low Impact	Cala already has a Sustainability Linked Loan facility, with preferential finance terms aligned to positive sustainability outcomes. Moving forwards, other similar opportunities are likely to emerge.
Changing Consumer Preferences	As the net-zero transition accelerates, consumer demand is shifting towards more sustainable goods and services.	Short to Medium Term	Cala, as a premium housebuilder, will be expected to deliver sustainable housing that is in line and/or ahead of legislative requirements in relation to sustainability performance. Should Cala capitalise on this, there may be a consequent increase in sales and selling price.	High Impact	Medium Impact	Cala's Group Sustainability Team works with all areas of Cala's business to identify opportunities for enhanced sustainable performance. Our Marketing and Communications team ensure that positive actions are communicated to customers.
Lower Operational Costs	Climate change mitigation measures, e.g. net-zero technologies and energy efficiency measures, lead to lower operating costs for both Cala and our customers.	Short to Medium Term	Despite the often higher capital cost of low/ zero carbon technologies, there are usually operational savings through reduced running costs. 'No-cost' behaviour change measures will also reduce consumption and costs. Savings are likely to compound should electricity prices fall and zero-carbon technologies become increasingly mainstream.	Medium Impact	Low Impact	Cala continually undertakes trials of new technologies and techniques across our business. Where these prove viable, they are rolled out across the business to ensure rapid access to operational savings.

Taking into consideration the initial review of climate risks and opportunities to Cala's business under the different emissions scenarios, we consider our business model and strategy to be resilient.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)

Metrics and Targets

Overall Targets

Cala had new Science Based Targets for greenhouse gas (GHG) emissions reduction validated in October 2025. This report constitutes our annual progress report against the above targets.

A summary of Cala's Science Based Targets are as follows:

Cala commits to achieve net-zero greenhouse emissions across the value chain by 2045		
<i>Reduction targets (measured against 2023 baseline):</i>		
	Near-term (2035)	Long-term (2045)
Scope 1 and 2 GHG emissions	63%	90%
Scope 3 (Upfront embodied carbon of new buildings)	71.7% per m ² developed floor area*	96.8% per m ² developed floor area
Scope 3 (Other**)	66.4% per m ² developed floor area	97% per m ² developed floor area
Cala commits to install no new fossil fuel equipment in its building portfolio (offices and new homes) from 1st January 2030.		

**The Scope 3 (Other) Near-term target includes Scope 3 Categories 5 (Waste Generated in Operations), 6 (Business Travel) and 11 (Use of Sold products) only. The long-term target includes the same plus Categories 1 (Purchased Goods and Services) and 12 (End-of-Life Treatment of Sold Products).*

*** Intensity metrics are based on the developed floor area (GIFA) of legal completions in the reporting period.*

Internal Data Management

Cala's Group Sustainability Team is responsible for collating and analysing all sustainability and climate change data and monitoring progress against targets and key industry metrics. A full data review is carried out every quarter and updates issued to Management Board and each region. All sustainability and climate change data is subject to a limited assurance annual audit.

To meet the overall targets, Cala has a range of internal sub-targets and actions corresponding to key areas of the business, e.g. on-site energy consumption. Each region has its own net-zero delivery plan and carbon budget, updated annually following end of year results and forward budget planning.

Data limitations have been identified across many of our Scope 3 categories given the absence of primary data, e.g. spend-based emissions factors are exclusively used to calculate all emissions arising from our purchased goods and services (Scope 3, Category 1). We are reviewing our procurement processes to enable us to gather primary and product specific data where available and are encouraging our suppliers to produce and provide this data where not currently available. To calculate our Scope 3, Category 2 emissions (Capital Goods), which comprises the upfront embodied carbon of Cala homes (RICS whole-life carbon stages A1-A5), we use a representative sample of embodied carbon models. In 2026 we aim to update these models using the most up to date whole life carbon data, e.g. Environmental Product Declarations, and broaden the range of embodied carbon models within our database.

Calculation Methodologies

All GHG emissions are calculated using methodologies outlined in the GHG Protocol Corporate Reporting Standard. Emissions factors are taken from the UK Government's Greenhouse Gas Conversion Factors for Company Reporting and we report tonnes of carbon dioxide equivalent (tCO₂e) – this considers the climate impact of six major greenhouse gases.

All Scope 2 emissions targets are location-based. However, Cala is committed to supporting the transition to renewable electricity and the majority of our electricity supplies are from REGO-certified sources. We therefore also disclose our market-based emissions.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)

Metrics and Targets (continued)

Calculation Methodologies (continued)

Our emissions data includes the following:

Measurement	Description
SCOPE 1	
Office gas consumption	The amount of gas used across Cala's offices and fixed assets (e.g. warehouse space).
Plot gas consumption	The amount of gas used within Cala legal completions between utility meters being installed to point of customer handover (typically 4 - 6 weeks, depending on market conditions).
Site gas consumption	The amount of gas used on Cala construction sites for show homes, temporary buildings, site welfare cabins, etc.
Site liquid fuels	The amount of diesel, HVO, propane and butane consumed on Cala sites for construction vehicles, generators, and trade activities.
Owned fleet vehicles	Mileage of owned customer service fleet and Taylor Lane delivery fleet.
Fugitive emissions	Any leaked refrigerant from Cala's office air-conditioning units.
dLUC emissions*	Direct Land Use Change emissions. These are the emissions associated with land use change pre and post-development.
SCOPE 2	
Office electricity consumption	The amount of electricity used across Cala's offices and fixed assets (e.g. warehouse space).
Plot electricity or district heat consumption	The amount of electricity or district heat used within Cala legal completions between utility meters being installed to point of customer handover (typically 4 - 6 weeks, depending on market conditions).
Site electricity consumption	The amount of electricity used on Cala construction sites for show homes, temporary buildings, site welfare cabins, etc.
SCOPE 3**	
Category 1 – Purchased Goods and Services	Emissions associated with goods and services purchased in the reporting period (excluding material offtake for new homes). Spend-based calculation.
Category 2 – Capital Goods	Upfront embodied carbon of legally completed new homes in the reporting period. Measured using material offtakes of Cala standard house types that are modelled via One-Click Life-Cycle Assessment software.
Category 3 – Fuel & Energy Related Activities	The upstream emissions from fuel and energy used, primary data underlying Scope 1 and 2 emissions are used to quantify these emissions.
Category 5 – Waste Generated in Operations	Waste arisings from construction activities (as recorded by site waste management contractors)
Category 6 – Business Travel	Claimed mileage from car business travel, claimed business travel in other modes (e.g. flights, train journeys, taxi journeys).
Category 7 – Employee Commuting	From employees travelling to offices, estimated using FTE and census data and cross checked using one office survey.
Category 11 – Use of Sold Products	Lifetime emissions of legal completions in the reporting period. Design emissions calculated from SAP data for each legal completion and extrapolated over a 60-year design lifespan.
Category 12 – End-of-life Treatment of Sold Products	Output from One-Click Life-Cycle Assessment software. Emissions associated with end-of-life disposal of materials used in the construction of each legal completion in the reporting period.
Category 15 – Investments	Scope 1 and 2 emissions from Joint Ventures quantified using primary data. Ascribed proportionally to Cala's share in the Joint Ventures.

**dLUC emissions, although listed under Scope 1, are reported separately as the underlying calculation methodology is under review following new guidance from the Greenhouse Gas Protocol and SBTi. Therefore, how we report these within our SBTi aligned Greenhouse Gas Inventory is still to be determined.*

***Scope 3 categories are defined by the Greenhouse Gas Protocol.*

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
NFSI Statement - Climate-Related Financial Disclosures (continued)

Calculation Methodologies (continued)

Excluded Scope 3 Categories:

Scope 3 Category	Exclusion Rationale
Category 4 - Upstream Transportation & Distribution	Category 4 emissions are embedded within Category 2 as per the SBTi's Buildings' Sector criteria.
Category 8 - Upstream Leased Assets	Cala does not lease any assets that give rise to emissions not already included within Scope 1 or 2 through fuel or energy use.
Category 9 - Downstream Transportation & Distribution	Cala's products do not require downstream transportation or distribution. Emissions associated with Taylor Lane's downstream transportation and distribution is carried out using their own managed fleet (owned company vehicles) therefore associated emissions are included within Scope 1.
Category 10 - Processing of Sold Products	Cala's products do not require further processing after sale.
Category 13 - Downstream Leased Assets	Cala does not lease out any assets.
Category 14 - Franchises	Cala has no franchises.

Streamlined Energy and Carbon Reporting

The metrics cited in this report fulfil Cala's requirements under Streamlined Energy and Carbon Reporting (SECR) Requirements, as required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Reported Metrics

All metrics are reported for calendar years against the baseline year (2023). Totals may not align exactly due to rounding.

GREENHOUSE GAS EMISSIONS IN tCO₂e	2025	2024	2023
Scope 1* GHG Emissions	3,077	3,817	5,051
Scope 2 GHG Emissions - location based	1,338	1,557	1,610
Scope 2 GHG Emissions - market based	86	34	133
Total Scope 1 & 2 – location based	4,415	5,374	6,661
Total Scope 1 & 2 – market based	3,163	3,851	5,184
Scope 3 Category 1 – Purchased Goods & Services	33,945	47,176	51,789
Scope 3 Category 2 - Capital Goods (Upfront Embodied Carbon)	96,930	107,663	114,945
Scope 3 Category 3 - Fuel & Energy Related Activities	1,842	1,864	1,783
Scope 3 Category 5 - Waste Generated in Operations	88	178	503
Scope 3 Category 6 - Business Travel	1,501	1,735	1,827
Scope 3 Category 7 - Employee Commuting	509	520	538
Scope 3 Category 11 - Use of Sold Products	165,472	232,263	246,162
Scope 3 Category 12 - End-Of-Life Treatment of Sold Products	28,682	33,691	33,164
Scope 3 Category 15 - Investments	1	2	3
Total Scope 3	328,970	425,092	450,714
FLAG Direct Land Use Change (dLUC) Emissions	17,441	16,609	15,622
Total Scope 1, 2 & 3 emissions – location based	350,826	447,075	472,997
Total Scope 1, 2 & 3 emissions – market based	349,574	445,553	471,520

**Excluding dLUC emissions*

OPERATIONAL ENERGY CONSUMPTION IN MWh	2025	2024	2023
Operational energy consumption (sites, offices, stock plots, owned fleet)	39,380.1	45,017.6	35,250.3

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025
Strategic Report (continued)
Streamlined Energy and Carbon Reporting (continued)

Reported Metrics (continued)

Following validation of our Science-Based Targets (SBTs), the Group undertook a comprehensive recalculation of its emissions baseline. This included reassessing all Scope 1, Scope 2 and relevant Scope 3 categories, incorporating categories that had not previously been reported. Methodologies were updated to ensure closer alignment with the Greenhouse Gas (GHG) Protocol and SBTi requirements.

As a result, previously reported comparative figures have not been restated on a like-for-like basis and are therefore not directly comparable to the current year disclosures. The updated methodology provides a more complete and accurate representation of the Group's emissions profile. The recalculated data has been subject to external validation, including review by SBTi assessors and independent audit.

Science Based Targets

The table below shows progress against Cala's targets. All data associated with Cala's Science Based Targets have been assured independently under BS EN ISO 14064:2019-3 by Sweco UK Ltd.

SCIENCE BASED TARGET	UNITS	2025	2024	2023
Scope 1 & 2 Emissions* – location based	tonnes CO2e	4,415	5,374	6,661
Percentage Change (Target 63% reduction by 2035 against 2023 baseline)	% Change from baseline	-33.7%	-19.3%	--
Scope 3 (Upfront Embodied Carbon)	kgCO2e/m2 developed floor area	335.6	338.3	348.6
Percentage Change (Target 71.7% reduction by 2035 against 2023 baseline)	% Change from baseline	-3.7%	-3.0%	--
Scope 3 (Other)	kgCO2e/m2 developed floor area	578.4	735.9	753.7
Percentage Change (Target 66.4% reduction by 2035 against 2023 baseline)	% Change from baseline	-23.3%	-2.4%	--

**Excluding dLUC emissions*

Progress and Commentary

This is the first year of reporting against Cala's Science Based Targets (SBTs) validated in 2025.

Since 2023 (the new baseline year), Cala's Scope 1 and 2 emissions have fallen by 33.7%. This has been achieved through a combination of sustainability initiatives across our sites and offices, including the use of sustainably-sourced HVO (hydro-treated vegetable oil) as an alternative to diesel on our construction sites, and improved energy management behaviours. Scope 3 (Upfront Embodied Carbon) emissions have fallen by 3.7%, mainly through the increased use of timber-frame construction across Cala developments. Scope 3 (Other) emissions have fallen by 23.3%, mainly through the continued phase-out of fossil-fuel heating within Cala homes.

Overall, our entire carbon footprint has reduced by 25.8% since 2023, marking good progress towards our 2045 net-zero aspirations.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Chief Executive's Review

I am deeply honoured to take on the role of Chief Executive Officer and to present my first Chief Executive's Review. Stepping into this position is a privilege, and I do so with a strong sense of responsibility to our people, our customers, our partners and our owners.

On behalf of the Board, I would like to thank Kevin Whitaker for his remarkable service and commitment to Cala over many years. His contribution to the business has been significant and we wish him well for the future.

2025 was a challenging year for Cala, shaped primarily by difficult market conditions. Across the sector, affordability pressures, cautious buyer sentiment and wider economic uncertainty continued to soften demand, while rising costs and planning delays added further headwinds. We recognise that aspects of Cala's execution did not keep pace with these challenges and our focus in 2026 is firmly on stronger operational discipline to improve consistency, resilience, and delivery.

Following a seasonally strong first quarter, the market began to soften in the second quarter and by summer many buyers were pausing to assess the implications of the Autumn Budget. Throughout this period, supply continued to outpace demand. Despite this backdrop, we traded well in 2025, with a rate of 0.65 sales per site per week.

Cala's well-designed, energy efficient homes, high-quality construction and reputation for exceptional service remained highly attractive to homebuyers.

In the year to 31 December 2025, we delivered a profit before tax (before exceptional items) of £9.4 million (2024: £78.2 million). The number of homes sold decreased to 2,516 during the year to 31 December 2025, compared to 2,861 in 2024, a 12% reduction. This has resulted in turnover before exceptional items of £1,128.1 million, down 3.4% year on year (2024: £1,168.3 million). This reduction in turnover is aligned to fewer home completions in the year driven by difficult market conditions and planning delays which delayed a number of site starts.

Investing in the future

A steady sales rate and strong average selling price (ASP) delivered revenue of £306,000 per site per week, which supported Cala's decision to continue to invest in land throughout 2025. During the 12-month period, Cala contracted 7 new short term and strategic sites, capable of delivering 865 new homes. These sites have a gross development value (GDV) of £392m with the ASP of the units being £453,000. Cala remains committed to this strategy and our land and planning teams across the UK are actively seeking further opportunities to invest in sustainable developments in desirable locations in 2026.

During the year, strong progress was achieved towards our sustainability targets of building homes that are operationally net zero carbon enabled from 2030 and reaching net zero total greenhouse gas emissions by 2045. Cala's total Scope 1 & 2 greenhouse gas emissions in 2025 were 4,415 tCO₂e – representing a 33.7% reduction since 2023. Scope 3 (Upfront Embodied Carbon) emissions have fallen by 3.7% and Scope 3 (Other) emissions have fallen by 23.3%, emphasising Cala's commitment to reducing greenhouse gas emissions.

