

Registered Number: 09906780

Audley Group Limited

Annual report and consolidated financial statements
for the year ended 31 December 2024

Audley Group Limited

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Audley Group Limited

Company Information

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Audley Group Limited

Strategic report

The Directors present their report and financial statements of Audley Group Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

Audley Group Limited is the parent company of The Group. The Group is engaged in the construction and operation of Luxury Retirement Villages.

YEAR IN REVIEW

Financial highlights

- Total revenue - £51.2 million (£59.9million in 2023)
- Gross profit - £14.72 million (£17.27 million in 2023)
- Operating revenue - £44.9million +9% YoY (£41.3 million in 2023)
- Operating loss - £25.5 million (£8.9m million in 2023)

*Operating revenue consists of all continuing revenue generated by management, and excludes property sales

People highlights

- 9,157 hours of training completed
- 50 team members in apprenticeship programmes
- 91% of the team are proud to work at Audley
- 38 nationalities

Operational highlights

- 4,298 personal training sessions delivered
- 20,789 afternoon teas served
- 120,397 hot drinks served
- 24,198 roasts served

Development highlights

- 2 villages openings
- 1 village welcomed to Audley portfolio
- 405 new units built
- 244 new units reserved
- 98 resale completions

Financial summary & narrative

The Group achieved a 9% increase in core operating revenues, delivered 405 new units to market, completed the buyback of Stanbridge Earls and completed a sale and leaseback of five villages.

In 2024, Audley Group delivered £44.9m of operating revenue, up 9% from the previous year. Estate management income of £29.4m rose £2.9m year-on-year.

2024 saw many continued Joint Venture developments; the impact of this is a reduction in the cost of development and, therefore, the majority of new unit revenue was received by JV partners. At Audley Group the development revenues fell to £6.3m. (refer to note 4)

Audley Group Limited

Strategic report (continued)

YEAR IN REVIEW (CONTINUED)

This combined with costs incurred on the sector-first financing deal in late 2024 and the buyback of Stanbridge Earls contributed to the higher operating loss.

PEOPLE

Delivering exceptional service to our property owners and community can only happen with exceptional people, while the sense of community within the villages is testament both to Audley Group team members and the fantastic people that live in our villages and come in to use the facilities.

In 2024, nearly 1,500 of our owners completed our annual owners' survey and the results were overwhelmingly positive. We saw the highest proportion of owners rate their village as 'excellent' in our history and our Net Promoter Score (NPS) also reached a record high. For owners that moved in during 2024, 80% felt the experience was as good, or better, than they expected.

Our team also grew and we now employ nearly 800 people across our villages and within our care teams. Continually investing in the skills, development and careers of these 800 people is something we are proud of and the number of team members enrolled in the Audley Apprenticeship Programme grew by 42% in 2024, with 35 new applications.

One of those enrolled in the Audley Apprenticeship Programme was Rebecca Robinson, F&B Supervisor at Ellerslie, who completed the programme in January 2025.

"I feel very lucky to have the opportunity to have been put on this course. Not only is there positives in being able to do it during work hours, walking away with a level 3 without having to have any stress at home - I have really enjoyed reflecting on how I've changed as a leader. I find I have gone from feeling like a 'shift leader', to a role model leader. I have learnt to have awkward conversations, I have learnt how to adapt my teaching style for my team, I have so much more insight on what it means to be a supervisor. My confidence in my job role has shot up throughout this course, and I will definitely be carrying this confidence for the rest of my career. I also feel a sense of pride that I have pushed myself to do something new and challenge myself. Should there be an opportunity for the next course, I will definitely be taking it!"

Matt Horsley, Head Gardener at St Elphin's Park also completed the programme in December 2024.

"For me, the main thing I've gained is confidence. I received a promotion midway through the course, which requires me to line manage two staff members, I don't think this opportunity would have come up if it wasn't for my being on the leadership course and I definitely would not have had the skills, knowledge and confidence to lead a team without it"

2024 also saw Michelle Forbes, our Head of Care, complete her Level 7 Senior Leadership Apprenticeship programme with a Masters Degree. Just a couple of the many examples of the team's commitment to continued learning and development.

"Completing the Level 7 Senior Leadership Apprenticeship with Distinction alongside earning an MBA with Merit has been a deeply rewarding experience that has strengthened both my leadership capabilities and academic foundation. I'm sincerely grateful to Audley for offering me the opportunity to undertake this development and for their continued support throughout my journey."

Audley Group Limited

Strategic report (continued)

OPERATIONS

As we increase the number of our villages, the dual model of both developing and operating, becomes more apparent, with operating income becoming more of a focus. In 2024 Audley Group's operations revenue increased by 9%, driven by increasing owner numbers, care support and strength in our F&B offering.

In 2024, we surpassed a key milestone and now provide over 2,000 specialist retirement living units to the market, a growth of over 22% (from 1,782 units to 2,187 units), showing the increasing scale of the Group.

Our F&B teams were kept busy across our restaurants and bars with revenue up 3%. Our restaurants had nearly 300,000 covers, 120,000 hot drinks were served to our owners, friends, family and visitors to the village and over 20,000 afternoon teas were enjoyed.

The number of Audley Club members also surpassed the 2,000 milestone for the first time, up nearly 20%, and 2024 saw a record 4,298 personal training sessions delivered. This is hugely encouraging as our commitment to the holistic wellness of both our owners, and the wider community, continues.

There was an increase in demand for care within our villages with 672 of our owners received care in 2024, up from 588 in 2023. The care team delivered over 297,000 visits, and our Homecare rating was 9.3.

We remain committed to delivering a consistent, high-quality service and experience as our operations increase in size and revenue.

Mayfield Villages

Continued demand for better retirement living options in the mid-market saw Mayfield Watford continue to prosper in 2024, meeting the growing demand for a different way of living. There were 33 completions and 410 first visits, and the village now has over 150 owners.

Planning

Mayfield Brent Cross Town, our second Mayfield village, which will be central to the wider Brent Cross Town regeneration project made good progress towards planning approval, with 148 properties granted approval in early 2025.

Audley Villages

Across the 21 Audley Villages, 174 sales were completed. As these villages mature, resales become more of a focus. Resales across Audley Villages had their strongest year in Audley Group history with 98 resale completions in 2024. Resale values increased by an average of £47,200. The IRC model aligns the interests of the business with the property owners, given the need to maintain the village and the properties for the long-term, which is why the model continues to deliver an increase in property values. Investing in the facilities and fabric of the villages is vital to that long term success.

Development

Audley Villages portfolio continued to grow in 2024 with the official opening of Scarcroft Park.

At the historic Headley Court construction began and the summer saw the village hold a commemorative D Day event to honour the building's extensive history.

Land & planning

At the end of 2024, we completed the purchase of Lingfield Grange, the previous headquarters of the national charity Young Epilepsy. The village will deliver 152 specialist retirement living properties to market, including the restoration of two Grade II listed buildings in the St. Piers Estate is our fourth site in Surrey.

Audley Group Limited

Strategic report (continued)

Investment

In December we completed a sector-first sale and leaseback deal which saw Audley Group raise £39.5 million on the freehold of five operational Audley Villages.

Audley Group also completed the buyback of Stanbridge Earls in Romsey which was constructed within a joint venture.

OWNERS' PAGE

It's our owners, together with our customers and team members, that make our Audley and Mayfield villages what they are today and it's important that we reflect their views as we agree our strategic objectives. Nearly 1,500 of them took part in our annual owners' survey in 2024, which has equipped us with important insights on what it's like living in one of our villages.

We saw the highest proportion of owners rate their village as 'excellent' in our history and 83% told us in 2024 that the sense of community in the village was good. Part of our health and wellness strategy has been to focus on the holistic nature of living well in retirement, and community, as well as remaining active, plays a large role in this. The villages all offer an extensive array of events, hobbies, and activities which property owners lead, take part in and enjoy.

Honouring our historic ties

Our villages are an important part of the local community and they often have historic buildings or grounds at their centre. Preserving a piece of heritage and breathing new life into a building has forever been a passion for Audley Group, along with the desire to restore properties, presenting them with a new sense of purpose within a community. Never has this been more true than at Audley Headley Court.

Headley Court has been an important part of history for decades as headquarters to the Canadian Army due the second world war, and more recently a rehabilitation centre for the armed forces. With members of the local community and guests including His Majesty's Lord Lieutenant of Surrey, Mr. Michael More-Molyneux and The Honourable Ralph Goodale PC, High Commissioner for Canada in the United Kingdom. Audley hosted a commemorative D-Day event in the summer of 2024 which saw over 80 guests commemorate the 80th anniversary in a truly moving ceremony where a maple tree was planted in the grounds.

KEY PERFORMANCE INDICATORS

While inflation remained elevated for much of the year, there was a gradual softening in pressure toward the end of the period. However, interest rates remained high throughout, sustaining pressure on borrowing costs and dampening wider consumer spending across the residential property market.

One of the continued strengths is the resilience offered by inflation-linked management fees. As in prior years, these upward-adjusting fees have helped protect and stabilise the Group's recurring income base. The scale, maturity, and operational diversification of the business means that management fees remain the dominant and most reliable revenue stream, contributing to the ongoing financial strength and long-term sustainability of the Group.

Despite continuing economic challenges, the underlying business performed well:

- £51.2m Revenue (2023: £59.9m).
- £25.5m Operating loss (2023: £8.9m loss).
- Securing in December 2024 a first-of its kind, fifty-year, £38m financing facility, provided by River SI 4A Limited.

Audley Group Limited

Strategic report (continued)

KEY PERFORMANCE INDICATORS (CONTINUED)

The Group regards its key performance indicators as the number of unit completions in the period for both new and resale units, revenue, gross margin, operating profit/(loss) and net asset value.

The table below provides a comparison of the key performance indicators for the last three years. Despite challenging market conditions, particularly during the final months of the period, the Group sold 100 (2023: 157) new units and 98 (2023: 95) resale units across owned villages.

Fewer owned unit sales result from having fewer units available for sale following strong sales over recent years. The final units for Chalfont and St George's Place were sold during Q1 2023, reducing new units sales at just three villages (Audley Cooper's Hill, Stanbridge Earls and Audley Ellerslie) with five villages selling out in 2023.

All new developments are via partnership developments with Octopus, BlackRock and Royal London. The gross margin for the year was 28.7% in-line with 2023 (28.8%), despite significant challenges with increase in minimum wage, cost inflation and significant increases in the cost of utilities. This was offset by the mix of unit sales and higher management fees from higher average occupancy across the villages and the annual inflationary increase on the monthly management fees (+7.3%).

The Group generated an operating loss of £25.5m for the year to 31 December 2024 compared with a loss of £8.9m in 2023. This movement was driven by a higher revaluation loss in 2024 (loss of £13.2m in 2024 compared to £0.4m in 2023) and a £4.8m loss on the disposal of Nightingale Lane in 2024. Total net assets decreased by £40.1m in the year (2023: £12.5m reduction).

Key Performance Indicators

	Year to December 2024	Year to December 2023	Year to December 2022
Unit Sales	100	157	167
Resale units	98	95	79
Revenue £'000	51,213	59,859	69,980
Gross profit £'000	14,720	17,265	15,779
Gross margin %	28.74%	28.8%	22.9%
Operating loss £'000	(25,449)	(8,923)	(44,533)
Net asset value £'000	131,885	172,019	184,517

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The consolidated statement of comprehensive income presents the results for the year to 31 December 2024. A commentary on all significant line items is set out below.

Revenue: Revenue of £51.2m (2023: £59.9m) was down £8.7m year-on-year. £6.3m (2023: £18.5m) of property sales revenue was driven by 11-unit sales from wholly owned stock (2023: 33). Estate management fees contributed £29.4m to revenue in the year, an increase of £2.9m or 10.9% year-on-year and includes both monthly and deferred management fees (each increasing with each unit sold). Care revenue increased by 2% to £6.3m (2023: £6.2m). Food and beverage income of £2.7m was stable year on year.

Cost of sales: Direct costs for the year were £36.5m (2023: £42.6m), comprising £4.7m (2023: £14m) relating to property sales, £25.9m (2023: £22.9m) estate management costs and £3.7m (2023: £3.8m) of care costs and £2.1m (2023: £1.9m) of other cost of sales.

Audley Group Limited

Strategic report (continued)

KEY PERFORMANCE INDICATORS (CONTINUED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Administrative and selling expenses: Administrative expenses of £19.6m (2023: £20.8m) represent operating costs of the business.

Share of results from joint ventures: The Group recognised a £1.1m share of loss (2023: £1.1m share of profit) from its joint ventures with Octopus and BlackRock. Four of the five sites are operating and generating revenues.

See Note 13 for a summary of the results of the joint ventures. The Group invested total equity of £4.9m (2023: £2.8m) in the year in these joint ventures.

Loss on revaluation of investment properties: The Group had a total revaluation loss at year-end of £13.2m (2023: £0.4m loss) on its investment properties. The loss in the year primarily constitutes a like-for-like loss on existing villages, partially offset by a gain arising from the new village (Wycliffe Park).

Other Impairment: In 2024, the impairment losses of £1.6m recognised mainly relate to:

- an impairment on the acquisition of Stanbridge Earls £1.1m (2023: £nil)
- £276k (2023: £nil) impairment of stock on hand
- in 2022 an expected credit loss recognised on Audley's preference shares in Audley Nightingale Lane Limited of £7.6m. Audley's recovery, based on the rate of sale, had decreased with the cost of future interest and administrative expenses reducing Audley's expected recovery.

Net finance expense: Finance costs of £17.7m (2023: £7.9m) represent interest and facility fees. Finance income of £1.7m (2023: £3.6m) includes preference share interest receivable and other interest receivable.

Taxation: The net taxation credit for the year of £1.3m (2023: £0.7m) relates, primarily, to the reduction in deferred tax liabilities, arising from the revaluation losses on investment properties. The Group did not recognise any deferred tax assets on accounting losses, as it is not certain if or when such losses will be accessed.

Loss: An operating loss of £25.5m was delivered (2023: £8.9m loss) and the loss after tax was £40.1m (2023: £12.5m).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets

Intangible assets: Intangible asset consists of computer software capitalised during the year, this relate to the new D365 accounting software implementation.

Investment properties: The investment properties include the freehold and long leasehold interest in each of the villages. Investment properties are carried at fair value determined annually and derived from estimated future cashflows, which includes the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The Directors determine the fair value of investment properties by utilising a valuation report provided by an external valuation expert (CBRE) (which gives a valuation of £169.9m, (2023: £145.5m)) and recognising additional adjustments as deemed necessary (£5m reduction to the CBRE valuation, 2023: £5.0m reduction).