Work is underway to ensure the business is in the strongest possible position to meet the financial projections within our business plan. This includes optimising our operating model to enhance delivery, improve the performance of our investments, and increase efficiency across the organisation. The impact of this work will start to become evident in 2026, with continued progress building in the coming years.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Chief Executive's Review (continued)

Development activity

We commenced build on 22 new sites during the year which will ultimately deliver around 1,735 private homes at an average size of 79 private homes per development (2024: 31 new sites with an average of 115 private homes).

Our sales performance was strong for the first 6 months of 2025, with our average sales per site per week to June standing at 0.73. This rate slowed during the summer months in line with the wider market and the expectations around the chancellors budget. Our net private reservations during 2025 were 39.9 per week compared to 37.1 during 2024, which reflects a 7.5% increase on the previous 12-month period. The ASP in the year was £465,000 which is broadly consistent with the prior year (£463,000). The Group achieved a weekly net private reservation rate of 0.65 per development in the period which is a slight increase year on year (2024: 0.62).

Our average weekly private revenue per development of £306,000 represents a small decrease to the previous period (2024: £309,000), reflecting an increase in the number of active sites. The cancellation rate for the year at 18% is a slight increase from the previous year (2024: 17%) and reflects the continued economic uncertainty through the period.

At 31 December 2025 we had accumulated 577 advance private home sales with a turnover value of £272.3 million which is an increase of 12% against the previous year (2024: 515 private homes and £235.1 million). This equates to a sales carry forward of 26% (2024: 21%) based on the projected number of private sales completions during the 12 months to 31 December 2026.

Current trading and outlook

Average weekly reservation rates so far in 2026 are disappointing, and in the first 26 weeks we have traded at a rate of 0.51 weekly sales per development, with 897 net private reservations taken. This rate is behind the equivalent period in 2025 (0.73) albeit sales pricing over the first 26 weeks is broadly in line with budget expectations.

While we expect the subdued market conditions experienced through H2 2025 and H1 2026 to continue through 2026. We are however encouraged by the level of interest in our developments in 2026 so far, reflected in both enquiries and website activity and with increased political stability we are confident that we can capitalise on this interest.

Easing interest and mortgage rates would support a slow but steady lift in affordability and buyer confidence, although we remain mindful of the risks posed by broader economic and political uncertainty.

The Government's renewed focus on planning reform is a welcome development, offering the potential to unlock land and accelerate the delivery of much-needed homes—an agenda we stand ready to support as momentum builds.

Cala remains confident in our ability to make the most of any improvement in conditions in the year ahead, with our strong product offering, renewed operational discipline, and unwavering commitment to quality and service. Combined with the expertise of our talented teams and the backing of our supportive owners, Sixth Street and Patron, we enter 2026 with resilience and measured confidence.

Despite only moving into an executive role in December, I have already seen the passion and commitment that define this business. My thanks go to our talented employees and our trusted subcontractors and partners for your hard work last year. I look forward to working alongside you as we build on Cala's achievements and move confidently into our next chapter.



Tom Nicholson
Chief Executive

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Financial Performance Review

Trading

The group has delivered a profit before tax and exceptional items of £9.4 million for the year to 31 December 2025 (2024: £78.2 million) on revenue of £1,128.1 million (2024: £1,168.3 million). This decrease in profitability of £68.8 million reflects both the 3.4% reduction in turnover and a 5.5% operating margin reduction in the year.

Exceptional items before tax were a net charge of £25.7 million for the year. This comprises of a combination of an increase in the provision for remedial works relating to fire safety measures on historical developments, restructuring costs incurred following a strategic review of the business, provisions relating to vacant office space, and professional and legal fees associated with acquisition activity.

Cala Group completed the sale of 2,516 homes during the year to 31 December 2025 (2024: 2,861). The number of home completions was achieved from 84 sites (2024: 79). 2,030 private homes were legally completed in 2025 (2024: 2,164) and were delivered at a higher ASP, increasing to £464,000 (2024: £463,000) due to a change in site mix. The delivery of affordable homes decreased to 486 in 2025 (2024: 697), comprising discounted market value homes to qualifying purchasers and homes delivered to housing associations.

Revenue (before exceptional items)	Year to 31 December 2025	Year to 31 December 2024
	£m	£m
Private housing	942.8	1,002.9
Affordable housing	117.8	125.0
Land / other sales	67.5	40.4
Group Revenue	1,128.1	1,168.3

Our housing gross margin has decreased in the last year to 12.6% (2024: 17.1%). This decrease is due to a combination of increased incentives being required to generate sales and continued cost inflation.

Our operating margin before exceptional items has also decreased in the year, down from 9.8% (2024) to 4.3%. This mostly arises from the decrease in the house sales gross margin and a slightly reduced absorption of net operating expenses in the year.

Return on capital employed ("ROCE") remains on one of our key financial performance measures. Our ROCE has decreased to 3.5% (2024: 9.3%) as a result of the decrease in profitability and an increase in the capital employed in the business.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Financial Performance Review (continued)

Balance sheet

Land and work in progress, net of land creditors, has risen from £1,482.2 million at year end 2024 to £1,528.6 million at year end 2025. This is primarily driven by an increase in construction work in progress. Whilst exacerbated by a reduction in legal completions in Q4 2025, this demonstrates our continued investment in new development. We continue to use land creditors to assist with the funding of larger land acquisitions and where it is value-enhancing for the business albeit land creditors at 31 December 2025 have decreased to £170.4 million (2024: £266.2 million).

Inventories	At 31 December 2025	At 31 December 2024
	£m	£m
Land and options	988.5	1,109.9
Less: Land creditors	(170.4)	(266.2)
Net Land and options	818.1	843.7
Part exchange	45.2	36.7
WIP and other stock	665.3	601.8
Net Inventory	1,528.6	1,482.2

Inventories include part exchange properties with a combined net expected resale value of £45.2 million (2024: £36.7 million). This is an increase since last year, reflecting the increasing utilisation of part exchange by our customers during 2025. As at 29th June 2026 £43.5 million of the part exchange inventory at the year-end had either been sold or was reserved for sale.

The carrying value of the group's intangible assets includes the value of the Cala brand in Scotland, which remains unchanged since last year at £8.6m. The Cala brand is considered to have an indefinite life and is tested for impairment on an annual basis. The remaining intangible asset consists of two elements of goodwill. The first is the goodwill arising on the acquisition of Banner, which has an unchanged balance sheet value of £40.1 million. The second is the goodwill arising on the acquisition of Taylor Lane, which has an unchanged balance sheet value of £4.2 million. The goodwill balances are also tested for impairment on an annual basis.

At 31 December 2025, the group held available for sale financial assets, being shared equity debtors relating to 19 homes with an estimated net recoverable value of £0.5 million (2024: 19 homes and £0.5 million respectively). The value of shared equity debtors has reduced during the year due to loan redemptions by our homeowners, partially offset by the annual unwind of the fair value discount as the portfolio progresses a further year towards maturity.

Net assets of the group decreased by 1.1% during the year to £1,053.1 million (2024: £1,065.1 million). This slight decrease is commensurate with our reduced profitability in 2025 which has resulted in an overall increase in liabilities, most notably in loans and borrowings.

Financing and cash flow

The debt facilities held during the year consisted of a revolving credit facility and overdraft totalling £400 million which expires on 30 September 2027. The debt funding is provided by a syndicate of five banks including Lloyds, NatWest, Santander, HSBC and ICBC.

The Group has two additional fixed-term facilities with Legal & General Capital Investments Limited totalling £170 million, comprising tranches of £75 million and £95 million. Both facilities mature on 31 December 2027.

At 31 December 2025, the group had a net debt of £386.9 million (2024: net debt of £319.4 million) – see the net debt table on page 46 which consisted of net bank debt of £243.9 million (2024: £271.4 million) and the L&G Loan of £170.0m (2024: £75.0). These were offset by loans due from joint ventures of £27.0 million (2024: £27.0 million).

Gearing, defined as the ratio of net bank debt to net assets, has decreased to 23.2% since last year (31 December 2024: 25.5%). This reflects the lower level of net bank debt at the balance sheet date following the increase in cash held at year end. If land creditors are added to net bank debt, gearing is 39.3% at 31 December 2025 compared with 50.5% at 31 December 2024.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Financial Performance Review (continued)

Pensions

All eligible employees are able to accrue retirement benefits under the Cala Flexible Retirement Plan ('DC Scheme'), the group's defined contribution pension scheme administered by Legal & General. The default contribution rate is 3.0% of pensionable salary from employees and 7.0% from the company, with certain other matching alternatives available.

The IAS 19 net pension surplus in relation to the Defined Benefit (DB) pension scheme at 31 December 2025, before applying the asset ceiling, was £5.0 million (31 December 2024: £3.3 million). Under the terms of trust deed the Company cannot demonstrate an unconditional right to a refund as at 31 December 2025. As a result, this has been derecognised and is therefore not presented on the Group's balance sheet (see note 21).

The most recent published Triennial Valuation for the DB Scheme was carried out as at 6 April 2021 to 6 April 2024 and the recovery plan to eliminate the deficit remains in place. The group has continued to comply fully with this recovery plan and has made special deficit contributions into the DB Scheme during the year to 31 December 2025 of £2.1 million (2024: £4.2 million).

The group, in consultation with the Trustees, continually monitors the Scheme with a view to reducing risk and funding volatility for the long-term security of members' pensions. Following the closure to future accrual, both parties are now focused on steering the DB Scheme to a buy-out position over the next 2 years.

Financial risk and treasury management

The treasury function is centrally managed to support the operating activities of the group, its primary objective being to manage liquidity and interest rate risk. Any trading in financial instruments is prohibited and hedging is undertaken using simple risk management products, such as interest rate swaps.

The management of liquidity is a significant risk for the group. It is essential that cash flow is tightly managed and borrowing remains within agreed bank facility limits. The major variable in maintaining adequate liquidity is the impact of a deterioration in the housing market on cash flow. This is managed by the collection and monitoring of extensive market intelligence at a local and national level, combined with a clear and effective sales strategy aligned with the delivery of our financial plan. This is further supported by a close working relationship with our shareholder and debt providers.

The group has no interest rate hedging in place.

Direct foreign exchange exposure is negligible given the nature of the group's business activities which are conducted exclusively in the United Kingdom.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Key Performance Indicators (“KPIs”)

The Board monitors the group’s progress by reference to a range of selected KPIs. These KPIs are unaudited.

Financial

KPI	Definition	Performance	Commentary
House Sales Gross Margin	The ratio of housing gross profit to housing revenue, expressed as a percentage.	2025 – 12.6% 2024 – 17.1% 2023 – 17.5%	House sales gross margin for the year has decreased to 12.6% compared with 17.1% for the previous period. This decrease is due to a combination of increased incentives being required to generate sales and cost inflation during 2025 not being offset by increased selling prices. For 2025, housing gross profit of £133,912k divided by housing turnover of £1,060,626k gives a house sales gross margin of 12.6%.
Operating Margin	The ratio of operating profit to total revenue, expressed as a percentage.	2025 – 4.3% 2024 – 9.8% 2023 – 10.9%	Operating margin in 2025 decreased to 4.3% (2024: 9.8%). This reduction is in line with the house sales gross margin with an additional decrease in the absorption of net operating expenses in the year. For 2025, operating profit of £48,245k divided by revenue of £1,128,053k gives an operating margin of 4.3%.
Return on Capital Employed	The ratio of operating profit to average net assets (comprising opening and closing balances) after adding back net bank debt and fixed rate loan notes and deducting intangible assets and the deferred tax asset, expressed as a percentage.	2025 – 3.5% 2024 – 9.3% 2023 – 13.0%	Return on capital employed has decreased to 3.5% (2024: 9.3%). The decrease is due to the decrease in profitability and increased capital employed levels in 2025 when compared to 2024. For 2025, operating profit of £48,245k divided by average capital employed of £1,372,829k gives ROCE of 3.5%.

All financial KPIs are calculated based on a pre-exceptional items basis and include 100% of managed joint ventures where applicable. Further details of the Group’s jointly controlled entities are included in note 10.

Operational

KPI	Definition	Performance	Commentary
Home Sales	The number of homes sold and completed.	2025 – 2,516 2024 – 2,861 2023 – 2,917	The total number of homes sold by the group decreased in comparison to the prior accounting period by 345 units. The number of private homes completed in 2025 was 2,030 (2024: 2,164). There was also a decrease in the number of affordable homes delivered to 486 (2024: 697).
Average Weekly Reservations Per Active Site	The average number of net private homes reserved for sale including joint ventures for each week of the financial year divided by the average number of active selling sites for each week.	2025 – 0.65 2024 – 0.62 2023 – 0.63	The average weekly reservation rate per active site of 0.65 has increased compared to the previous year (2024: 0.62). These sales rates are also reflective of a relatively subdued sales market over the last 3 years due to a lack of consumer confidence and increased mortgage rates.
Average Weekly Revenue Per Active Site	The average revenue for each net private home reserved for sale including joint ventures for each week of the financial year divided by the average number of active selling sites for each week.	2025 – £306,000 2024 – £309,000 2023 – £315,000	The average weekly revenue per active site at £306,000 decreased slightly in the year due to product mix (2024: £309,000).

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Operational (continued)

KPI	Definition	Performance	Commentary
Forward Sales	The ratio of private homes reserved or better at 31 December for the following year to total forecast private sales completions in the next financial year expressed as a percentage.	2025 – 26% 2024 – 21% 2023 – 28%	Forward sales at 26% equates to 577 private homes with a GDV of £272.3 million (2024: 21% and 515 private homes with a GDV of £235.1 million). This forward sales position represents a 5% increase from the previous year.
Overall Customer Satisfaction	Overall customer satisfaction with the quality of the homes delivered and the service provided by Cala, both before and after sales, as measured through customer surveys undertaken by the NHBC.	2025 – 95.9% 2024 – 96.2% 2023 – 93.2%	This measure represents the percentage of customers who would recommend Cala to a fellow home buyer. To achieve in excess of 90% results in a 5 star builder rating, a status Cala has held in 15 of the last 16 years. The recommend score for 2025 at 95.9% is an excellent achievement and is one of the highest in Benchmark Group 1.
Annual Injury Incidence Rate (“AIIR”)	The total number of accidents reportable under RIDDOR expressed per 100,000 employees and contractors.	2025 – 269 2024 – 210 2023 – 424	The AIIR has increased since last year following an increase in the number of reportable accidents from 9 to 18. Our focus on H&S is unwavering, and the Board continues to be satisfied with the group's health and safety approach and the measures being introduced to reduce risk and the number of injury incidents.
Reportable Accidents	The total number of accidents reportable under RIDDOR for the year.	2025 – 18 2024 – 9 2023 – 19	The number of reportable accidents has increased from 9 to 18. A strong safety culture remains in place and the Board remains committed to its zero accident target. The group's internal health and safety resource is maintained at the required level to support our site teams as the business continues to grow.