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Strategic report (continued)

KEY PERFORMANCE INDICATORS (CONTINUED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Non-current assets (continued)

Investment properties are adjusted down by the deferred management fees (contract assets) in owned villages of £45.3m (2023: £33.8m) to avoid double counting. In 2023 an adjustment was also made for the Wycliffe Park leased property of £2.3m (£nil adjustment for 2024), and the Group's proportion of shared equity units of £7.6m (2023: £7.1m).

Right of use assets: The Group leases some of its investment properties as well as its head office. Where the asset is accounted for as an investment property, a right of use asset has not been created, but the asset is held at fair value in investment properties, and no depreciation is provided on these assets. The Group provides the estate management services for the communal areas of these lease investment properties.

Investments in joint ventures: The Group's investments in joint ventures consist of ventures with Pension Insurance Corporation plc, Octopus and BlackRock. The Group invested £4.9m (2023: £2.8m) in joint ventures during 2024.

Derivative assets: Derivative assets consist of an interest rate cap at 4.5%, for a cost of £544k. This cap was a condition of the previously mentioned first-of-a-kind freehold financing with Federated Hermes.

Deferred tax liabilities: The Group recognises deferred tax liabilities on the gains from revaluation of investment properties.

Trade and other receivables: The Group has £31.8m (2023: £30m) of long-term trade and other receivables. Contract assets for deferred management fees is split between amounts due in greater than one year of £28.3m (2023: £27.0m) and amounts due in less than one year of £20.6m (2023: £15.1m).

Current assets

Stocks and inventories: Inventories represent land, plots under construction, completed homes ready for sale across all villages and food and beverage stocks at the villages. Finished goods have decreased by £3.1m whereas total stock and inventories have increased by £3.6m (2023: £15.0m decrease) in the year, following the purchase of Stanbridge Earls out of the RELF JV. 2023 saw the completion of 11 (2023: 33) new unit sales (in owned villages).

Trade and other receivables: Trade and other receivables at the yearend were £30.8m (2023: £38.8m) which consists of £20.6m (2023: £15.1m) contract assets, £nil (2023: £13.6) preference shares in Audley Nightingale Lane Limited and accrued interest thereon, £3.3m (2023: £4.3m) of trade debtors, £1.1m (2023: £1m) of prepayments, £1.7m (2023: £2.1) due from related undertakings and £4.1m (2023: £2.7m) of other receivables.

Liabilities

Current liabilities

Trade and other liabilities: Trade and other payables of £20.8m (2023: £18.7m) includes £7.5m (2023: £10.4m) of accruals, £4.7m (2023: £4.2m) of trade payables, £3.0m (2023: £3.0m) of contract liabilities, £2.3m (2023: £1.1m) of other payables and £3.4m (2023: £nil) relating to the deferred payment on the purchase of Lingfield. Trade payables are all in the normal course of business and included in other payables are reservation and exchange deposits.

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Strategic report (continued)

KEY PERFORMANCE INDICATORS (CONTINUED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) (CONTINUED)

Non-current liabilities

Loans and borrowings: Net debt excluding lease liabilities at 31 December 2024 was £92.6m and £38.8m higher year-on-year (2023: £53.8m). The net increase resulted from the Group entering a new fifty-year sale and leaseback for £36.8m. Other significant movements include a decrease in the Stock facility of £11.7m and increase in both the PFA shareholders loan and Freehold financing facility of £6.9m and £6.7m respectively. This was offset by a reduction in the existing stock facility following new unit sales during the year.

Lease liabilities: Lease liabilities represents the discounted value of future lease payments under the leases for which provides Audley the right of use assets.

Equity

No changes during the year (other than the impact of the loss for the year on retained earnings).

CONSOLIDATED CASH FLOW STATEMENT

The Group's net cash position decreased by £5.7m, the main movements in the year were as follows:

- Net cash flows used in operating activities of £13.3m (decrease) (2023: £2.8m increase), reflecting the increase in stock and work in progress, the maturity of Audley villages, effective cost control and an increase in estate management fees.
- Net cash flows used in investing activities of £14.8m (Decrease) (2023: £4.3m decrease), reflecting the continued investment in villages through JV investments and lifecycle spend (CAPEX) and the purchase of Stanbridge Earls out of the Octopus JV of £18.2m.
- Net cash flows generated from financing activities of £22.4m (2023: £5.2m cash used from financing activities) reflecting the net movement in the repayment of the Silbury stock facility and the new financing arrangements entered into during 2023 (See Note 20).

MATERIAL UNCERTAINTIES

The Directors have modelled cash-flow forecasts underpinning the going concern assumption using both a base case and severe but plausible downside case and, as a result, identified material uncertainties in respect of going concern. Please refer to the going concern section in the notes to the accounts (pages 29 to 31).

POST BALANCE SHEET EVENTS

Please see the subsequent events section in Note 28.

ACTING AS A FORCE OF GOOD

We continue to recognise the important role the Group has in creating a sustainable future, from the villages and communities we create, through to equipping our team with skills for life. In 2023, this has continued with a sharp focus on our impact on the world we live in, but also how we continue to foster inclusive communities within our team, and within our villages.

Audley Group Limited

Strategic report (continued)

ACTING AS A FORCE OF GOOD (CONTINUED)

Climate change remains the greatest challenge facing both current and future generations. The UK's housing stock is a significant source of carbon emissions and at the Group we are committed to leading the retirement sector forward with its action on sustainability across both our operational stock and new villages. From modern methods of construction to how we enable our owners to reduce their own energy and fuel use, with solar photovoltaic technology in the villages and EV charging points.

Our commitment to sustainability

Our ESG achievements

Indicators	Unit of Measure	2024	2023
Energy Consumption	kWh/m ²	98.04	126.88
Energy Consumption (like-for-like)	kWh/m ²	117.21	152.11
Scope 1 & 2 emissions	Tonnes CO ₂ e	11.66	15.52
Greenhouse gas emissions (like-for-like)	KgCO ₂ e	14	22.21

Building for Net Zero

Brent Cross Town is setting a new standard for large scale urban regeneration in Europe, with environmental sustainability and inclusivity at its very core. In 2023, we announced Mayfield Brent Cross Town as our second Mayfield Village. Aligning Brent Cross Town's and The Group's values, the village will be net zero by 2030, use 100% renewable energy, deliver biodiversity net gain, and provide an inclusive community, centred around health and wellbeing.

The very latest build technologies will be implemented to reduce embodied carbon through the build phase, and such innovations will also be harnessed across other sites, like Audley Headley Court.

Alongside the restoration of the Jacobean style Grade II listed mansion and stables, Audley Headley Court will feature several new buildings. These buildings that have been purposely designed to allow for high specification thermal insulation to be installed, and oriented to maximise south-facing roof space for the installation of solar panels, reducing the energy requirements of the village. All of which sets the village firmly on the path to net zero.

Nurturing biodiversity in our villages

We closely monitor our impact on natural environments to prevent biodiversity loss, a significant global issue. With bees playing an important role in creating healthy ecosystems in 2023 we introduced four beehives at Audley Chalfont Dene in Buckinghamshire. As well as the positive impact these pollinators have had on the surrounding biodiversity, the village has sold over 200 jars to the local community, engaged numerous owners in a new interest and the honey has been used in the restaurant.

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RISK REVIEW

Risk management process

Managing risk is integral to the Group's business activities and, through a continual process to identify, assess, manage and monitor each risk, we can continue to implement our corporate strategy successfully. Risk management starts at the Board level; setting risk appetite, providing policy, maintaining risk oversight and enforcing risk management actions and initiatives. We operate a Risk & Governance steering group that reports through an Executive management committee to the Board of Directors. This steering group oversees the regular review of risk management activities, are informed of all risk related activities which are considered or suspected to be significant and reviews and agrees risk management planning.

Identified risks are captured and scored on a Risks Register according to their impact and likelihood. The effectiveness of our control environment, at mitigating risks down to a tolerable level, is assessed continually through internal and external regulators. Control failures are captured and monitored on a Controls Tracker until remedied.

Risk appetite

Risk appetite is defined as the level of tolerable risk to deliver our strategic and operational objectives and brand standards across our villages. Overall, our approach is to minimise exposure to compliance, reputational, and excessive financial risk.

Cyber threat is predicted to remain a top risk globally. The prominence of long-term hybrid working, supply chain-related attacks, geopolitical instability, and digital connectivity continued to drive a material increase in focus around cyber risk for Audley. The mandate and goal of our Security team is to mitigate risk and create a framework for a data privacy-compliant business operation. The security team helps train our employees to handle data responsibly and with clear accountability. It safeguards our company by providing data privacy risk assurance and ensuring compliance with relevant data privacy laws.

Through our Managed Service Partner, Audley operates a 24x7 Security Operations Centre providing layered security and alignment with the National Institute of Standards and Technology cybersecurity frameworks (NIST).

Our employees act as the first line of cyber security defence and so, in 2023, we launched a new Cyber Security Training platform (KnowBe4). KnowBe4 is the world's largest integrated platform for security awareness training combined with simulated phishing attacks. Audley conducts regular e-learning training courses along with simulated cyber-attacks. During the reporting period we registered no sanctioned complaints or incidents concerning breaches of customer privacy, data leaks, theft, or loss of customer data.

RISK MATRIX

The risk matrix illustrates the relative positioning of our principal risks before and after mitigating actions. We provide more detail on our principal risks on the following 3 pages, explaining our risk mitigation strategies and risks movement in the year.

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Strategic report (continued)

RISK REVIEW (CONTINUED)

	Risk Area	Movement in Risk
1	Funding	Increase
2	Build programme and build cost risk	Maintained risk
3	Economy and risk	Maintained risk
4	Loss of employee or key management personnel	Maintained risk
5	Food Safety	Decrease
6	Reputation risk	Maintained risk
7	Fraud risk	Maintained risk
8	Cyber and data security risk	Maintained risk
9	Pandemic	Decrease
10	Regulatory and policy environment	Decrease
11	Environmental, Social and Governance (ESG)	Increase

PRINCIPAL RISKS REVIEW

Risk	Mitigating actions
1 Funding A lack of funding (debt and or equity) would risk illiquidity and a failure to deliver the business plan.	• The Integrated Retirement Community sector is evolving with increasing lending available for the assets available to secure this funding i.e. improving loan-to-value lending covenants. • We partner with credible institutions and banks, with whom we maintain good relations to secure funding on reasonable investment terms. • A strong balance sheet with a relatively low level of financial gearing offers the potential to increase borrowing/secure more funding.
2 Build programme and build risk cost The ability to deliver build programmes on time and within cost are important for the financial performance of the Group. A period of high inflation is challenging both the magnitude and certainty of construction cost.	• We partner with large 'blue chip' construction companies as well as Tier 2 contractors. • We diversify our risk by using several different contractors for different size projects on whom we carry out due-diligence before contracting. • Our construction experience and fixed price concentrates mitigate cost risk. • Our brand and management experience helps mitigate the risk of delay between agreeing an acquisition price and placing a build contract.
3 Economy and risk Changing market conditions could impede the Group's ability to sell properties. As housebuilding is cyclical and dependent on the broader economy, any deterioration in economic conditions could damage buyer confidence and impact on the Group's ability to sell units. This could result in lower development revenue, profit and cash. Disruption from tension between Russia's and Ukraine, a change in Prime Minister and withdrawal	• Management monitor market and economic indicators and model different financial outturn scenarios under different risk assumptions to guide decision making in support of liquidity management. • There are more companies offering support initiatives, such as bridging loans, to customers who want to buy our product but who may have difficulties selling their home due to market conditions. • The Mayfield Village proposition provides some mitigation to market risk through diversification.

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Risk	Mitigating actions
from the European Union continue to cause economic instability.	
4 Loss of employee or key management personnel Failure to attract and retain sufficient quality staff.	• The Group has a capable Talent Acquisition team controlling directly new hires. • We operate an attractive working environment, culture and reward structure for key management and team members generally. • The Audley Academy team provide training across the Group in addition to external expertise as considered appropriate. • Careful succession planning is performed across the business to mitigate the negative impact to the business from any sudden loss of key personnel. • Retention and turnover rates are monitored for trends.
5 Food safety Failure to comply to UK Food Safety Laws in order to protect consumer health, various laws regulate food retailers who serve food to the public.	• Enhanced procedures surrounding mandatory training and inductions are completed in full and before employees work in high risk areas. • Increased automation to track compliance with mandatory training as well as reviewing policies and procedures. • A new Food Operating Procedure dedicated to allergens was created during the period. • We implemented a new system, replacing multiple systems and processes, to support improved reporting and resolution management of identified deficiencies.
6 Reputational risk Marketing materials and websites displaying incorrect information either from miscommunication between departments or human error.	• We ensure price changes and management fee changes are communicated clearly between sales and marketing teams. • All print materials are proof-read internally and by our agencies. • Websites are regularly reviewed and maintained by our experienced in-house team.
7 Fraud risk The risk that fraud occurs and exposes the business to direct financial loss and or irreparable reputational damage.	• Fraud Risk Assessments completed across the business. • Anti-Fraud Policy existing and a mandatory policy for team members. • Fraud Awareness Programme being rolled out including training.
8 Cyber and data security risk The Group's IT systems are core to delivering effective operational activities with any failure in these systems, particularly those relating to customer or commercially sensitive data, likely to impact the Group's ability to operate effectively and result in penalties where the information is protected by law.	• The Group works with managed service providers to ensure our systems operate effectively, we receive leading advice and guidance to support the maintenance of a secure IT environment. • Full encryption of all hard drives has reduced the risk to physical data storage and systems. • Audley takes security of personal data very seriously and continuously reviews security and data usage. • Cyber training and Assessments are delivered regularly to all of the groups employees.
9 Pandemic Government action in response to a pandemic disease, such as Covid-19, could result in significant disruption to the UK housing and hospitality market in the short to medium with risk of long-term change to the operating practices and or business model of the Group.	• Our experience and expertise enables us to take swift and decisive action to ensure the safeguarding of owners, customers and team members. • Our business model means operational revenues are reasonably resilient to such disruption. • Our experience and expertise enables us to take swift and decisive action to ensure the safeguarding of owners, customers and team members. • Accessing government aid and support, as this becomes available, helps to support our business operations and ongoing financial liquidity.