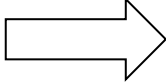
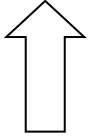
Land

KPI	Definition	Performance	Commentary
Contracted Landbank	The estimated future revenue generated from land owned or controlled. This includes strategic sites that have earned a planning status, and where the prospects for achieving a planning consent within a reasonable timescale are strong.	2025 – £7.3 billion 2024 – £8.4 billion 2023 – £8.8 billion	The contracted landbank decreased in the year to 31 December 2025. The number of plots decreased by 14% from 18,841 to 16,221 but an increase in the ASP of the units contained in the landbank compared with the previous year has translated to a 13% decrease in total GDV. The planning status of the contracted landbank remains strong with 97% of GDV comprising sites with either a planning consent or an allocation for residential development within an adopted local plan. This compares with 94% at 31 December 2024.
Consented Landbank	The estimated future turnover value generated from land owned or controlled with an outline or detailed planning consent.	2025 – £6.5 billion 2024 – £6.8 billion 2023 – £6.7 billion	The consented landbank has decreased during the year, with the number of plots decreasing from 15,461 to 14,587, but the ASP has increased from £443,000 to £449,000. During 2025, 34% of the plots granted planning permission were drawn from the strategic land bank compared to 53% for 2024.
Strategic Land Pull-Through	The proportion of homes sold and completed including joint ventures without a planning permission at the time a commercial interest was acquired in the site, expressed as a percentage.	2025 – 55% 2024 – 56% 2023 – 54%	1,105 homes sold in the year to 31 December 2025 (2024: 1,598) were from our strategic landbank or from developments controlled under conditional contracts where Cala secured a first-time planning permission. This equates to 55% of total homes sold in the year, a slight decrease from the previous year. The remainder of our sites were acquired with an existing consent, most usually an outline planning permission.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

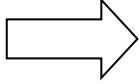
Strategic Report (continued)

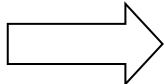
The principal operating risks currently affecting the group along with key mitigation measures for each are described as follows:

Risk	Mitigation	Change since 2024
<u>Health and Safety</u> Risk of serious injury or death.	Despite an increase in RIDDORS through 2025 we have a comprehensive health, safety and environmental management system in place. We have a positive and active safety culture throughout the group and proactively adapt our work practices to eliminate safety risks as they are identified. On-site safety compliance is monitored and reinforced through an in-house inspection regime and regular direct communication with subcontractors. We have a thorough training programme in place with minimum standards of competence that need to be attained based on position held.	Risk stable  The health and safety of our employees, subcontractors and customers remains the top priority for the Board.
<u>Economic & Political Uncertainty</u> Uncertainty leads to a downturn in the housing market, adversely affecting profitability, cashflow and Cala's strategic growth plans.	The group has a strong balance sheet and operates with headroom in its banking facilities and has supportive shareholders. The group gathers and considers a variety of market intelligence at a local and national level, which is reviewed regularly by management with prompt action taken in relation to pricing, build rates and the level of inventory as required. We have reviewed all of our key potential land commitments to ensure their prospects are maximised in preparation for more difficult market conditions, should these materialise and are making alterations where needed. We have a strong portfolio of high quality developments in premium locations, supported by a strong brand proposition. Ongoing conflict in the Middle East has increased macroeconomic uncertainty, particularly around energy prices and inflation, which may indirectly impact housing demand and costs. The Group continues to monitor developments as part of its broader economic risk assessment.	Risk increased  Geopolitical tensions in the Middle East have contributed to the increase in risk through heightened macroeconomic uncertainty, particularly in relation to energy prices and inflation. The board has taken various measures to mitigate the group's exposure to adverse market events, and the business has generated a reasonable forward sold position which partially mitigates against a market downturn in the short term.
<u>Raw Materials, Subcontractors and Suppliers</u> Failure to maintain a sustainable pool of suitable Sub-Contractors and Suppliers to support the effective and quality delivery of Construction projects.	We operate and manage a portfolio of approved subcontractors many with whom we have long-standing relationships. We also directly employ certain key trades and apprentices on our own account. Our construction and commercial teams regularly review our subcontractor base, seeking to add new partners to supplement our available resources where possible. Our subsidiary Taylor Lane is one of our key timber frame suppliers, giving a degree of control over a component of our supply chain. We provide a safe and organised working environment that allows our subcontractors to work efficiently and we offer competitive rates of pay with prompt payment.	Risk increased  The availability of competent key trades has remained relatively stable in the last year and new contractors are consistently being added to our existing pool. However there remains concern on the availability of labour and supplies in the short term, particularly given the recent events in the Middle East.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

Risk	Mitigation	Change since 2024
<u>Planning Permission</u> Securing appropriate and timely planning permission on sufficient development sites in our contracted landbank, including the conclusion of section agreements and clearance of planning conditions to permit a site start in line with acquisition assumptions.	The group manages its planning risk by working collaboratively with all key stakeholders and decision makers, engaging in extensive local consultation. We have high levels of skill and experience of the planning process within the business to ensure we only invest in opportunities with a strong chance of planning success. We endeavour to support Local Authorities where possible with our own resources by initiating legal agreements and with the early submission of information to facilitate the timely clearance of pre-commencement planning conditions. We incorporate planning uncertainties into our business planning, as well as running a surplus of developments in our planning pipeline to protect against the risk of refusal or delays arising from the appeals process.	Risk stable  Following the General election in 2024, the planning risk remains high, but stable, due to a combination of Government sentiment in housing policy/ planning, which has led to the delay of a number of local plans, and the lack of resources in planning departments across the country which is further delaying even the simplest and non-contentious planning applications.

Risk	Mitigation	Change since 2024
<u>Product Quality/Customer Service</u> Reputational risk from failure to service customers in line with expectations around quality and timely delivery of homes, as exposed by NHBC rating, Trustpilot scores, online activity and other media output	The group has in place a director responsible for product and customer service to review targets, performance and trends and ensure implementation of best practice across our operating regions. Customer service delivery forms a material element of performance related pay for most employees in the group. Product handover and customer journey procedures remain of paramount importance to ensure we deliver Cala's high standard of product and service to all of our customers.	Risk stable  We have retained our 5-star status during the current year.

Risk	Mitigation	Change since 2024
<u>Failure to compete for, and maintain talent</u> Risk that Cala is unable to compete for and maintain talented employees.	A People Strategy is in place which covers the group's approach to: - Recruitment - Talent (including Early Talent) - Inclusion and Diversity - Compensation - Leadership and Ways of working. Employee Engagement Surveys are carried out at both a group and regional level, with results and action plans shared locally. The group strives to offer a positive, empowered working culture which creates the right environment for all of our people.	Risk increased  Whilst staff turnover in the housing industry remains high in general, our own underlying 12 month rolling attrition rates have increased to 15.2%, which is higher than levels experienced in prior years.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT

The Board of Cala Group (Holdings) Limited consider that we have adhered to the requirements of section 172 of the Companies Act 2006 and have, in good faith, acted in a way that we consider would be most likely to promote the success of the Cala Group for the benefit of its shareholders as a whole. In doing so, we have recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making.

Legislation around stakeholder engagement is welcomed by the Board and the commentary and table below sets out our s.172(1) statement. This statement provides details of key stakeholder engagement undertaken by the Board during the year and how this helps the Board to factor potential impacts on stakeholders in the decision making process. Additional details of the Group's key stakeholders and why they are important to us are set out below.

General

The Cala Group promotes the highest standards of governance and ensures that these standards cascade throughout the Group and its subsidiaries. Guiding principles are in place for the relationship between the Group Board and the Regional boards of the Group's principal subsidiaries. This framework promotes full and effective interaction across all levels of the Group to support the delivery of strategy and business objectives within a framework of best corporate governance practice. A full description of the Group's governance arrangements can be found in the Directors Report on page 35.

Corporate governance underpins how we conduct ourselves as a Board, our culture, values, behaviours and how we do business. As a Board we are conscious of the impact that our business and decisions have on our direct stakeholders as well as our wider societal impact.

As part of the director induction process, directors are informed of their duties, including their statutory duties under s.172 of the Companies Act 2006. The directors are entitled to request from the Company all such information they may reasonably require in order to be able to perform their duties as directors, including professional advice from either the Company Secretary or from an independent advisor at the Company's expense. On-going training is provided to the directors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties as directors.

Principal decisions

For the year ending 31 December 2025, principal decisions taken include:

- **Geographical realignment.**
In order to improve Cala's market impact and efficiency, create stronger geographic patches with the platform to expand we took the decision in March 2025 to realign our English regional geographies. The first part of this was to combine our Chiltern & Cotswolds regions. At that point both businesses were sub-scale without the required strength of landbank to deliver in an appropriate timescale. The combination resulted in the closure of our Cotswolds office in Kidlington and a reallocation of employees and sites between the new enhanced Chiltern region which was relocated to Bourne End, and North Home counties. At the same time, we divided our Thames region which had exceeded optimal scale. This was split into two separate regions, creating a new region "Southern" with a regional office located in Winchester. Whilst the changes were disruptive in the short term, we are confident that all regional businesses have a stronger platform to improve their financial performance and go on to be successful in the future.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT (continued)

Principal decisions (continued)

- **Investment in Transformation projects.**
2025 marked a year of tangible delivery and operational modernisation across Cala's technology landscape. Key milestones included the retirement of legacy platforms such as Citrix, the rollout of Windows 11 across the device estate, and the successful upgrade and re-platforming of core business systems including eVision, our general ledger. Cala also completed significant infrastructure and resilience improvements, including data centre modernisation and further strengthening of cyber security controls. Together, these changes have improved system reliability, user experience and security, while embedding Microsoft 365 as Cala's standard digital workplace and enabling more efficient, data-driven and scalable ways of working.
- **Prioritising our people**
The Board continues to prioritise the development and wellbeing of our people through a programme of sustained investment. Throughout 2025, we maintained a strong focus on building future capability and leadership depth across the business. We continued to invest in early careers through the recruitment of a graduate cohort and Graduate / Degree Apprenticeships, supporting the development of talent into critical roles across the Group. Alongside this, we launched Impact, our Group leadership development programme, designed to strengthen leadership capability and enable consistent, high-performance behaviours across the organisation.
- **Approval of annual budget and business plans.**
The business plans play an important role in communications with shareholders and focusing the regional teams on annual delivery. These have provided the opportunity to engage with our banking partners early, and for covenant terms to be renegotiated at an early stage to provide sufficient headroom to the business.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT (continued)

The table below sets out our key stakeholders and how we have engaged with them in the year, as well as demonstrating stakeholder consideration in the decision-making process.

Stakeholders Their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
Shareholders Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of sustainable returns.	Our ultimate shareholders are Sixth Street Partners LLC and Patron Capital Advisors LLP, whose shareholders are institutional and individual investors who own shares or bonds. Performance metrics and updates are provided by the Board to our parent company, with subsidiary performance cascaded up the Group.	As a Board, we aim to provide clear information to our parent company and ultimate shareholders, being honest and transparent as to the performance of the business. Value is generated for shareholders by achieving the business plan and providing a sustainable, progressive dividend (where appropriate).
Customers Listening to our customers helps us to better understand their needs and provide suitable and reliable products and services.	Our Group and regional teams are dedicated to making sure we constantly refine what we do – ranging from continual amendments to housetype designs and the improvement of the customer experience.	Cala's brand value has been established through the highest levels of build quality and customer satisfaction. Our focus on ensuring customers satisfaction has been evidenced through our industry leading customer service scores. The Board continually evaluate improvements to the customer journey which has been enhanced in recent years by the launch of a market leading Customer Relationship Management tool.
Workforce Engaging with our people enables us to create an inclusive company culture and a positive working environment.	The Board adopts various methods of employee engagement to ensure that we continue to foster an inclusive and supportive working environment for our employees, thus ensuring the sustainability of the company in the long term.	Both the group board and regional management teams review attrition rates on a monthly basis. Cala's Inclusion and Diversity forum continues to promote initiatives to encourage a positive working environment for everyone. Focus is placed on the wellbeing of our people, supported by our charity partnership with Lighthouse. We continued to strengthen our learning platform this year, expanding development opportunities for our people.

Cala Group (Holdings) Limited
Annual Report and Financial Statements for the year ended 31 December 2025

Strategic Report (continued)

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT (continued)

Suppliers Interaction with our suppliers and treating our suppliers fairly allows us to drive high standards and reduce risk in our supply chain whilst also benefitting from cost efficiencies and generating positive for the environment and wider society.	At both regional and national levels we hold regular meetings with our key suppliers ensuring risks are proactively managed and they are up to date on latest developments and best practice. We strive to work with like-minded businesses, and place great importance of retaining long term supplier relationships. This helps safeguard the quality of our product and our ability to deliver to our customers whilst establishing standards that ensure suppliers operate ethically, are environmentally responsible and that their workers are treated with respect and dignity.	The Board recognise the importance of maintaining good working relationships with our key suppliers. The Board place a high value on the quality of the working environment on our sites, and controls are in place to ensure supplier payments are made on a timely basis.
Community/wider society Contributing positively to wider society enables us to create stronger communities and have a positive environmental impact.	Our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. This inspires us to develop our homes in an economically and socially useful way to benefit everyone in our communities.	The Board recognise that residential development can impact the wider community as well as our direct customer. Local consultations are held on all sites to engage the community throughout the planning process and then the development of our sites. Cala has continued to invest heavily in local communities through a wide range of initiatives within our developments and for local organisations.
External Lenders Our business continues to be part financed via a £400 million revolving credit facility which provides adequate headroom and the platform for further land acquisition and future growth. We are also part financed via £170 million of loans provided by our former owner, L&G.	We are in regular communication with our banking syndicate and provide regular updates on the financial performance of the business and our strategic goals. Our approach is to work collaboratively with our lenders and engage them regularly throughout the delivery of our business plan.	The Board recognise the importance of maintaining good working relationships with lenders. Our bank facilities are due for renewal in September 2027 and the loans provided by L&G expire in December 2027. The financial support in place will allow the Group to realise its growth plans set out in the latest business plan.

The Strategic Report was approved by the Board on 17 August 2026.



M Rice
Director
17 August 2026

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Directors' Report

The Directors of Cala Group (Holdings) Limited (the "Board") present their report and the audited consolidated financial statements for the year ended 31 December 2025.

The Streamlined Energy & Carbon Reporting ('SECR') can be found on page 20.

Details of employee engagement and financial risk management have been set out within the Strategic report.

Corporate governance

The Board is committed to achieving and maintaining a high standard of corporate governance. The Directors recognise the importance of good corporate governance and operate on a basis that reflects the size, risks and complexities of the business and in accordance with its values. Setting strong governance standards and reiterating the right way for a business (and its directors) to behave protects the business and the interests of our shareholders and stakeholders. Our governance framework establishes clear responsibilities for the business and allows for informed and balanced discussions by the Board, the Executive Board and senior management.

The Board of Directors of Cala Group (Holdings) Limited

The Board met 8 times during the year ended 31 December 2025.

The Board has delegated certain responsibilities to board committees with agreed terms of reference. These committees report regularly to the Board.

The Board is responsible for reviewing the effectiveness of the Group's internal controls and risk management system.

The external auditors attended one Board meeting in 2025.

The Remuneration Committee met 2 times in 2025. The Remuneration Committee deals with aspects of remuneration, benefits and employment conditions. Antoni Sugranes and Stephen Green are members of the Committee. The Group Chief Executive, Group People Director and General Counsel & Group Company Secretary are standing invitees.

Organisation structure

The Company operates through an Executive Board that is led by the Group Chief Executive and comprises the Chief Finance Officer, the General Counsel & Group Company Secretary, the Group People Director and the Group Managing Director. The Board considers these individuals possess the necessary experience and detailed industry knowledge to carry out and deliver their duties as Directors.

The Executive Board is responsible for the implementation of strategy, promoting the long-term success of the business and the management of the principal risks facing the Group. Its principal responsibilities include governance controls, risk management, compliance and cultural direction. The Board has a regular agenda which ensures its responsibilities are duly reviewed and considered.

The Executive Board met once in 2025. The Executive Board also met formally with all of the managing directors of the regional offices (from England and Scotland) through a Leadership Meeting.

In addition to the Executive Board, there are a number of other boards/committees:

- the Management Board is responsible for delivery of the Group's operational business strategy;
- the Regional Boards. The Group is organised into eight regional divisions, which are separate business units. Local boards of directors run these divisions and the Group Chief Executive and Chief Finance Officer (and other members of the Executive Board) will attend these board meetings throughout the year. Clear reporting lines have been put in place as well as appropriate levels of delegation, with major decisions being escalated to the Management or Executive boards;
- A Land Investment Group is in place which comprises the Group Chief Executive, Chief Finance Officer, Group Commercial Director, Group Land Director, Group (England) Planning Director, Group Design Director, Finance Director - Homes and Group Managing Director. This body provides an important control by reviewing and sanctioning all land acquisition and development commencement proposals, following a rigorous due diligence process by the regional teams.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Directors' Report (continued)

Organisation structure (continued)

The Group operates a range of compliance, ethical and equal treatment policies, such as Modern Slavery (statement is available on our website), the Equality and Diversity Policy, the Anti-Bribery Compliance Policy and the Anti-Money Laundering Policy.

Cala also operates a Whistleblowing Policy where any concerns of malpractice, financial irregularity, breaches of any Cala procedures, or other matters can be reported to an independent, free, confidential and anonymous helpline. The policy details the appropriate lines of communication and an escalation procedure has been established to ensure any report is dealt with effectively and efficiently.

Going concern

The Directors have prepared these financial statements on the going concern basis.

In accordance with FRC guidance, financial forecasts have been prepared for a period of at least twelve months from the date of approval of these financial statements, the going concern assessment period. These forecasts take account of the Group's assessment of its possible downside risks which includes reduced sales prices and rates.

During the year, the group made a loss after tax of £7.3m and has net assets of £1.1bn with a land bank of £0.99bn and work in progress of £0.67bn. In the six months to June, trading performance has improved and profit before tax is in the region of £17.1m.

The Group manages its short and medium term cash requirements through a combination of cash balances and a £400 million revolving credit facility of which £369.9 million was drawn at the year end. However, significant repayments have been made by the group post year end. The entity had a drawn balance of £219.9 million as at 31 July 2026. This facility expires in September 2027. The Group also has two loans provided by Legal & General Capital Investments Limited. These facilities are in two tranches of £75 million and £95 million respectively, both of which have been fully drawn, with both tranches expiring in December 2027.

The group is exploring alternative avenues of financing in the UK market in respect of the refinancing of the loans expiring in September and December 2027.

The Group has prepared cash flows forecasts for the going concern assessment period. These cash flow forecasts demonstrate that the Group will be able to operate with sufficient liquidity within its available facilities, including being able to comply with relevant financial covenants at each required test date in both the base case and the severe plausible downside scenarios. These forecasts include a downside scenario which models a reduction in sales rate and sales price.

The Directors therefore believe that the Group is well placed to withstand any reasonably possible market downturns should they arise. There are also mitigating actions that are within the control of the Group that could be taken, if required, to ensure the Group remains within its banking facilities and continues to comply with its financial covenants.

As a result, the projected trading position for the group enables the Directors to form a judgement that the Company and Group have adequate resources to continue to trade for at least twelve months from the date of approval of these financial statements and that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

For these reasons the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Dividends

No dividend was declared during 2025 (2024: nil).

Political and charitable contributions

Contributions to charities during the year amounted to £252,826 (2024: £224,552). These donations were made to various local charities covering a range of community, school and charitable purposes. The Group made no political contributions during the year (2024: nil).

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Directors' Report (continued)

Directors

The names of the current Directors and changes in directorships during the year are listed on page 1.

At the date of this report the Board comprises two executive and three non-executive directors.

All Directors have access to the advice of the General Counsel & Group Company Secretary who ensures that the Board, which meets at least four times a year, receives appropriate information for its decision-making, that the Board procedures are followed and that the statutory requirements are met. There is a procedure whereby any director who wishes to do so in the furtherance of their duties may take independent professional advice.

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also had Directors' and Officers' liability insurance in respect of itself and its Directors throughout the period.

Application of the Walker Guidelines

The Directors have had regard to the Walker Guidelines for Disclosure and Transparency in Private Equity, and consider that the Annual Report and Financial Statements have been prepared, where relevant, in accordance with the principles set out in Part V of the Guidelines.

These Guidelines provide a framework for enhanced disclosure by large private equity-backed businesses. In preparing this report, the Directors have sought to present information in a clear and balanced manner, reflecting the Group's strategy, performance, governance arrangements and principal risks.

The Group supports the objectives of the Walker Guidelines in promoting transparency and accessibility of information for stakeholders, and has adopted an approach consistent with their expectations.

Independent auditor and disclosure of information to auditor

Each Director, as at the date of this report, has confirmed that insofar as they are aware, there is no relevant audit information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware, and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information. In the absence of an AGM, KPMG LLP are deemed to be re-appointed as auditor.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Cala Group (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2025

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

The Directors' Report was approved by the Board on 17 August 2026.



Emma Johnson
General Counsel & Group Company Secretary

Cala House
54 The Causeway
Staines-Upon-Thames
Surrey
TW18 3AX

Independent auditor's report to the members of Cala Group (Holdings) Limited

Opinion

We have audited the financial statements of Cala Group (Holdings) Limited ("the Company") for the year ended 31 December 2025 which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated and company statement of changes in equity, the Consolidated statement of cash flows and related notes, including the Statement of accounting policies.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes: and
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as site margin recognition. On this audit we do not believe there is a fraud risk related to revenue recognition because we consider that there are limited incentives and opportunities to fraudulently adjust revenue recognised.

Independent auditor's report to the members of Cala Group (Holdings) Limited (continued)

We also identified fraud risks related to management bias in the Group's going concern assessment and associated forecasts to support the appropriateness of the going concern basis of preparation; and the risk of inappropriate site margin recognition in response to possible pressures to meet financial targets.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by senior finance management, those posted to unusual accounts and entries posted containing specific risk based keywords.
- Assessing management's going concern assumptions and the forecast underpinning them. This included applying sensitivity analysis to reflect risks in the forecast and downside scenarios.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias, including assessing site margin recognition for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, building fire safety, employment law and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Independent auditor's report to the members of Cala Group (Holdings) Limited (continued)

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 37, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

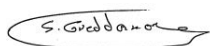
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Slim Gueddana (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2EG

17 August 2026

Cala Group (Holdings) Limited

Consolidated statement of comprehensive income for the year ended 31 December 2025

	Note	2025 Before Exceptional items £000	2025 Exceptional items (note 2) £000	Year ended 31 December 2025 £000	2024 Before Exceptional items £000	2024 Exceptional items (note 2) £000	Year ended 31 December 2024 £000
Continuing operations:							
Revenue	1	1,128,053	-	1,128,053	1,168,266	67,500	1,235,766
Cost of sales		(995,588)	(20,523)	(1,016,111)	(963,249)	(102,286)	(1,065,535)
Gross profit/ (loss)		132,465	(20,523)	111,942	205,017	(34,786)	170,231
Net operating expenses		(84,329)	(5,196)	(89,525)	(91,171)	(23,535)	(114,706)
Other operating income		109	-	109	851	-	851
Operating profit/ (loss)		48,245	(25,719)	22,526	114,697	(58,321)	56,376
Finance income		352	-	352	390	-	390
Finance costs		(42,293)	-	(42,293)	(37,652)	-	(37,652)
Finance costs - net	5	(41,941)	-	(41,941)	(37,262)	-	(37,262)
Share of post-tax profit of joint ventures	10	3,102	-	3,102	770	-	770
Profit/ (loss) before tax	3	9,406	(25,719)	(16,313)	78,205	(58,321)	19,884
Tax on profit / (loss)	6	2,619	6,401	9,020	(23,433)	10,122	(13,311)
Profit/ (loss) for the year		12,025	(19,318)	(7,293)	54,772	(48,199)	6,573
Other comprehensive income							
Profit/ (loss) for the year		12,025	(19,318)	(7,293)	54,772	(48,199)	6,573
Other comprehensive income							
Re-measurements of post-employment benefit obligation	21	(677)	-	(677)	1,365	-	1,365
Derecognition of pension surplus	21	(5,004)	-	(5,004)	-	-	-
Movement in deferred tax relating to post-employment benefit obligation		969	-	969	(395)	-	(395)
Other comprehensive (expense)/ income for the year		(4,712)	-	(4,712)	970	-	970
Total comprehensive (loss)/ income for the year		7,313	(19,318)	(12,005)	55,742	(48,199)	7,543

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The profit for the parent company for the year was £2.8 million (2024: £4.2 million).

The notes on pages 56 to 81 are an integral part of these consolidated financial statements.

Cala Group (Holdings) Limited

Consolidated and Company balance sheets

At 31 December 2025

	Note	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Assets					
Non-current assets					
Intangible assets	7	52,915	52,915	-	-
Property, plant and equipment	8	23,063	19,178	-	-
Investments in subsidiaries	9	-	-	446,647	448,932
Investments in jointly controlled entities	10	6,510	3,999	-	-
Available for sale financial assets	11	88	88	-	-
Trade and other receivables	13	29,736	58,817	363,357	253,288
Retirement benefit surplus	21	-	3,344	-	-
		112,312	138,341	810,004	702,220
Current assets					
Available for sale financial assets	11	383	332	-	-
Inventories	12	1,699,023	1,748,306	-	-
Trade and other receivables	13	85,136	77,488	-	-
Corporation tax		11,595	1,739	-	-
Deferred tax assets	18	4,963	-	-	-
Cash at bank and in hand		126,077	18,546	-	-
		1,927,177	1,846,411	-	-
Total assets		2,039,489	1,984,752	810,004	702,220
Current liabilities					
Corporation tax		-	-	(1,832)	(1,391)
Trade and other payables	15	(326,083)	(392,389)	(17,017)	(5,205)
Provisions	16	(10,458)	(4,801)	-	-
		(336,541)	(397,190)	(18,849)	(6,596)
Non-current liabilities					
Loans and borrowings	14	(539,933)	(364,933)	(170,000)	(75,000)
Trade and other payables	15	(66,821)	(122,176)	-	-
Provisions	16	(43,073)	(30,605)	-	-
Deferred tax liabilities	18	-	(4,722)	-	-
		(649,827)	(522,436)	(170,000)	(75,000)
Total liabilities		(986,368)	(919,626)	(188,849)	(81,596)
Net assets		1,053,121	1,065,126	621,155	620,624
Equity					
Ordinary share capital	19	360	360	360	360
Share premium		22,607	22,607	22,607	22,607
Retained earnings brought forward		1,042,159	1,034,616	597,657	593,483
Total comprehensive (loss)/ income		(12,005)	7,543	531	4,174
Retained earnings carried forward		1,030,154	1,042,159	598,188	597,657
Total equity		1,053,121	1,065,126	621,155	620,624

The notes on pages 56 to 81 are an integral part of these consolidated financial statements. The financial statements of Cala Group (Holdings) Limited (registration number 08428265) were approved by the Board of directors on 17 August 2026 and were signed on its behalf by:



Michael D Rice
Chief Financial Officer

Cala Group (Holdings) Limited

Consolidated and company statements of changes in equity for the year ended 31 December 2025

Group

	Ordinary share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 31 December 2023	360	-	1,034,616	1,034,976
Profit for the year	-	-	6,573	6,573
Issuance of ordinary shares	-	22,607	-	22,607
Other comprehensive income for the year	-	-	970	970
At 31 December 2024	360	22,607	1,042,159	1,065,126
Loss for the year	-	-	(7,293)	(7,293)
Other comprehensive loss for the year	-	-	(4,712)	(4,712)
At 31 December 2025	360	22,607	1,030,154	1,053,121

Company

	Ordinary share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 31 December 2023	360	-	593,483	593,843
Profit for the year	-	-	4,174	4,174
Issuance of ordinary shares	-	22,607	-	22,607
At 31 December 2024	360	22,607	597,657	620,624
Profit for the year	-	-	531	531
Issuance of ordinary shares	-	-	-	-
At 31 December 2025	360	22,607	598,188	621,155

The notes on pages 56 to 81 are an integral part of these consolidated financial statements

Cala Group (Holdings) Limited

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Cash flows from operating activities			
Cash used in operations	A	(28,685)	(149,983)
Interest paid		(21,576)	(22,640)
Corporation tax paid		(9,502)	(8,951)
Net cash used in operating activities		(59,763)	(181,574)
Cash flows from investing activities			
Purchases of property, plant and equipment		(5,935)	(5,443)
Proceeds from sale of property, plant and equipment		72	202
Loan funding to joint ventures		-	(700)
Net cash used in investing activities		(5,863)	(5,941)
Cashflows from financing activities			
Net proceeds from issuance of ordinary shares		-	22,607
Repayment of obligations under finance leases		(1,843)	(2,674)
Drawdown of loans		175,000	414,933
Repayment of loans		-	(200,000)
Dividends paid		-	(40,000)
Net cash generated from financing activities		173,157	194,866
Net increase in cash and cash equivalents		107,531	7,351
Cash and cash equivalents at the beginning of the year		18,546	11,195
Cash and cash equivalents at the end of the year		126,077	18,546

The notes on pages 56 to 81 are an integral part of these consolidated financial statements

Cala Group (Holdings) Limited

Consolidated statement of cash flows (continued) for the year ended 31 December 2025

A. Cash generated from operations:

	2025 £000	2024 £000
Profit for the year before corporation tax	(16,313)	19,884
Adjustments for:		
Finance costs - net	41,941	37,262
Share of profit from joint ventures	(3,102)	(770)
Depreciation charge	5,805	6,806
Loss/ (gain) on disposal of fixed assets	1,359	(11)
Retirement benefits	(2,100)	(4,200)
Movements in working capital:		
Decrease / (increase) in inventories	49,283	(122,063)
Decrease/ (increase) in trade and other receivables	21,433	(54,284)
Decrease in trade and other payables	(145,074)	(49,185)
Increase in provisions	18,125	16,496
(Increase)/ decrease in available for sale financial assets	(42)	82
Cash generated from operations	(28,685)	(149,983)

B. Reconciliation of net cash flow to net debt:

	2025 £000	2024 £000
Increase in cash in the year	107,531	7,351
Cash outflow from increase in amounts due by joint ventures	-	700
Drawdown of loans	(175,000)	(414,933)
Repayment of loans	-	200,000
Change in net debt resulting from cash flows	(67,469)	(206,882)
Net debt as at 1 January 2025 and 1 January 2024	(319,385)	(112,503)
Net debt as at 31 December 2025 and 31 December 2024	(386,854)	(319,385)

C. Analysis of net debt:

	As at 31 December 2024 £000	Cash flow £000	As at 31 December 2025 £000
Cash at bank and in hand	18,546	107,531	126,077
Loans:			
Amounts owed by joint ventures	27,002	-	27,002
Debt:			
Bank Loans	(289,933)	(80,000)	(369,933)
L&G Loan	(75,000)	(95,000)	(170,000)
Net debt	(319,385)	(67,469)	(386,854)

Cala Group (Holdings) Limited

Statement of accounting policies

Cala Group (Holdings) Limited ('the company') and its subsidiaries (together, 'the group') are a national homebuilder. The Company is limited by shares and is registered, incorporated and domiciled in the United Kingdom. The address of the registered office is Cala House, 54 The Causeway, Staines-Upon-Thames, Surrey, TW18 3AX.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied.