Audley Group Limited

Risk	Mitigating actions
	• We perform extensive scenario modelling to assess the impact of ‘shocks’, such as a pandemic, on our cash and financial facilities.
10 Regulatory and policy environment Failure to keep abreast of increasing and changing rules, regulations, policies and legislation.	• Management monitors changes in government policy and the regulatory environment either directly or via its involvement with the ARCO (Associated Retirement Community Operators) body representing the UK retirement community sector. • Our in-house general counsel provides capacity and capability to monitor the regulatory environment and to ensure internal policies and procedures continue to be appropriate. • A Risk & Assurance structure is embedded in the business and provides a clear groupwide approach and consistency across health and safety, internal audit and data protection activities. Sub-groups are also operated to provide specialised focus and expertise, e.g. Fire Safety working committee.
11 ESG Failure to demonstrate dedication to corporate responsibility and sustainability and provide assurance to investors of trust in ESG data and analysis.	• We have an ESG strategy. • Our ESG strategy is led by our Group Development Director and an ESG Steering Committee.

Approved by the board of directors and signed on behalf of the board by:



Malcolm Nicholas Sanderson
 Director
11 September 2026

Audley Group Limited

Directors' report

The Directors present their report and the audited consolidated and Company financial statements for Audley Group Limited for the year ended 31 December 2024.

MAREF Topco Limited is a private company limited by shares, incorporated and domiciled in the UK. It is the Group parent company with registered address at Moorfield Group, 10 Grosvenor Street, London, W1K 4QB.

The company was incorporated on 27 November 2015 and started trading from 08 December 2015.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Charles Ferguson-Davie (resigned 26 March 2025)

Gavin Stein (appointed 23 July 2025)

Marc Gilbard (resigned 26 March 2025)

Michael Bruhn (resigned 7 March 2025)

Nick Sanderson

G L Burton (resigned 7 November 2025)

Paul Harries (appointed 23 July 2025)

SECTION 172(1) STATEMENT

This statement describes how the Directors have taken account of the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006, when performing their duty to promote the success of the company. Much of this content is included in the Strategic Report, as listed below.

The matters set out in Section 172(1) (a) to (f) are:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees – pages 5;
- (c) the need to foster the Company's business relationships with clients, end customers, suppliers and regulators – pages 6-7, 11-12 and 16;
- (d) the impact of the Company's operations on the community and the environment – pages 11 to 12;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct – pages 4 to 7; and
- (f) the need to act fairly between members of the Company – pages 4 to 5 and 8 to 11.

RESULTS AND DIVIDENDS

The Group's loss for the year was £40.1m (2023: loss of £12.5m). No dividends were paid in the year to 31 December 2024 (2023: £nil) and the Directors do not propose the payment of a final dividend.

INDEMNITY PROVISION

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 during the financial period and is currently in force at the date of approval of the financial statements. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Audley Group Limited

Directors' report (continued)

POLITICAL AND CHARITABLE DONATIONS

During the year the Group did not make any political donations or incur any political expenditure (2023: £nil). During the year the Group made charitable donations of £40.3k (2023: £74k).

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the principal risks and uncertainties are described on pages 14 to 16.

FINANCIAL INSTRUMENTS

Details of the financial instruments of the Group are described in note 21 on pages 63 to 66.

FUTURE DEVELOPMENTS

Details of the likely future developments of the business are described in the Strategic Report on pages 4 to 16

EMPLOYEE AND ENVIRONMENTAL MATTERS

Information in respect of the Group's employment and environmental matters is contained within the Strategic Report on pages 11 to 12.

SUBSEQUENT EVENTS

See note 28 for events after the balance sheet date.

GOING CONCERN

In January 2026, following its acquisition by BTEAR BidCo Limited, the Group completed a comprehensive refinancing: £51.0m of loan notes secured against future Deferred Management Charges ("DMC") and a new £82.5m stock financing facility, the proceeds of which repaid all of the Group's previous borrowings other than the sale and leaseback facility. That refinancing, together with a further £8.7m of loan notes and a new £27.1m stock financing facility, also allowed the Group to settle in full the Sunningdale, Cobham and Watford buyback obligations owed to its joint venture partners — obligations which had been the principal source of uncertainty in the prior year. Cash and cash equivalents stood at £9.0m at 31 July 2026, and the Group has complied with all applicable borrowing covenants since the refinancing.

In assessing going concern, the Directors have reviewed the Group's principal risks and prepared detailed cash flow forecasts covering the period to 30 September 2027, considering both a base case and a severe but plausible downside case. The forecasts reflect the volume and price of unsold unit sales, DMC realisation on exit, income from deferred and monthly management charges, associated costs, and the Group's planned capital expenditure over both the short and longer term. No repayments of loan notes fall due within the assessment period, and the Group's stock financing facilities are repayable out of the proceeds of unit sales as those sales arise rather than on fixed dates, so they give rise to no fixed repayment obligations during the period.

The forecasts also assume the issuance of up to £21.5m of further loan notes secured against DMC cash flows, on the same basis and with the same security as the notes already in issue. The noteholder is a UK pension fund investor which funded the January 2026 refinancing and the further issuance in June 2026, holds security over those DMC cash flows, and has confirmed its intention to subscribe in a written letter of support dated 21 August 2026.

Audley Group Limited

Directors' report (continued)

GOING CONCERN (CONTINUED)

Completion remains subject to conditions which are outside the Group's control — the successful completion of the Group's DMC initiative, receipt of an appropriate credit rating from the rating agency, satisfactory completion of confirmatory legal due diligence and final investor approval — being the same process the Group and this funder have completed together on two previous occasions. No legally binding commitment exists at the date of approval of these financial statements and, because completion is not wholly within the Group's control, this represents a material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern.

The Directors have considered that uncertainty carefully, alongside the funder's established relationship with the Group, its existing economic interest, its written support, the progress made against each condition, and the mitigating actions available to management. The Directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future, and the financial statements have accordingly been prepared on a going concern basis.

AS REQUIRED, THE DIRECTORS DRAW ATTENTION TO THE GOING CONCERN SECTION OF NOTE 2, WHICH DESCRIBES THE MATERIAL UNCERTAINTY ABOVE IN FULL, TOGETHER WITH THE EVIDENCE AND REASONING ON WHICH THE DIRECTORS' CONCLUSION IS BASED.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year.

Under that law the Directors have prepared the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- State whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position

Audley Group Limited

of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' report (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (CONTINUE)

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' Report is approved. So far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware.

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 Group and Company's auditors are aware of that information.

AUDITORS

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office.

The Directors' Report and the Strategic Report were approved by the Board.

On behalf of the Board



Malcolm Nicholas Sanderson

Director

11 September 2026

Audley Group Limited

Independent Auditor's Report to the Members of Audley Group Limited

Opinion

We have audited the financial statements of Audley Group Limited (the “parent company”) and its subsidiaries (the “group”) for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, parent company statement of financial position, the consolidated statement of changes in equity, parent company statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the group and of the parent company's affairs as at 31 December 2024 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 United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

We draw attention to note 2 in the financial statements, which indicates that, under both the base case and the severe but plausible downside case scenario, there is a material uncertainty relating to the Group and Parent Company's ability to secure additional funding through the issuance of £21.5m of loan notes that are assumed to be received within the Directors' forecasts and for which no legally binding commitment exists at the date of approval of the financial statements. The proposed additional loan note funding remains subject to a number of conditions outside the Group's and Parent company's control, including the successful completion of the Group's DMC initiative, the receipt of an appropriate credit rating from the rating agency, satisfactory completion of legal due diligence and final investor approval. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern.