Basis of preparation

The consolidated financial statements of Cala Group (Holdings) Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom (IFRSs as adopted by the UK), the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS IC interpretations. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through the Statement of comprehensive income. The consolidated financial statements are presented in sterling (£) which is the group's functional and presentational currency.

The preparation of financial statements in conformity with UK IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or estimates are particularly around the carrying value of land and work in progress, future sales volumes, margins on sites and assumptions used regarding the defined benefit pension scheme and the impairment of intangibles. These judgements and estimates have been carefully made based on all available internal information and supported by information from various external sources where appropriate.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company financial statements have been prepared on the going concern basis, and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS101').

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and certain related disclosures;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosures of transactions with a management entity that provides key management personnel services to the Company; and
- As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Changes in accounting policy and disclosures

a) New and amended standards adopted by the Group

The Group did not have any changes to its accounting policies compared with those applied in the consolidated financial statements for the year end 31 December 2025.

b) Standards, interpretations and amendments to published standards which are not yet effective

The following UK-adopted IFRS has been issued but has not been applied in these financial statements. Its adoption is not expected to have a material effect on the financial statements, unless otherwise indicated:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (effective 1 January 2026).
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (effective 1 January 2026).
- Annual Improvements to the IFRS Accounting Standards – Volume 11 (effective 1 January 2026).

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Changes in accounting policy and disclosures (continued)

- IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standards introduces the following key new requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
 - Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including items currently labelled as 'other'.

Going concern

The Directors have prepared these financial statements on the going concern basis.

In accordance with FRC guidance, financial forecasts have been prepared for a period of at least twelve months from the date of approval of these financial statements, the going concern assessment period. These forecasts take account of the Group's assessment of its possible downside risks which includes reduced sales prices and rates.

During the year, the group made a loss after tax of £7.3m and has net assets of £1.1bn with a land bank of £0.99bn and work in progress of £0.67bn. In the six months to June, trading performance has improved and profit before tax is in the region of £17.1m.

The Group manages its short and medium term cash requirements through a combination of cash balances and a £400 million revolving credit facility of which £369.9 million was drawn at the year end. However, significant repayments have been made by the group post year end. The entity had a drawn balance of £219.9 million as at 31 July 2026. This facility expires in September 2027. The Group also has two loans provided by Legal & General Capital Investments Limited. These facilities are in two tranches of £75 million and £95 million respectively, both of which have been fully drawn, with both tranches expiring in December 2027.

The group is exploring alternative avenues of financing in the UK market in respect of the refinancing of the loans expiring in September and December 2027.

The Group has prepared cash flows forecasts for the going concern assessment period. These cash flow forecasts demonstrate that the Group will be able to operate with sufficient liquidity within its available facilities, including being able to comply with relevant financial covenants at each required test date in both the base case and the severe plausible downside scenarios. These forecasts include a downside scenario which models a reduction in sales rate and sales price.

The Directors therefore believe that the Group is well placed to withstand any reasonably possible market downturns should they arise. There are also mitigating actions that are within the control of the Group that could be taken, if required, to ensure the Group remains within its banking facilities and continues to comply with its financial covenants.

As a result, the projected trading position for the group enables the Directors to form a judgement that the Company and Group have adequate resources to continue to trade for at least twelve months from the date of approval of these financial statements and that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

For these reasons the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Basis of consolidation

The consolidated financial statements comprise those of the company and all its subsidiaries. Subsidiaries are all entities over which the group has the power to direct the relevant activities of the entities, the rights to variable returns and the ability to use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Where both parties to the transaction are already under common control and the acquisition is exempt from the requirements of IFRS 3 - *Business Combinations*, the Group will use book value accounting on the basis that the investment has simply been moved from one part of the group to another. The main effects of this choice are that the assets and liabilities of the subsidiary are not revalued at the date of acquisition and the excess of consideration paid, over the value of the net assets acquired, is treated as an adjustment to equity rather than goodwill.

Acquisition-related costs are expensed as incurred. Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Jointly controlled entities

A jointly controlled entity is an entity in which the group holds an interest with one or more other parties where a contractual arrangement has established joint control over the entity. Jointly controlled entities are accounted for under IFRS 11 'Joint Arrangements' using the equity method of accounting.

Revenue recognition

Revenue consists of the sales of houses net of discounts and sales incentives, land and commercial properties, and joint venture management fees. Sales of houses are recognised on legal completion. The sale proceeds of part exchange properties are not included in revenue however the net gain or loss, inclusive of transaction costs, for the purchase and sale of part exchange properties is included as a reduction in turnover as the purchase and sale of part exchange properties is regarded as a mechanism for selling. Where the performance obligation is transferred to the customer over time, and on which revenue can be estimated reliably, such as social housing contracts, revenue is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is measured by surveys of work performed to date.

Sales of land and commercial property are recognised on unconditional exchange, namely when contracts are exchanged or missives concluded and, where appropriate, construction is complete. Management fees which represent a reimbursement of costs incurred on behalf of joint ventures are recognised as invoiced. Other management fees are recognised as turnover when realised or in proportion to the group's share in the respective joint ventures.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Net operating expenses

Net operating expenses include, inter alia, the overhead costs of all office-based employees, including construction and sales management not based permanently on site.

Property, plant and equipment

Property, plant and equipment are carried at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its intended working condition.

Depreciation on property, plant and equipment is provided on a straight-line basis at rates estimated to write off the cost of the relevant assets over their expected useful lives. The annual rates used are:

Buildings	2%
Computers	25 - 33%
Plant and equipment	25%

Freehold land is not depreciated.

Sales complexes, which are included within Plant and equipment, are depreciated over the life of the site on which they are based.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Brand

Internally generated brands are not held on the balance sheet. The group carries assets on the balance sheet only for brands that have been acquired. Acquired brand values are calculated based on discounted cash flows. No amortisation is charged on brand intangibles, as the group believes that the value of the brands is maintained indefinitely. The factors that results in the durability of the brands capitalised are that there are no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of these intangibles.

The acquired brands are tested annually for impairment by performing a value in use calculation, using a discount factor based on the group's pre-tax weighted average cost of capital, on the branded revenue stream.

Cost of sales

Home building cost of sales includes land, construction, design, advertising and site overheads. All such costs are written off on a site-by-site basis by comparing turnover to date with turnover forecast for the whole site, and applying the resulting proportion to the total forecast costs.

Finance costs

Interest incurred by the Group is charged to the profit and loss account in the period in which it is incurred. Interest incurred by jointly controlled entities is accounted for within those entities' own financial statements, including where such interest is treated as a development cost and carried in work in progress by the jointly controlled entity. The Group's share of the post-tax results of jointly controlled entities is recognised in the consolidated financial statements using the equity method.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Exceptional items

Exceptional items comprise items of income and expense that are material in amount, unusual or infrequent in nature and which merit separate disclosure in order to provide an understanding of the group's underlying performance. Examples of events giving rise to the disclosure of income and expense as exceptional items include, but are not limited to, material land sales resulting from a change in strategy, non-recurring transaction related bonuses, site remediation, reorganization of operations and economic events which necessitate a review of asset valuations including land and work in progress.

Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using enacted or substantially enacted tax rates, and adjusted for any tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investment in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when the group intends to settle its current tax assets and liabilities on a net basis.

Derivative financial instruments

The group has previously entered into derivative financial instruments in the form of interest rate swaps to manage the interest rate risk arising from the group's sources of finance. The group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately within finance income and costs.

Financial assets

Non-derivative financial assets are classified as either 'available for sale financial assets' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for sale financial assets

Available for sale financial assets comprise shared equity loans. Receivables on extended terms granted as part of a sales transaction are secured by way of a second legal charge on the respective property and are stated at fair value. Gains and losses arising from changes in fair value are recognised in the other comprehensive income section of the statement of comprehensive income, with the exception of impairment losses, changes in future cash flows and interest calculated using the effective interest rate method, which are recognised within profit for the year. Where the asset is disposed of, or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the income statement for the year.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

For financial assets classified as available for sale, a significant or prolonged decline in the value of the property underpinning the value or the loan or increased risk of default are considered to be objective evidence of impairment.

Trade and other receivables

Trade receivables on normal terms do not carry any interest, are stated at amortised cost and are assessed for recoverability on an on-going basis. Trade and other receivables are classified as 'loans and receivables'.

Inventories

Due to the scale of the group's developments, site-wide development costs are allocated between units built in the current year and those to be built in future years. In making this allocation the group has to estimate costs to complete on such developments. In making these assessments, there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

Inventories are valued at the lower of cost and net realisable value. Net realisable value for home building is assessed internally after taking account of any relevant available market information. Strategic land option premiums are amortised over the life of the option or written off in full if planning is unlikely to be achieved. All other option costs are written off as incurred.

Where land is held under option and planning permission is achieved, the contractual value of the land is recognised in inventory once the option is exercised and a contractual commitment exists.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and bank overdrafts.

Borrowings

Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance costs are recognised as an expense in the income statement in the period to which they relate. Facility arrangement fees are amortised over the term of the debt facility and are reported within trade and other receivables.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at amortised cost. Trade payables on extended terms, particularly in respect of land purchases, are initially recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the effective interest rate method. Subcontractor accruals are recorded within trade payables and are based on the valuation of work performed.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Pensions

The group operates both a defined benefit pension scheme and a defined contribution pension scheme. The amount recorded in respect of the defined benefit scheme is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the scheme's assets, together with adjustments for actuarial gains and losses. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Defined benefit pension costs are assessed in accordance with the advice of qualified actuaries.

For defined contribution plans, the group pays contributions to privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Investments in subsidiaries

Investments are carried in the company balance sheet at the lower of cost and net realisable value, which is dependent upon management assessment of future trading activity and is therefore subject to a degree of inherent uncertainty.

Leases

The Group recognises a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets are recognised at the commencement date of the lease and are measured at cost. The right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group recognises lease liabilities at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accumulation of interest and reduced for the lease payments made.

The Group applies the short-term lease exemption and the low value asset recognition exemption to leases that have a lease term of 12 months or less from commencement date or are considered to be low value. Lease payments on short-term leases or leases of low value assets are charged to work in progress or operating expenses on a straight-line basis over the lease term.

Share-based payments

For cash-settled share-based payment transactions, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expense that would have arisen over the remainder of the original vesting period.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Impairment of non-financial assets

Impairment of non-financial assets in the scope of IAS 36 and investments in subsidiaries, joint ventures and associates

The carrying amounts of the Group's non-financial assets in the scope of IAS 36 and investments in subsidiaries, joint ventures and associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Company accounting policies

The accounting policies applied to the parent company are consistent to the accounting policies disclosed above. These policies have been consistently applied to all periods presented.

Cala Group (Holdings) Limited

Statement of accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In applying the group's accounting policies which are described in the accounting policies note, the directors have made no individual judgements that have a significant impact upon the financial statements, except those involving estimation, which are dealt with below.

The key sources of estimation uncertainty at the balance sheet date are:

Site margin and inventories

Valuations which include an estimation of costs to complete and remaining revenues are carried out at regular intervals throughout the year, during which site development costs are allocated between units built in the current year and those to be built in future years. These assessments include a degree of inherent uncertainty when estimating the profitability of a site, the amount of profit recognised on sales made to date and in assessing any impairment provisions which may be required against inventory in the Balance Sheet.

The group has conducted a review of the net realisable value of its inventory carrying values which resulted in no material change to the inventory value. The reviews were conducted on a site-by-site basis, using valuations that incorporated selling price and development cost movements, based on local management and the assessment of market conditions existing at the balance sheet date. If there are significant movements in UK house prices or development costs beyond management's expectations, then further impairments/ reversals of previous write-downs of land and work-in-progress may be necessary.

We reflect a fixed 10% margin for all social housing contracts. If the social housing margin had been recognised as 2% higher / lower, then the associated cost of sales would have decreased / increased by £2.4m, giving an increase / decrease in net profit of £2.4m, however that would be fully offset by an equal increase / decrease in private margin over the life of the site.

Impairment of intangibles

The determination of the impairment calculation for the group's goodwill and indefinite life brand intangible requires an estimation of the group's ability to successfully convert its current and strategic land holdings. The calculations require an estimate of the future cash flows expected, including the anticipated growth rate of revenue and costs, and requires the determination of a suitable discount rate to calculate the present value of the cash flows. The discount rate used is based upon the average capital structure of the group and current market assessments of the time value of money and risk appropriate to the group's home building business. Changes in these may impact upon the group's discount rate in future periods. At 31 December 2025, the carrying amount of goodwill is £44.3 million (2024: £44.3 million) and the carrying value of the indefinite life brand is £8.6 million (2024: £8.6 million), with no impairment recognised during the year ended 31 December 2025 (2024: nil).

Defined benefit pension scheme

The directors engage a qualified independent actuary to calculate the group's liability in respect of its defined benefit pension scheme. In calculating this liability, it is necessary for actuarial assumptions to be made, which include discount rates, price inflation, the long-term rate of return upon scheme assets and mortality.

As actual rates of increase and mortality may differ from those assumed, the pension liability may differ from that included in these financial statements. Note 21 details the main assumptions in accounting for the group's defined benefit pension scheme along with sensitivity analysis.

Fire safety provision

The group has carried out extensive reviews to identify the full population of buildings over which remediation work may be required. Note 16 details the main assumptions in calculating the provision along with sensitivity analysis.

Cala Group (Holdings) Limited

Notes to the financial statements

1 Revenue

All group revenue relates to residential home building and originates in the United Kingdom.

2 Exceptional items

Group	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Turnover		
Land Sales	-	67,500
	-	67,500
Cost of Sales		
Land Sales	-	(76,000)
WIP write off	-	(9,533)
Fire Safety Site Remediation	(20,523)	(16,753)
	(20,523)	(102,286)
Administrative costs		
Transaction bonuses including share costs	-	(18,572)
Empty office provisions	(1,517)	-
Professional & Legal costs in course of acquisitions	(114)	(4,845)
Restructuring costs	(3,565)	(118)
	(5,196)	(23,535)
Loss before income tax	(25,719)	(58,321)
Corporation tax		
Tax on above items	6,401	10,122
Total	(19,318)	(48,199)

Like many housebuilders, Cala has signed a pledge committing to remediate life critical fire safety works in buildings over 11 metres that we have played a role in developing or refurbishing over the last 30 years. The balance sheet position is outlined in note 16.

During 2025, further investigation work has been performed to assist in forming a detailed view on fire safety measures. Following this workstream, an additional £20.5m of provision has been added, with further sites being added to the list of remedial works required, and many cost tenders received.

We have recorded three empty office provisions due to one-off circumstances in the reporting period totalling £1.5m.

To facilitate the acquisition of the business by Sixth Street & Patron Capital on 31 October 2024 several seller expenses were incurred. These largely include vendor finance due diligence work from PwC, property valuations from Savills and a wide variety of legal fees. These fees were incurred as a direct requirement of the transaction and are the expense of the business. £0.1m of legal fees fell into the reporting period.

During the year, there were staff re-organisation costs in 6 of our divisions following a strategic review of the business totalling £3.6m (2024: £0.1m).

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

3 Profit before taxation

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Stated after charging / (crediting):		
Staff costs (note 4)	111,421	137,520
Depreciation	5,805	6,806
Auditor's remuneration:		
- audit of the company's financial statements	65	45
Fees payable to the company's auditors and its associates for other services:		
- audit of subsidiaries	489	516
Gain on sale of property, plant and equipment	(47)	(11)
Rental income – leases	(11)	(118)

4 Directors and employees

Group	Year to 31 December 2025 Number	Year to 31 December 2024 Number
The average monthly number of employees during the year, including directors, was made up as follows:		
Homebuilding: Site	771	764
Homebuilding: Office	692	705
	1,463	1,469

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Employment costs during the year amount to:		
Wages and salaries	93,450	114,880
Social security costs	11,367	14,317
Other pension costs	6,604	6,326
Share based payments (SBP) charges	-	1,997
	111,421	137,520

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Directors' remuneration:		
Aggregate emoluments inclusive of transaction bonus and SBP	1,493	11,835
Defined contribution plan – company contributions	21	20
	1,514	11,855

Retirement benefits are no longer accruing to any directors (2024: two) under the group defined benefit scheme at 31 December 2025.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

4 Directors and employees (continued)

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Highest paid director:		
Aggregate emoluments inclusive of transaction bonus and SBP	761	6,430
Defined benefit pension scheme: accrued pension at 31 December 2025 and 31 December 2024	-	-

5 Finance income and costs

Group	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Finance costs:		
Interest expense on bank loans, overdrafts and other borrowings	35,736	29,073
Imputed interest on deferred land payables	4,662	7,625
Interest on obligations under finance leases	749	391
Interest on Defined Benefit Pension plan (note 21)	-	6
Other finance costs	1,146	557
	42,293	37,652
Finance income:		
Net interest on Defined Benefit Pension plan (note 21)	(237)	-
Imputed interest on available for sale financial assets	(9)	(8)
Interest receivable	(106)	(382)
	(352)	(390)
Net finance costs	41,941	37,262

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

6 Tax on profit

Group

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
a) Analysis of charge in the year		
Current tax	3,480	12,434
Adjustments in respect of prior years	(3,784)	301
Total current tax	(304)	12,735
Deferred tax (note 18):		
Current year (credit)/ charge	(7,804)	975
Adjustments in respect of prior years	(912)	(399)
Total deferred tax	(8,716)	576
Total tax (credit)/ charge	(9,020)	13,311

b) Factors affecting tax charge for the year

To calculate the current tax on profits, a tax rate of 25% (2024: 25%) has been used, which is the average rate of Corporation Tax applicable for the year. The tax attributable to equity holders differs from the tax calculated at the standard UK Corporation Tax rate as follows:

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
(Loss)/ Profit before taxation	(16,313)	19,884
(Loss)/ Profit before taxation in the United Kingdom at 25% (2024: 25%)	(4,078)	4,971
Effects of:		
Residential property developer tax	-	2,135
Expenses not deductible for tax purposes	960	6,041
Adjustments in respect of prior years	(4,696)	(98)
Tax rate changes	146	197
Utilisation of tax losses	(3,239)	-
Transfer pricing adjustment	3,239	-
Non-taxable income	(354)	62
Revaluations	(427)	-
Other temporary differences	(571)	-
Movement on unrecognised deferred tax	-	3
Total tax charge for the year	(9,020)	13,311

c) Tax rates

The enacted tax rate of 25% has been used in the calculation of UK deferred tax assets and liabilities, as the rate of corporation tax that is expected to apply when those deferred tax balances reverse.

Residential Property Developer Tax has been applied to trading profits arising from UK residential property development activity at a rate of 4%.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

7 Intangible assets

Group	Goodwill £000	Brand £000	Total £000
Cost			
As at 31 December 2025 and 31 December 2024	44,329	8,586	52,915
Accumulated amortisation and impairment			
As at 31 December 2025 and 31 December 2024	-	-	-
Carrying amount at 31 December 2025 and 31 December 2024	44,329	8,586	52,915

Impairment test for brand

The group does not amortise the brand acquired with Cala Group Limited, being Cala Homes, valued at £8.6 million (31 December 2024: £8.6 million), as the directors consider that this has an indefinite life. The directors consider that this brand has an indefinite life due to the fact that the group intends to hold and support the brand for an indefinite period and there are no factors that would prevent it from doing so.

The group tests its indefinite life brand annually for impairment, or more frequently if there are indications that it might be impaired. The recoverable amount is determined using a royalty relief model which we deem to be a reasonable proxy in the absence of valuing it independently by a third party valuer. The first five years of cash flows in the model were determined using cash flow forecasts derived from the most recent financial budgets approved by management. The cash flows for year six onwards were extrapolated in perpetuity using an estimated growth rate of 2.25% (2024: 2.25%), which is based upon the expected long-term growth rate of the UK economy.

The key assumptions for the value-in-use calculation are those regarding the discount rate, expected changes in selling prices for completed houses and expected changes in site costs to complete. The directors estimate the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks appropriate to the housebuilding business. Accordingly, the rate of 15.6% (2024: 16.7%) is considered by the directors to be the appropriate pre-tax risk adjusted discount rate. Changes in selling prices and direct costs are based upon past experience and expectations of future changes in the market.

It is considered that there are no reasonably likely changes in assumptions that would lead to an impairment.

Impairment test for goodwill

The group tests its goodwill balances annually for impairment, or more frequently if there are indications that they might be impaired. The recoverable amounts are determined using value-in-use calculations. The value-in-use was determined by discounting expected pre-tax future cash flows from the cash generating units to which the goodwill balances apply. £40.1m of goodwill arose from the integration of the legacy Banner businesses into three Cala regions following their acquisition in March 2014. A further £4.2m of goodwill arose from the acquisition of the Taylor Lane timber frame businesses in May 2023. For each calculation, The first five years of cash flows were determined using cash flow forecasts derived from the most recent financial budgets approved by management. The cash flows for year six onwards were extrapolated in perpetuity using an estimated growth rate of 2.25% (2024: 2.25%).

The key assumptions for the value-in-use calculations are those regarding the discount rate, expected changes in selling prices for completed houses and expected changes in site costs to complete. The pre-tax discount rate of 15.6% (2024: 16.7%) has been used to determine the value-in-use in both calculations. Changes in selling prices and direct costs are based upon past experience and expectations of future changes in the market.

It is considered that there are no reasonably likely changes in assumptions that would lead to an impairment of either goodwill balance.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

8 Property, plant and equipment

Group

	Land & buildings £000	Computers £000	Plant & equipment £000	Total £000
Cost:				
At 1 January 2024	24,476	12,315	11,398	48,189
Additions	195	2,520	3,195	5,910
Disposals	(2,092)	-	(1,222)	(3,314)
At 31 December 2024	22,579	14,835	13,371	50,785
Additions	5,090	3,055	2,976	11,121
Disposals	(8,938)	(4,425)	(5,984)	(19,347)
At 31 December 2025	18,731	13,465	10,363	42,559
Accumulated depreciation:				
At 1 January 2024	11,883	7,695	8,346	27,924
Charge in the year	2,626	2,779	1,401	6,806
Disposals	(1,910)	-	(1,213)	(3,123)
At 31 December 2024	12,599	10,474	8,534	31,607
Charge in the year	2,685	1,282	1,838	5,805
Disposals	(7,561)	(4,425)	(5,930)	(17,916)
At 31 December 2025	7,723	7,331	4,442	19,496
Carrying amount at 31 December 2025	11,008	6,134	5,921	23,063
Carrying amount at 31 December 2024	9,980	4,361	4,837	19,178
Carrying amount at 1 January 2024	12,593	4,620	3,052	20,265

Disposals in the year include fully depreciated assets written off during the period, with an original cost of £16.9m.

Right of use assets (included above):

	Land & buildings £000	Computers £000	Plant & equipment £000	Total £000
Net book value:				
Carrying amount at 31 December 2025	10,796	-	236	11,032
Carrying amount at 31 December 2024	9,553	-	217	9,770

Land and buildings are freehold and heritable.

The group's lease obligations (see note 20) are secured by the lessors' title to the leased assets, which have a carrying value of £11.0 million (2024: £9.8 million).

The company has no property, plant and equipment.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

9 Investments in subsidiaries

	Company £000
Cost and carrying value of investments in subsidiary undertakings at 1 January 2025	448,932
Impairment of investments in the year	(2,285)
Cost and carrying value of investments in subsidiary undertakings at 31 December 2025	446,647

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The principal subsidiary undertakings of the group are shown below:

Name of Company	% of £1 ordinary shares held	Accounting year end	Nature of business
Cala Group Limited	100	31 December	Administrative & holding company
Cala 1999 Limited	100	31 December	Administrative & holding company
Cala Limited	100	31 December	Administrative & holding company
Cala 1 Limited	100	31 December	Administrative & holding company
Cala Management Limited	100	31 December	Home building
Cala Homes (North) Limited *	100	31 December	Dormant
Cala Homes (East) Limited *	100	31 December	Dormant
Cala Homes (West) Limited *	100	31 December	Dormant
Cala Homes (Cotswolds) Limited *	100	31 December	Dormant
Cala Homes (Chiltern) Limited *	100	31 December	Dormant
Cala Homes (Thames) Limited *	100	31 December	Dormant
Cala Homes (Southern) Limited *	100	31 December	Dormant
Cala Homes (South Home Counties) Limited *	100	31 December	Dormant
Cala Homes (North Home Counties) Limited *	100	31 December	Dormant
Cala Ventures Limited	100	31 December	Home building
Cala Homes Communities Limited	100	31 December	Home building
Cala Homes Communities (Shrivenham) Limited	100	31 December	Home building
Cala Homes Communities (Arborfield) Limited	100	31 December	Home building
Cala Homes Communities (Crowthorne) Limited	100	31 December	Home building
Cala Homes Communities (Didcot) Limited	100	31 December	Home building
Taylor Lane Timber Frame Limited	100	31 December	Timber frame manufacturing
Taylor Lane (Wales) Limited	100	31 December	Timber frame manufacturing

All entities other than Cala 1 Limited are indirect subsidiaries of Cala Group (Holdings) Limited. A full list of all subsidiary companies is given in the appendix on pages 82-83.

All the above companies are incorporated in the United Kingdom.

Cala Management Limited is the group's principal operating subsidiary. All other companies marked * above are agents of Cala Management Limited. All subsidiary undertakings are fully consolidated in these financial statements.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

10 Investments in jointly controlled entities

The following table summarises the financial information of material joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies:

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Non-current assets	83	78
Current assets (including cash and cash equivalents of £7.4 million (2024: £9.1 million))	119,247	114,217
Current liabilities	(52,448)	(23,943)
Non-current liabilities (including non-current financial liabilities other than trade and other payables and provisions of £33.9 million (2024: £60.8 million))	(33,900)	(60,765)
Net assets (100%) of jointly controlled entities	32,982	29,587
Group's share of net assets	50%	50%
Group's share of net assets	16,491	14,794
Elimination of intergroup balances	(9,981)	(10,795)
	6,510	3,999

Consolidation adjustments include the elimination of JV deficits and intercompany balances.

The group's share of the income and expenses of jointly controlled entities is as follows:

	Group Year ended 31 December 2025 £000	Group Year ended 31 December 2024 £000
Revenue	24,359	14,682
Cost of sales	(18,156)	(13,142)
Interest expense	(1,181)	(1,114)
	5,022	426
Group's share of profits	50%	50%
Group's share of profits	2,511	213
Add back intercompany interest	591	557
Group's share of profit	3,102	770
Carrying amount at 1 January	3,999	3,786
Group's share of other comprehensive income	(591)	(557)
Carrying amount at 31 December	6,510	3,999

The principal joint venture companies are:

Name of company	% of £1 ordinary shares held	Accounting year end	Nature of business
Winchburgh Developments (Holdings) Limited (Registered address: Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA)	50	31 December	Land development
Cala Evans Restoration Limited (Registered address: Adam House, 5 Mid New Cultins, Edinburgh, EH11 4DU)	50	30 June	Home building

The above companies are incorporated in the United Kingdom.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

10 Investments in jointly controlled entities (continued)

The joint venture companies were formed for the purpose of carrying out large site-specific housing developments where the group considered the additional risks and funding requirements attaching to such projects merited a sharing arrangement. These developments are project managed by a subsidiary of the group on normal commercial terms negotiated on an arms-length basis.

Each company has a properly constituted board which meets on a regular basis. Systems are in place to ensure regular reporting of financial information to each board, and to the group, and such financial information is sufficient to give a full understanding of the financial position of the joint venture company. Where required, each company is separately funded by a financial institution on either a non-recourse or limited guarantee basis, secured over the assets of that company. Additional unsecured loan funding is provided by the joint venture shareholders at varying rates of interest.

11 Available for sale financial assets

	Group 2025 £000	Group 2024 £000
At 1 January	420	494
Additions/ (Disposals)	42	(82)
Imputed interest	9	8
At 31 December	471	420
Due within 12 months	383	332
Due greater than 12 months	88	88
Total at 31 December	471	420

Available for sale financial assets comprise shared equity loans, largely with a ten year term and variable repayment amounts, provided as part of sales transactions that are secured by way of a second legal charge on the related property. The assets are recorded at fair value, being the estimated future amount receivable by the group, discounted to present day values. The fair value of future anticipated cash receipts takes into account the directors view of future house price movements, the expected timing of receipts and the likelihood that a purchaser defaults on a repayment. The directors revisit the future anticipated cash receipts from the assets at the end of each financial reporting period. The difference between the anticipated future receipt and the initial fair value is credited over the estimated deferred term to finance income, with the financial asset increasing to its full expected cash settlement value on the anticipated receipt date. Credit risk, which the directors currently consider to be largely mitigated through holding a second legal charge over the assets, is accounted for in determining fair values and appropriate discount factors are applied. The directors review the financial assets for impairment at each balance sheet date. There were no indicators of impairment at 31 December 2025.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

12 Inventories

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Home building:		
Land and options	988,538	1,109,894
Part exchange inventories	45,175	36,655
Work in progress and other inventories	665,310	601,757
	1,699,023	1,748,306

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £934.9 million (2024: £996.3 million).

Land creditors are shown in note 15.

13 Trade and other receivables

Non-current assets	Group At 31 December 2025 £000	Group At 31 December 2024 £000	Company At 31 December 2025 £000	Company At 31 December 2024 £000
Trade receivables	2,486	31,567	363,357	253,288
Amounts owed by joint ventures	27,250	27,250	-	-
	29,736	58,817	363,357	253,288
Current assets	Group At 31 December 2025 £000	Group At 31 December 2024 £000	Company At 31 December 2025 £000	Company At 31 December 2024 £000
Trade receivables	53,950	47,362	-	-
Amounts owed by Cala group undertakings	-	-	-	-
Other receivables	7,754	9,745	-	-
Prepayments and accrued income	23,432	20,381	-	-
	85,136	77,488	-	-

All non-current receivables are due within five years from the end of the reporting period.

Trade and other receivables are non-interest bearing, and the group has no concentration of credit risk, with exposure spread over a large number of customers and significant receivables secured on the underlying assets sold. The directors consider that the carrying value of trade receivables approximates their fair value.

The amounts owed by group undertakings are unsecured, bear interest at a market rate and are repayable on demand. No interest is applied to amounts due from joint ventures.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

13 Trade and other receivables (continued)

Of the year end trade receivables, the following were overdue but not impaired:

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Ageing of overdue but not impaired receivables		
Less than 3 months	6,756	4,962
Greater than 3 months	1,963	2,899
	8,719	7,861

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date. The allowance for doubtful debts includes amounts due from companies in liquidation and the impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of expected liquidation proceeds.

The carrying value of trade and other receivables are stated after the following allowance for doubtful receivables.