Audley Group Limited

Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19 and 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair

Audley Group Limited

view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's 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 the directors either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent, and the procedures in place for ensuring compliance. We focused on those laws and regulations that have a direct impact on the financial statements. These included the UK-adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice, Companies Act 2006, and taxation laws.
- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made with management and those charged with governance concerning both whether they had any knowledge of any actual or suspected fraud and their assessment of the susceptibility to fraud. We considered the risk to be greater in areas involving significant management estimation or judgement impacting revenue recognition, valuation of accrued income, investment property valuations, joint venture impairment assessment in the group financial statements and the carrying value of investments in subsidiaries in the parent company financial statements, or those estimates and judgments which could impact on management bonuses and remuneration. Based on this assessment we designed audit procedures to focus on these specific areas.
- We held discussions with management, village managers, and other staff members outside of the finance function to gain an understanding of areas of fraud risk and any instances of non-compliance with laws and regulations.
- We assessed the design and implementation of controls over significant audit risks and obtained an understanding of the Group's financial reporting processes.
- We tested the appropriateness of journal entries throughout the year by vouching a risk-based sample of journals to supporting documentation and explanations.
- A detailed review of the Group's year end adjusting entries was performed. Any items that appeared unusual in nature or amount were vouched to supporting documentation.

Audley Group Limited

- We performed a detailed review of financial statements disclosures to ensure these were complete, having regard to the explanations and information received in the course of the audit.
- We obtained a list of related parties from management and performed audit procedures to identify undisclosed related party transactions.
- We utilised external confirmations to confirm cash balances, and as part of our revenue testing procedures we verified property sales to confirmation statements.
- We considered the narrative and presentation of matters in the front section of the annual report.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

This report is made solely to the 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.



Nick Jones

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

11 September 2026

Audley Group Limited

Consolidated statement of comprehensive income

For the year ended 31 December 2024

		Year ended 31-Dec 2024 £'000	Year ended 31-Dec 2023 £'000
	Note		
Revenue	4	51,213	59,859
Cost of sales	4	(36,493)	(42,594)
Gross profit	4	14,720	17,265
Administrative and selling expenses		(25,883)	(26,879)
Share of results of joint ventures	13	(1,101)	1,058
Loss on revaluation of investment properties	11	(13,185)	(367)
Operating loss	5	(25,449)	(8,923)
Finance income	8	1,720	3,616
Finance expense	8	(17,743)	(7,929)
Loss before tax		(41,472)	(13,236)
Tax credit	9	1,338	738
Loss and total comprehensive expense for the year		(40,134)	(12,498)
Attributable to:			
– Equity holders of the Parent Company		(40,134)	(12,498)
– Non-controlling interests		-	-
		(40,134)	(12,498)

The notes on pages 29 to 71 form part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company statement of comprehensive income. The loss for the parent company for the year was £12.4m (2023: £116.4m).

The Group had no amounts of other comprehensive income or expenses for the current or prior year.

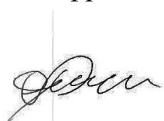
Audley Group Limited

Consolidated statement of financial position

As at 31 December 2024

		As at 31-Dec 2024 £'000	As at 31-Dec 2023 £'000
	Note		
Non-current assets			
Intangible assets	10	822	265
Investment properties	11	127,152	115,974
Right of use assets	12	5,880	12,582
Investments in joint ventures	13	27,543	32,366
Property, plant and equipment	14	244	493
Derivative financial instruments	21	209	342
Trade and other receivables	17	31,755	30,081
Total non-current assets		193,605	192,103
Current assets			
Stocks and inventories	16	32,069	28,462
Trade and other receivables	17	30,818	38,793
Cash and cash equivalents	18	2,221	7,872
Total current assets		65,108	75,127
Total assets		258,713	267,230
Liabilities			
Current liabilities			
Trade and other payables	19	(20,793)	(18,744)
Loans and borrowings	20	(31,135)	-
Lease liabilities	12	(232)	(230)
Total current liabilities		(52,160)	(18,974)
Non-current liabilities			
Loans and borrowings	20	(61,447)	(53,798)
Lease liabilities	12	(9,193)	(17,073)
Deferred tax liabilities	15	(4,028)	(5,366)
Total non-current liabilities		(74,668)	(76,237)
Total liabilities		(126,828)	(95,211)
Total net assets		131,885	172,019
Equity			
Share capital	22	266,958	266,958
Share premium	23	15,665	15,665
Accumulated losses		(150,738)	(110,604)
Total equity		131,885	172,019

The notes on pages 29 to 71 form part of these financial statements. The financial statements on pages 25 to 71 were approved and authorised for issue by the Board and were signed on its behalf on 11 September 2026.



Malcolm Nicholas Sanderson

Director

11 September 2026

Audley Group Limited

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total attributable to equity holders of the Parent Company £'000	Total Equity £'000
At 1 January 2023	266,958	15,665	(98,106)	184,517	184,517
Loss for the year	-	-	(12,498)	(12,498)	(12,498)
Total comprehensive loss	-	-	(12,498)	(12,498)	(12,498)
At 31 December 2023	266,958	15,665	(110,604)	172,019	172,019
Loss for the year	-	-	(40,134)	(40,134)	(40,134)
Total comprehensive loss	-	-	(40,134)	(40,134)	(40,134)
At 31 December 2024	266,958	15,665	(150,738)	131,885	131,885

The notes on pages 29 to 71 form part of these financial statements.

Audley Group Limited

Consolidated cash flow statement

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Operating activities		
Loss before tax	(41,472)	(13,236)
Adjustments for:		
– Depreciation of tangible fixed assets	341	527
– Amortisation of intangible fixed assets	55	75
– Loss on revaluation of investment properties	13,185	367
– Share of post-tax profits/(losses) from joint ventures	1,101	(1,058)
– Finance income	(1,720)	(3,616)
– Finance expense	17,743	7,929
– Gain on sale of Headley Court land to joint venture	-	(436)
– Disposal of Nightingale village	4,779	-
– Other operating income	-	(19)
– Other impairment	1,555	6,501
Cash flows from operating activities before changes in working capital	(4,433)	(2,966)
Increase in trade and other receivables	(6,920)	(5,144)
Increase in trade and other payables	2,049	2,546
(Increase)/decrease in stocks and inventories	(4,766)	15,222
Cash used in operating activities	(14,070)	9,658
Finance income received	787	247
Finance costs paid	-	(7,117)
Net cash flows used in operating activities	(13,283)	2,788
Investing activities		
Additions to joint venture investments	(4,856)	(2,751)
Additions to investment properties	(2,702)	(1,469)
Buyback of Stanbridge village	(18,178)	-
Disposal of Nightingale	11,626	-
Additions to property, plant and equipment	(101)	(118)
Additions to intangible assets	(611)	-
Net cash flows generated used in investing activities	(14,822)	(4,338)
Financing activities		
Interest costs on buyback of Stanbridge village	(2,909)	-
Interest costs on Lingfield land	(316)	-
Costs incurred in negotiation of Flete lease	(92)	-
Drawdowns on loans	6,480	26,270
Sale and leaseback transaction, net of transaction costs paid	37,414	-
Issue costs of new loans paid	-	(1,938)
Repayment of loans	(17,891)	(18,885)
Principal elements of lease payments	(232)	(203)
Net cash flows generated from financing activities	22,454	5,244
Net (decrease)/increase in cash and cash equivalents	(5,651)	3,694
Cash and cash equivalents at start of year	7,872	4,178
Cash and cash equivalents at end of year	2,221	7,872

Audley Group Limited

Notes to the financial statements

1 GENERAL INFORMATION

Audley Group Limited (the 'Company') is a private company limited by shares and is incorporated in England and Wales and domiciled in England. The address of its registered office is 65 High Street, Egham, Surrey TW20 9EY. The Company, together with its subsidiaries and associates/joint ventures, is referred to as 'the Group'. The Group's principal activity during the financial year was that of the development and management of retirement villages, including the provision of domiciliary care.