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
At start of year	635	435
On acquisition	-	-
Charge for the year	489	359
Unused amounts reversed	(31)	(159)
At 31 December 2025 and 31 December 2024	1,093	635

14 Loans and borrowings

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Non-current liabilities		
Loans and other borrowings	539,933	364,933

Finance costs, including bank arrangement fees and provisions for redemption premia are allocated to periods over the facility at a constant rate on the carrying amount.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

14 Loans and borrowings (continued)

a) Analysis by instrument

Group	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Revolving credit facility	369,933	289,933
L&G loan	170,000	75,000
	539,933	364,933

The Group's banking facilities, which permit maximum borrowing of £400 million, comprise of a revolving credit facility of £370m and bank overdraft of £30m. These were renegotiated in the prior year and now expire in September 2027.

The revolving credit facility varies depending on the working capital requirements of the group and as such there are no fixed contractual interest payments until its expiration. The amended bank facilities hold a floating rate of interest of SONIA plus a margin of between 1.75% and 2.25%, which varies depending on gearing and the achievement of sustainability performance targets.

In February 2024 two shareholder loans were provided by our now former owners, Legal & General Capital Investments Limited. These facilities are in two tranches of £75 million and £95 million respectively, with both tranches expiring in December 2027. The £95 million tranche remains undrawn at the time of signing the 2024 accounts.

b) Borrowing facilities

The Group had undrawn committed borrowing facilities of £30.1 million at 31st December 2025 (2024: £205.1 million) in respect of which all conditions precedent had been met.

c) Security

Bank borrowings are secured by way of a bond and floating charge, and guarantees granted by Cala Group Limited and the following main subsidiaries: Cala 1999 Limited, Cala Limited, and Cala Management Limited. A number of other bonds and floating charges, debentures and share pledges over land and assets have been granted by certain subsidiaries of the company in favour of the bank.

d) Maturity analysis

Repayments due as follows:

	Group 31 December 2025 £000	Group 31 December 2024 £000
Within one year or on demand	-	-
After more than one year	539,933	364,933
	539,933	364,933

Repayments due after more than one year are analysed as follows:

	Group 31 December 2025 £000	Group 31 December 2024 £000
Between one and two years	539,933	-
Between two and three years	-	364,933
	539,933	364,933

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

15 Trade and other payables

	Group 31 December 2025 £000	Group 31 December 2024 £000	Company 31 December 2025 £000	Company 31 December 2024 £000
Current liabilities:				
Trade payables:				
Land – in development	98,276	90,573	-	-
Land – not in development	21,080	78,740	-	-
Trade payables not related to land	154,887	179,287	-	-
	274,243	348,600	-	-
Amounts owed to joint ventures	248	248	-	-
Lease liabilities	2,038	1,985	-	-
Other taxation and social security costs	2,971	2,701	-	-
Other payables	13,412	9,734	-	-
Accruals and deferred income	33,171	29,121	17,017	5,205
	326,083	392,389	17,017	5,205
Non-current liabilities:			Group 31 December 2025 £000	Group 31 December 2024 £000
Trade payables:				
Land – in development			40,762	51,786
Land – not in development			10,294	45,139
Trade payables not related to land			5,896	17,409
			56,952	114,334
Lease liabilities			9,869	7,842
			66,821	122,176

Total trade payables include amounts of £170.4 million (2024: £266.2 million) for development land under contract.

Land payables are recorded at net proceed value. The imputed interest is charged to the income statement over the credit period of the purchase contract.

Other non-current trade payables in the current year primarily reflect deferred income from social housing contracts.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

16 Provisions

	Fire Safety provision £000	Group Total £000
Opening balance at 1 January 2025	35,406	35,406
Provisions made during the year	20,407	20,407
Provisions used during the year	(2,282)	(2,282)
Balance at 31 December 2025	53,531	53,531
Current	10,458	10,458
Non-current	43,073	43,073
	53,531	53,531

The Building Safety Act (the “Act”) received royal assent on 28 April 2022. A 30-year retrospective limitation period for claims against construction product manufacturers and for claims under the Defective Premise Act 1972 (“DPA”) has been introduced in respect of buildings over 11 metres in height. Cala Group (Holdings) Limited signed a Deed of Bilateral Contract on 13th March 2023. Under this agreement, the Group has committed to identify and remediate life-critical fire safety defects in relevant residential developments constructed in the last 30 years and to fund such works without recourse to leaseholders, in line with UK Government requirements. Prior to this the Group had already commenced works to rectify some known issues in Scotland. The Scottish equivalent of the Act remains to be finalised and passed by the Scottish Parliament. When that legislation will be passed it may change the obligation of the Company hence it could have a significant impact on the provision.

The group has carried out extensive reviews to identify the full population of buildings over which remediation work may be required although it is acknowledged that there remains a risk that further buildings may be identified. Within this population of buildings, the extent of remediation work ranges from fire stopping works to cladding system removal and replacement. Where cladding work is required management have engaged with independent external experts to estimate the extent and costs of works involved. In relation to fire stopping works management has assessed each building and produced a cost estimate using market tested rates. These estimates have resulted in the recognition of a further provision in the current year of £20.5 million. The increase in the year owes to our developing understanding of the extent of works required and cost increases.

At 31 December 2025, total provisions of £61.6m have been recorded to account for remedial work required at the Group's expense. Of this value, £8.1m has been physically incurred to date, leaving £53.5m of the original provision remaining.

Whilst we endeavour to identify and remediate issues as quickly as possible, the timing of works and hence cash outflows show that fire stopping works across the portfolio is likely to continue through to 2030.

The full investigation and evaluation of impacted buildings will continue and the legislation covering building safety in Scotland is subject to finalisation and change. It is therefore possible the estimates attached to this provision will materially change over time. Additionally, the Group considers the supply chain should take its fair share of responsibility and will seek to recover costs where appropriate.

The sensitivity of the provision to changes in key assumptions is as follows:

Change in assumption	Impact on Fire Safety provision £000
10% increase in cost of cladding removal and replacement created by introduction of RAP (accelerated developer-led remediation)	5,353

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

17 Financial risk management

The principal operational risks of the business are detailed on pages 29-30.

i) Financial risks

The group's activities expose it to a variety of financial risks: market risk, interest rate risk, liquidity risk and credit risk. This note presents basic information regarding the group's exposures to these risks and the Group's objectives, strategy and process for measuring and managing exposure to them.

UK housing market price risk

The group is fundamentally affected by the level of UK house prices. These in turn are affected by factors such as credit availability, employment levels, interest rates, consumer confidence and supply of land with planning.

Whilst it is not possible for the group to fully mitigate such risks on a national macroeconomic basis, the group does continually monitor its geographical spread within the UK, seeking to balance its investment in areas offering the best immediate returns with a long-term spread of its operations throughout the UK to minimise the risk of local microeconomic fluctuations.

The UK housing market affects the valuation of the group's non-financial assets and liabilities and the critical judgements applied by management in these financial statements, including the valuation of land and work in progress and brand.

Interest rate risk

The group's primary funding is at floating rates through its bank facilities. In order to manage the associated interest rate risk, the Directors will review the need for interest rate swaps. The interest rate swaps held in prior years have now expired. The responsibility for setting the level of fixed rate debt lies with the directors and is continually reviewed in the light of economic data provided by a variety of sources.

Sensitivity analysis

If, in the year ended 31 December 2025, UK interest rates had been 0.5% higher / lower, then the group's pre-tax profit would have increased / decreased by £2.2 million. This sensitivity has been prepared in respect of the direct impact of such interest rate change on the net financing expense of financial instruments only, and does not attempt to estimate the indirect effect such a change may have on the wider economic environment such as house pricing and mortgage availability.

Liquidity risk

Liquidity risk is the risk that the group does not have sufficient financial resources available to meet its obligations as they fall due. The group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching expected cash flow timings of financial assets and liabilities with the use of term cash and cash equivalents, borrowings, overdrafts and committed revolving credit facilities. Funding headroom is maintained above forecast peak requirements.

The group's banking arrangements outlined in note 14 are considered to be adequate in terms of flexibility and liquidity for its medium-term cash flow needs, mitigating its liquidity risk. The group's approach to assessment of liquidity risk is further outlined in the section of the Strategic Report relating to Financial Risk and Treasury management which can be found on page 26.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

17 Financial risk management (continued)

Maturity of financial liabilities

The table below analyses the group's financial liabilities into the relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

At 31 December 2025	Carrying amount £000	Contractual cash flows £000	Less than 1 year £000	1 - 2 years £000	2 - 5 years £000	Over 5 years £000
Loans and borrowings	539,933	539,933	-	539,933	-	-
Lease Liabilities	11,907	13,104	2,508	1,900	5,700	2,996
Trade and other payables	207,366	207,366	201,470	5,896	-	-
Land payables	170,412	175,474	140,045	31,429	4,000	-
Financial liabilities	<u>929,618</u>	<u>935,877</u>	<u>344,023</u>	<u>579,158</u>	<u>9,700</u>	<u>2,996</u>
At 31 December 2024	Carrying amount £000	Contractual cash flows £000	Less than 1 year £000	1 - 2 years £000	2 - 5 years £000	Over 5 years £000
Loans and borrowings	364,933	364,933	-	-	364,933	-
Lease liabilities	9,827	11,844	2,448	1,969	5,906	1,521
Trade and other payables	235,551	235,551	218,142	17,409	-	-
Land payables	266,238	278,932	173,309	73,790	31,833	-
Financial liabilities	<u>876,549</u>	<u>891,260</u>	<u>393,899</u>	<u>93,168</u>	<u>402,672</u>	<u>1,521</u>

Trade and other payables exclude amounts owed to joint ventures, tax and social security and other non-financial liabilities.

The fair value of borrowings approximates their carrying amount, as the impact of discounting is not significant

Credit risk

The nature of the UK housing market and the legal framework surrounding it results in the group having a low exposure to credit risk.

For private home sales the full cash receipt for each sale occurs on legal completion, which is also the point of revenue recognition under the group's accounting policies. The level of credit risk for social housing is further reduced as milestone payments are made throughout the development of social housing. In certain specific circumstances the Group has entered shared equity loan arrangements (not applicable to the Company) which are classified as available for sale financial assets. The group has £0.5 million of available for sale financial assets which expose it to credit risk, although this asset is spread over a large number of properties. As such, the group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The group manages credit risk in the following ways:

- The group has a credit policy that is limited to financial institutions with high credit ratings as set by international credit rating agencies and has a policy determining the maximum permissible exposure to any single counterparty.
- The group only contracts derivative financial instruments with counterparties with which the group has an ISDA Master Agreement in place. These agreements permit net settlement, thereby reducing the group's credit exposure to individual counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the group's maximum exposure to credit risk.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

17 Financial risk management (continued)

Capital risk management

The capital structure of the group reflects a net debt position of £386.9 million (2024: net debt position of £319.4 million) being borrowings as detailed in note 14 offset by cash and bank balances and amounts owed by joint ventures, and equity of the group of £1,053.1 million (2024: £1,065.1 million) comprising issued capital, reserves and retained earnings as detailed in the statement of changes in shareholders' equity. The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and meet its liabilities as they fall due, whilst maintaining an appropriate capital structure. Close control of deployment of capital is maintained by detailed management review procedures for authorisation of significant capital commitments, such as land acquisitions, capital targets for local management and a system of internal interest recharges, ensuring capital cost impact is understood and considered by all management tiers.

Decisions regarding the balance of equity and borrowings, dividend policy and all major borrowing facilities are reserved for the Board. If appropriate the group can manage its short-term and long-term capital structure by adjusting the level of ordinary dividends paid to shareholders (assuming the company is paying a dividend), issuing new share capital, arranging debt to meet liability payments, and selling assets to reduce debt.

ii) Fair Value of financial assets and financial liabilities

Financial assets

The carrying values and fair values of the group's financial assets are as follows:

Group

	Fair Value At 31 December 2025 £000	Carrying value At 31 December 2025 £000	Fair Value at 31 December 2024 £000	Carrying Value at 31 December 2024 £000
Loans and receivables:				
Trade and other receivables (note 13)	64,826	64,826	88,674	88,674
Cash and cash equivalents	126,077	126,077	18,546	18,546
Assets:				
Available for sale financial assets (note 11)	471	471	420	420
Total financial assets	191,374	191,374	107,640	107,640

Trade and other receivables exclude accrued income, prepayments, amounts owed by group undertakings, joint ventures and tax and social security.

Financial liabilities

The carrying values and fair values of the group's financial liabilities are as follows:

Group

	Fair Value At 31 December 2025 £000	Carrying Value At 31 December 2025 £000	Fair Value at 31 December 2024 £000	Carrying Value at 31 December 2024 £000
Financial liabilities at amortised cost:				
Land payables (note 15)	170,412	170,412	266,238	266,238
Lease liabilities (note 15)	11,907	11,907	9,827	9,827
Trade and other payables (note 15)	207,366	207,366	235,551	235,551
Borrowings (note 14)	539,933	539,933	364,933	364,933
Total financial liabilities	929,618	929,618	876,549	876,549

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

17 Financial risk management (continued)

Trade and other payables exclude amounts owed to Cala group companies, joint ventures, tax and social security and other non-financial liabilities.

The following table provides an analysis of financial assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group

At 31 December 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Available for sale financial assets	-	-	471	471
Total	-	-	471	471

At 31 December 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Available for sale financial assets	-	-	420	420
Total	-	-	420	420

iii) Summary of methods and assumptions

Interest rate swaps

Fair value is based on market price of these instruments at the balance sheet date.

Available for sale financial assets

The group determines the fair value of its available for sale financial assets through estimation of the present value of expected future cash flows. Cash flows are assessed taking into account expectations of the timing of redemption, future house price movements and the risks of default. An instrument-specific market assessed discount rate of 5.3% is used to determine present value via discounted cash flow modelling. If the discount rate were to be increased to 10%, the carrying value of the available for sale assets would decrease by £0.03m.

Current borrowings

The fair value of current borrowings and overdrafts approximates to the carrying amount because of the short-term maturity of these instruments.

Non-current borrowings

The group's bank debt was raised on a floating rate basis where payments are reset to market rates at intervals of less than one year. The fair value of non-current borrowings approximates to the carrying value reported in the balance sheet.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

18 Deferred taxation

The deferred tax (assets)/ liabilities recognised comprises:

Group	31 December 2025 £000	31 December 2024 £000
Accelerated capital allowances	(582)	(2,315)
Retirement benefit obligation	-	969
Other timing differences	(4,381)	6,068
Deferred tax (assets)/ liabilities:		
Amount provided	(4,963)	4,722
Amount not provided	-	-

The following are the major deferred tax assets and liabilities recognised by the group and movements thereon during the current reporting period:

	Accelerated capital allowances £000	Retirement benefit obligations £000	Other timing differences £000	Total £000
At 1 January 2025	(2,315)	969	6,068	4,722
Charged/ (credited) to the income statement	1,733	-	(10,449)	(8,716)
Charged to other comprehensive income	-	(969)	-	(969)
At 31 December 2025	(582)	-	(4,381)	(4,963)

The primary deferred tax balances within the other timing differences are liabilities which relate to the brand (charge of £2.5m), fair value adjustment to inventory (charge of £3.4m) and corporation interest restriction (credit of £10.0m).

The group has no unrelieved tax losses carried forward as at 31 December 2025 (2024: £nil).

No recognition is made in these financial statements for deferred tax assets held by jointly controlled entities. The Cala share of these unrecognised deferred tax assets was £nil at 31 December 2025 (2024: £nil).

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

19 Ordinary share capital

	At 31 December 2025 Number of Shares	At 31 December 2024 Number of Shares
Equity share capital:		
Ordinary shares of £1.00 each (2024: £1.00)	359,949	359,949
At 31 December 2025 and 31 December 2024	359,949	359,949
	At 31 December 2025 £000	At 31 December 2024 £000
Equity share capital:		
Ordinary shares of £1.00 each (2024: £1.00)	360	360
At 31 December 2025 and 31 December 2024	360	360

On 29 October 2024, 1 ordinary share was issued for a share premium of £22,607,416.

The ordinary shares carry 100% of the voting rights and are held by the parent company, Ferguson BidCo Limited having been acquired at market value. These shares have identical rights.

20 Leases

The following amounts have been recognised in profit or loss for which the group is a lessee:

Leases under IFRS 16	2025 £000	2024 £000
Interest expense on lease liabilities	749	391
Depreciation of right-of-use assets	2,616	2,381
	3,365	2,772

Lease Liabilities

The carrying value of the group's lease commitments under IFRS 16 is £11.9 million at 31 December 2025 (2024: £9.8 million). At 31 December 2025 the Group had the following lease commitments:

	At 31 December 2025 £000	At 31 December 2024 £000
No later than 1 year	2,508	2,448
Later than 1 year and no later than 5 years	7,600	7,875
Later than 5 years	2,996	1,521
	13,104	11,844

Lease payments primarily represent rentals payable by the Group for certain office properties and motor vehicles.

All lease obligations are denominated in sterling.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

20 Leases (continued)

Right-of-use assets

Right-of-use assets related to lease properties which do not meet the definition of investment properties are presented as property, plant and equipment. Right-of-use assets accounted for in accordance with IFRS 16 as a lessee are as follows:

	Land & buildings £000	Plant & equipment £000	Total £000
At 1 January 2025	9,553	217	9,770
Additions	5,031	154	5,185
Depreciation charge for year	(2,498)	(118)	(2,616)
Disposals	(1,290)	(17)	(1,307)
At 31 December 2025	10,796	236	11,032

21 Retirement benefits

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. All plans are held in the UK under UK regulatory frameworks.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in expenses.

The Scheme is a funded, defined benefit scheme which closed to future accrual on 31 December 2015. All benefits accrued prior to 1 January 2008 are linked to the members' Final Pensionable Salary at 31 December 2007. The Scheme closed to new members on 31 December 2007.

On 26 October 2018, the High Court ruled that UK pension schemes must equalise guaranteed Minimum Pensions (GMP) to ensure that male and female members of the schemes were treated equitably. This judgement applied to GMP accrued between 17 May 1990 and 5 April 1997. The impact of GMP equalisation on the value of the Cala Retirement and Death Benefit Scheme's liabilities was £0.9 million which was recognised as past service cost in the profit and loss account for 18-month period ended 31 December 2018. No past service costs have been reported in the current year (2024: £nil).

The Trustees of the scheme are responsible for the governance of the scheme with decisions regarding contributions and investments being made with the agreement of the company. The scheme implements Liability driven investment (LDI) to seek to manage its interest rate and inflation risks as part of its wider investment strategy.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

21 Retirement benefits (continued)

In June 2023, the High Court handed down a decision in the case of *Virgin Media Limited v NTL Pension Trustees II Limited and others* relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards.

Following consideration of the provisions of the Pension Schemes Act 2026, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities for the Scheme. Accordingly, the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

The amounts recognised in the balance sheet are determined as follows:

Group	At 31 December 2025 £000	At 31 December 2024 £000
Fair value of plan assets	58,937	57,930
Present value of funded obligations	(53,933)	(54,586)
Surplus of funded plans	5,004	3,344
Derecognition of surplus	(5,004)	-
Asset in the balance sheet	-	3,344

The movement in the net defined benefit surplus/ (obligation) over the year is as follows:

Group	2025 Present value of obligation £000	2025 Fair value of plan assets £000	2025 Total £000	2024 Present value of obligation £000	2024 Fair value of plan assets £000	2024 Total £000
At 1 January	(54,586)	57,930	3,344	(62,765)	60,550	(2,215)
Interest (expense)/ income	(2,871)	3,108	237	(2,832)	2,826	(6)
Amounts recognised in profit and loss	(2,871)	3,108	237	(2,832)	2,826	(6)
Re-measurements:						
- Return on plan assets excluding amounts included in interest income	-	(1,343)	(1,343)	-	(7,220)	(7,220)
- (Loss) / gain from change in demographic assumptions	(412)	-	(412)	509	-	509
- Gain / (loss) from change in financial assumptions	1,530	-	1,530	6,415	-	6,415
- Experience (losses) / gains	(452)	-	(452)	1,661	-	1,661
Amounts recognised in other comprehensive income	666	(1,343)	(677)	8,585	(7,220)	1,365
Contributions:						
- Employers	-	2,100	2,100	-	4,200	4,200
- Benefit payments	2,858	(2,858)	-	2,426	(2,426)	-
At 31 December	(53,933)	58,937	5,004	(54,586)	57,930	3,344

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

21 Retirement benefits (continued)

In the prior year, a pension surplus of £3.34m was recognised based on the assessment at that time that the Group had a right to a refund under the Scheme rules.

In the current year, the Group performed a detailed reassessment of the recoverability of the surplus, including consideration of the Scheme's Trust Deed and Rules, and the allocation of powers between the Company and the Trustees in respect of termination and wind-up. In performing this assessment, management considered whether recovery of the surplus is dependent on uncertain future events that are not wholly within the control of the Company.

Based on this reassessment, the Directors concluded that the Company does not (and did not in previous years) have an unconditional right to a refund of the surplus at the reporting date. In particular, the Trustees control decisions relating to the Scheme, including the application of any surplus on wind-up, which may result in outcomes other than a refund to the Company.

Applying IFRIC 14, no asset should be recognised, and the surplus has therefore been derecognised in full in the current year.

The Directors have concluded that the impact on prior period financial statements is not material and accordingly the comparative information has not been restated. The adjustment has therefore been recognised in the current year.

The movement in the asset ceiling restriction during the year is as follows:

	At 31 December 2025 £000
Opening Balance	-
Interest on asset ceiling	-
Movement recognised in OCI	5,004
Closing balance	5,004

The significant actuarial assumptions were as follows:

	2025	2024
Discount rate	5.50%	5.40%
RPI inflation	2.90%	3.20%
CPI	2.40%	2.60%
Pension increase:		
RPI subject to a min of 3.00% p.a. and max of 5.00% p.a.	3.60%	3.70%
RPI subject to a max of 2.50% p.a.	1.90%	2.00%
CPI subject to a max of 3.00% p.a.	1.95%	2.05%
Base mortality	S3PxA, based on members' year of birth. Scaling results in line with the initial results of the 6 April 2024 actuarial valuation	S3PxA, based on members' year of birth. Scaling results in line with the initial results of the 6 April 2024 actuarial valuation
Future improvements	CMI 2024 projections with long term trend of 1.00% p.a. (A=0%, Sk=7.0, w2024 = 100%)	CMI 2023 projections with long term trend of 1.00% p.a. (A=0%, Sk=7.0, w2023 = 100%)

Assumptions regarding future mortality are set based on actuarial advice taking into account mortality expectations based on members' postcodes.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

21 Retirement benefits (continued)

These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	<u>2025</u>	<u>2024</u>
- Male	21.8	21.4
- Female	23.4	23.3
Retiring 20 years after the end reporting period:		
- Male	22.8	22.4
- Female	24.5	24.4

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Impact on defined benefit obligation	
	<u>Change in assumption</u>	<u>Increase in DBO £'000</u>
Discount rate	-0.10%	752
RPI inflation	+0.10%	410
Life expectancy	+1 year	1,597

The above sensitivity analysis on the discount rate is based on a change in assumption while holding all other assumptions constant. The change in RPI inflation assumption impacts on the CPI (Consumer Prices Inflation) and pension increase assumptions. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Plan assets are comprised as follows:

	<u>2025 £000</u>	<u>2024 £000</u>
Equities	-	6,627
Diversified growth fund	5,999	7,906
Global infrastructure	3,855	9,204
Liability Driven Investment (LDI)	48,489	31,849
Cash and cash equivalents	594	2,344
Total	<u>58,937</u>	<u>57,930</u>

Included within the plan assets above as at 31st December 2025 are £48.5m of LDI and £0.6m of Cash and cash equivalents which are quoted. All other assets are unquoted.

The Scheme holds both quoted and unquoted assets. Plan assets held in trust funds are governed by UK regulations, as is the nature of the relationship between the group and the trustees.

Through its defined benefit pension plan, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. The allocation to growth assets is monitored such that it is suitable with the Scheme's long-term objectives.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

21 Retirement benefits (continued)

Changes in bond yields

A decrease in corporate bond yields will increase the Scheme's liabilities, although this will be partially offset by an increase in the value of the Scheme's bond holdings.

Inflation risk

The majority of the Scheme's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Since the prior year end shorter-term inflation has notably exceeded the long-term assumptions which feeds through as an experience adjustment to the benefit obligations, recognised within Other Comprehensive Income ('OCI'). For the 2025 year end we have made allowance within the benefit obligations for anticipated 2026 increases and known 2025 increases, which result in an experience loss within OCI.

Life expectancy

The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The weighted average duration of the defined benefit obligation is 14 years.

Deficit strategy

The employer has agreed that it will aim to eliminate the Scheme deficit (as assessed on the on-going funding basis) by 31 December 2025. Following the closure of the Scheme in December 2015 no further employee contributions will be made. Expected employer contributions to the Scheme, in respect of deficit recovery, for the year ending 31 December 2026 are £2.1 million. Funding levels are monitored on an annual basis.

Defined contribution schemes

Cala operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the company in funds under the control of trustees.

The total cost charged for the year ended 31 December 2025 of £6.6 million (2024: £6.3 million) represents contributions payable to these schemes by the company at rates specified in the rules of the plans. As at 31 December 2025 all contributions due in respect of the current reporting period had been paid over to the schemes (2024: all).

22 Contingent liabilities

	Group At 31 December 2025 £000	Group At 31 December 2024 £000
Indemnities for performance bonds	115,495	102,928

The performance bonds consist of road, sewer and other development agreements entered into in the normal course of business.

The company has also guaranteed the performance of certain subsidiary and joint venture obligations arising from normal trading agreements.

Like many housebuilders, CALA has agreed to sign a pledge committing to remediate life critical fire safety works in buildings over 11 metres that we have played a role in developing or refurbishing over the last 30 years. As noted in note 2 and note 16, we have made provision for remediation costs which are known and can be reliably measured at this time. There is a possibility that further costs will materialise in the coming years following our commitment to the pledge, however at this time these have not been identified or valued.

Cala Group (Holdings) Limited

Notes to the financial statements (continued)

23 Related party disclosures

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its joint ventures are disclosed below:

Group	At 31 December 2025 £000	At 31 December 2024 £000
Relating to joint ventures:		
Amounts owed by joint ventures	27,250	27,250
Amounts owed to joint ventures	(248)	(248)

Key management, as defined under IAS 24 'Related Party Disclosures' includes directors and members of the Operations Board. The compensation paid or payable to key management for employee services is shown below:

	Year to 31 December 2025 £000	Year to 31 December 2024 £000
Key management remuneration:		
Salaries and other short-term employee benefits	3,462	22,403
Post-employment benefits	108	140
	3,570	22,543

Key management personnel comprises the 9 members of the management board (2024: 10).

24 Dividends

No dividends have been declared or paid in relation to 2025 (2024: nil).

The Group had no related party transactions as at 31st December 2025.

25 Ultimate parent company and controlling party

The immediate and ultimate parent Company registered in the United Kingdom is Ferguson BidCo Limited. The address of Ferguson BidCo Limited is Duo Level 6, 280 Bishopsgate, London, United Kingdom, EC2M 4RB. The Company heads the largest UK group in which the results of this Company are consolidated.

The ultimate parent company is Ferguson TopCo Limited, which has its registered office address at 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB. The consolidated financial statements of this Group are not available to the public.

The Company is ultimately controlled by funds controlled by Sixth Street Partners LLC and Patron Capital Advisors LLP.

Cala Group (Holdings) Limited

Appendix – Subsidiary companies

The subsidiary undertakings of Cala Group (Holdings) Limited at 31 December 2025 are shown below. All companies are wholly owned and incorporated in the UK. Cala Management Limited is the group's principal operating subsidiary, and those companies marked * are agents of Cala Management Limited.

Name of company	Nature of business	Address
Cala 1 Limited **	Administrative & holding company	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Group Limited	Administrative & holding company	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala 1999 Limited **	Administrative & holding company	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala Limited **	Administrative & holding company	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala Management Limited	Home building	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala Homes (East) Limited *	Dormant	52-54 Rose Street, Aberdeen, AB10 1HA
Cala Homes (Cotswolds) Limited *	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Homes (Chiltern) Limited *	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Homes (Thames) Limited *	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Homes (West) Limited *	Dormant	52-54 Rose Street, Aberdeen, AB10 1HA
Cala Homes (North) Limited *	Dormant	52-54 Rose Street, Aberdeen, AB10 1HA
Cala Homes (North Home Counties) Limited *	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Homes (South Home Counties) Limited *	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Homes (Southern) Limited*	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Ventures Limited **	Home building	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala Homes Communities Limited **	Home building	One, Coleman Street, London, United Kingdom, EC2R 5AA
Cala Homes Communities (Shrivenham) Limited **	Home building	One, Coleman Street, London, United Kingdom, EC2R 5AA
Cala Homes Communities (Arborfield) Limited **	Home building	One, Coleman Street, London, United Kingdom, EC2R 5AA
Cala Homes Communities (Crowthorne) Limited **	Home building	One, Coleman Street, London, United Kingdom, EC2R 5AA
Cala Homes Communities (Didcot) Limited **	Home building	One, Coleman Street, London, United Kingdom, EC2R 5AA
Banner Homes Group Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Management Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Construction Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Homes Central Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Homes Bentley Priory Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Homes Ventures Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Developments Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Homes Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Homes Southern Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX

Cala Group (Holdings) Limited

Appendix – Subsidiary companies

Banner Homes Midlands Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Land Investments Limited **	Home building	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala (ESOP) Trustees Limited **	Trustee	54 The Causeway, Staines, Surrey, TW18 3AX
Cala Land Investments (Bearsden) Limited **	Home building	5 Mid New Cultins, Edinburgh, EH11 4DU
Cala Homes Limited	Dormant	52-54 Rose Street, Aberdeen, AB10 1HA
Cala Homes (Scotland) Limited	Dormant	52-54 Rose Street, Aberdeen, AB10 1HA
Cala Homes (Yorkshire) Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner Freehold Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
The Advantage Collection Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Banner (Spare) Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Jimcourt Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Care Secured Limited	Dormant	54 The Causeway, Staines, Surrey, TW18 3AX
Taylor Lane Timber Frame Limited	Timber frame manufacturing	54 The Causeway, Staines, Surrey, TW18 3AX
Taylor Lane (Wales) Limited	Timber frame manufacturing	54 The Causeway, Staines, Surrey, TW18 3AX

* Agent of Cala Management Limited

** An audit exemption will be taken under section 479A of the Companies Act for the financial period ended 31 December 2025 as Cala Group (Holdings) Limited has granted a guarantee for these subsidiary companies under Section 479C of the Act.