2 ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

These financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties. The Company has elected to prepare its individual financial statements, on pages 72 to 82 in accordance with FRS 102.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently to both periods, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in sterling (£), the functional currency of all entities within the Group, and have been rounded to the nearest thousand (£'000) unless indicated to the contrary. The functional currency is the currency of the primary economic environment in which the Group operates. Accordingly, the Group measures its financial results and financial position in sterling.

Going concern

To ascertain whether it is appropriate to prepare the financial statements on a going concern basis, the Directors have performed a robust assessment of the principal risks facing the Group, including those risks that would threaten the Group's business model, future performance and liquidity. Those risks and the Group's response to them are described in the Effective Risk Management section of the Strategic Report on pages 13 to 16.

The Group's funding position has been substantially restructured since the balance sheet date. As disclosed in note 20, at 31 December 2024 the Group had borrowings of £55.7m — a stock financing facility of £14.2m, a shareholder loan facility of £24.7m and a freehold financing facility of £16.8m — together with a £36.8m sale and leaseback facility with River SI 4A Limited (Bluewater), and cash and cash equivalents of £2.2m.

In January 2026, following the acquisition of the Group by BTEAR BidCo Limited, the Group completed a refinancing comprising £51.0m of loan notes secured against future DMC and a new £82.5m stock financing facility, of which £55.0m was drawn immediately. The proceeds repaid all existing borrowings other than the sale and leaseback facility and settled the Sunningdale and Cobham buyback obligations owed to the Group's joint venture partner. A further £8.7m of loan notes and a new £27.1m stock financing facility were subsequently issued, and the Watford buyback obligation was settled using £20.0m of the £82.5m stock financing facility. The effect of these transactions is that the buyback obligations which represented the Group's most significant near-term commitments have been discharged, the Group's asset base has increased as a result of the buybacks, the Group's debt has been placed on a longer-term footing matched to unit sales and DMC cash flows, and cash and cash equivalents had increased to £9.0m by 31 July 2026.

Operating cost base:

The Group has completed a substantial reduction in its operating cost base, and the forecasts reflect the reduced run rate for the whole of the assessment period.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Basis of assessment:

The Directors have prepared detailed cash flow forecasts covering the period to 30 September 2027, being at least twelve months from the date of approval of these financial statements. At the date of approval of these financial statements, the Group's borrowings comprised £57.1m of loan notes (on which no cash debt service is payable for the first five years), £78.5m of stock financing facilities and £36.8m under the sale and leaseback facility. No repayments of loan notes fall due within the going concern assessment period. The stock financing facilities are repayable out of the proceeds of unit sales as those sales arise rather than on fixed dates, and therefore give rise to no fixed repayment obligations during the period; the forecasts include the lease payments due under the sale and leaseback facility. The Group has complied with all applicable borrowing covenants since the refinancing and is forecast to remain in compliance with all covenant requirements throughout the assessment period. The forecasts assume that capital expenditure is applied to existing villages rather than to new development.

The base case incorporates key assumptions relating to the volume and price of unsold unit sales, DMC realisation on exit, income from deferred and monthly management charges, associated costs, and the Group's planned capital expenditure over both the short and longer term. The severe but plausible downside case models lower unit sale volumes and prices, reduced operational income, and a slower rate of take-up of the DMC initiative, together with the mitigating actions available to the Group, which include operational cost savings. No significant expenditure commitments on new developments arise during the assessment period, given the current stage of development of the Group's villages.

Further loan note issuance:

Under both the base case and the severe but plausible downside scenario, the forecasts assume that additional funding will be raised during the assessment period through the issuance of up to £21.5m of further loan notes secured against DMC cash flows, subscribed by the Group's existing investor. The loan notes would be issued on the same terms and with the same security as the notes already in issue.

The investor who provided that funding is a UK pension fund investor which has now completed this process with the Group on two occasions. It has confirmed its intention to subscribe for up to £21.5 million of further notes and has provided a written letter of support dated 21 August 2026. The proposed funding remains subject to a number of conditions which are outside the Group's and Parent Company's control, including the successful completion of the Group's DMC initiative, receipt of an appropriate credit rating from the rating agency, satisfactory completion of confirmatory legal due diligence and final internal investor approval. Accordingly, there can be no certainty that the funding will be obtained on the terms anticipated, or at all, and no legally binding commitment to subscribe exists at the date of approval of these financial statements. The Group and Parent Company are therefore dependent upon securing additional funding in order to maintain adequate liquidity and to enable them to meet their obligations as they fall due through the going concern assessment period.

The Group's 2023 financial statements disclosed four material uncertainties; these financial statements disclose one, for which the Group has a specific plan.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The Directors' conclusion:

In reaching their conclusion the Directors have had regard to the following:

- the established relationship between the Group and the funder, and the funder's written letter of support dated 21 August 2026;
- the funder's record of funding the Group, having completed the January 2026 refinancing and the further issuance in June 2026;
- the funder's existing investment in the Group and the security it holds over DMC cash flows, which aligns its economic interest with the continued operation of the Group;
- the progress made towards satisfying each of the funding conditions, none of which the Directors currently consider unlikely to be met;
- the fact that no fixed loan note repayments fall due within the assessment period, and none fall due in the first five years from issue, and that the stock financing facilities repay out of unit sale proceeds as they arise; and
- the mitigating actions available to management to manage liquidity, including operational cost savings.

Because completion of the further loan note issuance is not wholly within the Group's and Parent Company's control, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Group's and Parent Company's ability to continue as a going concern and, therefore, the Group and Parent Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the material uncertainty described above, the Directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the Annual Report and Accounts, and no adjustments have been made to the financial statements that would result if the Group and Parent Company were unable to continue as a going concern.

New standards and interpretations

The principal accounting policies are consistent with those applied in the Group's financial statements for the year to 31 December 2024, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year as shown below.

New standards adopted during the year

The following standards, amendments and interpretations were effective for the first time for the Group's current accounting period and had no material impact on the financial statements.

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations (continued)

Standards in issue but not yet effective

The following standards, amendments and interpretations were in issue at the date of approval of these financial statements but were not yet effective for the current accounting period and have not been adopted early. Based on the Group's current circumstances, the Directors do not anticipate that their adoption in future periods will have a material impact on the financial statements of the Group.

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. A subsidiary is an entity where the Company has control over that investee. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.

The results of subsidiary undertakings acquired or disposed of during the financial period are included from, or up to, the effective date of acquisition or disposal. Uniform accounting policies have been adopted across the Group.

The consolidated financial statements present the results of the Company and its subsidiaries (the 'Group') as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position.

When the Group acquires an asset or a group of assets that does not meet the definition of a business, it is accounted for as an asset acquisition. The Group allocates the consideration between the assets and liabilities acquired, based on their relative fair values, and no goodwill is recorded in relation to the acquisition. There is no impact to the income statement on the transaction date, but there is an indirect impact arising from the subsequent accounting (for example, a value allocated to investment property over and above its fair value at the transaction date will result in a higher valuation loss in the income statement at the next reporting date).

Joint arrangements

Under IFRS 11 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Audley Group Limited has joint ventures only.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated statement of financial position.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the statement of comprehensive income, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments is reviewed for impairment at least annually.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Audley Group Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Intangible assets

Goodwill represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired in a business combination by the Group.

Goodwill is capitalised as an intangible asset. Goodwill is not amortised but reviewed for impairment at least annually at each reporting date, with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Where the Group implements new internal software which generates future economic benefits, external costs associated with the implementation, and related internal staff costs for the time spent on implementation, are capitalised as an intangible asset. The intangible asset is amortised once the software goes live, over an appropriate useful life.

Investment property

The Group's investment properties are the central buildings and club facilities at each retirement village. The initial cost of the investment property is dependent on an equitable allocation of costs to develop the village, split between the shared facilities (investment property) and the saleable residential units (stocks and inventories). Investment properties are subsequently carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The directors determine the fair value of investment properties by utilising a valuation report provided by an external valuation expert (CBRE) and recognising additional adjustments as deemed necessary. Investment properties are adjusted down by the deferred management fees (contract assets) in owned villages to avoid double counting. Adjustments are also made for leased investment properties, and the Group's proportion of shared equity units. No depreciation is provided.

Changes in fair value are recognised in the consolidated statement of comprehensive income. Additions to investment properties in the course of development or refurbishment include directly attributable internal and external costs incurred during the period of development until the properties are ready for their intended use.

Shared equity

Shared ownership is available on a small number of units held in inventory. All units held in inventory are available for sale without shared ownership. Upon completion of a property sold under shared ownership, the proportion retained is transferred to investment property at cost. The proportion of the properties retained as shared ownership are revalued annually to fair value. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at cost or fair value at the date of transfer less accumulated depreciation and accumulated impairment losses. Land is not depreciated. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on all plant and equipment at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the reporting date, of each asset over its expected useful life as follows:

• Right of use asset	—	life of lease
• Short-term leasehold property	—	20% straight line or life of lease
• Fixtures and fittings	—	20% straight line
• Office equipment	—	20% to 33% straight line
• Motor Vehicles	—	20% straight line

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Leased investment properties

Where sale and leaseback transactions are entered into over investment properties, the Group makes an assessment of whether the transaction represents a sale, by assessing whether control is transferred. Where the Group retains control over the villages, a financial liability is recognised, equal to the transfer proceeds less any directly attributable transaction costs, and accounted for using IFRS 9.

Stocks and inventories

Stock comprises residential units under construction and completed units ready for sale and is stated at the lower of cost and net realisable value. Cost comprises land, cost, materials, wages and other construction costs. Net realisable value is defined as estimated selling price less all further costs of development and estimated selling expenses.

Share capital

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

Revenue recognition

The Group recognises revenue from the following major sources.

- Property sales
- Estate management fees – comprising management fees, deferred management fees, ground rent and sales & administrative fees
- Development fees
- Care service fees
- Restaurant including food and beverage income

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered net of discounts and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Group's revenue streams have been met, as described below. Revenue for each stream recognised as follows.

Property sales

Sales of residential units are recognised on legal completion.

Deferred management fees and associated contract assets

Under the terms of the lease agreements owners of the Group's properties pay a deferred management fee to meet the operating expenses of the village. The deferred management fee is calculated as a percentage of the selling price of the property. The fee accrues annually for a set period, based on the terms of individual contracts and is held as a contract asset on the statement of financial position. Given the uncertainty over the future selling price the amount recognised is based on the past two-year average realised selling price at each village on a per square foot basis and is reassessed at each year end.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

The cash settlement of the contract asset is realised on sale of the property and is secured by a charge against that property.

The timing of when deferred management fees are expected to be realised in cash is estimated based on historic sales data and split between current and non-current assets on this basis. This is currently estimated to be every eight years. Deferred management fee receivables have been discounted to reflect the time value of money at the relevant discount rate.

Management fees

Owners of the Group's properties pay a management fee that is set at the start of each year. The management fee is invoiced monthly in advance and recognised on a straight line basis over the period to which it relates.

Ground rent

Owners of the Group's properties pay an annual ground rent fee that is defined in the lease agreement. The ground rent is invoiced annually in advance and recognised on a straight line basis over the period to which it relates.

Sales and administrative fees

Under the terms of the lease agreement, a 1% administrative fee is charged on the value of the sales price achieved, a further 2% is earned on all resale properties where the Group is engaged as the sales agent. Income is recognised on legal completion of sale.

Development fees

The Group earns fees under development management agreements which are typically over a defined service period. The development fees are recognised on a straight line basis over the period to which the contract relates.

Care service fees

Care service fees are linked to providing service on a specific day (service date). Revenue from care services is recognised on completion of the service date.

Restaurant including food and beverage

Revenue from the sale of food and beverages is recognised at the point of sale.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax expense is recognised in the statement of comprehensive income. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable loss for the year or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable loss and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately and are excluded from adjusted results consistent with the internal reporting provided to Management and the Directors. Adjusted results are not a substitute for, or superior to, reported results presented in accordance with IFRS.

Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology recognises the difference between the carrying value and the recoverable amount which is the higher of the fair value less costs to sell and the value in use.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Contract assets represent a deferred management charge that the Group levies on each owner upon exit from their premises. The deferred management charge is defined in the lease signed by each owner and is calculated as a fixed percentage of sale proceeds, or agreed valuation of said premises, per year, or part thereof, of occupation.

The Directors estimate the deferred management charge by applying a weighted average percentage change in property value based on historical data of resales made in the past two years. Any increase or decrease in the calculated deferred management charge at year end is taken to the consolidated statement of comprehensive income in that period.

Other receivables include preference shares and accrued interest. The interest is accrued based on the coupon attached to the preference shares and both the interest and preference shares are reviewed at least annually for impairment. The timing of the receipt is based on the estimation of the timing of the underlying cash flows of the retirement village development that it has financed.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, which is when the contractual obligation is discharged or cancelled or expires.

Certain of the Group's financial liabilities measured at amortised costs, including the financial liability arising on the sale and leaseback transaction completed on 16 December 2024, have contractual cash outflows linked to RPI. Where a financial liability has cash outflows linked to inflation or another market-related variable, two approaches to subsequent measurement are available: (i) the future expected cash flows are re-estimated for movements in the market related variable and the effective interest rate is revised, such that no immediate gain or loss arises and the effect is recognised prospectively; or (ii) the future expected cash flows are re-estimated but discounted at the original effective interest rate, with the resulting adjustment to the carrying amount of the liability recognised immediately in the consolidated statement of comprehensive income.

The Group has elected to apply the first of these approaches. Accordingly, where the actual movement in RPI differs from that previously estimated, the future expected cash flows are adjusted, and the effective interest rate is revised at that reporting date with the effect recognised through finance costs over the remaining life of the liability rather than as immediate charge or credit. Given that the transaction completed on 16 December 2024, the application of this policy has no material effect on the results for the year ended 31 December 2024, but it will affect the measurement of finance costs in subsequent periods.

Borrowings

Interest-bearing loans are initially recorded at fair value, net of any directly attributable issue costs, and subsequently recognised at amortised cost.

Borrowing costs

Finance and other costs incurred in respect of obtaining borrowings are accounted for on an accruals basis and amortised to the consolidated statement of comprehensive income over the term of the associated borrowings using the effective interest rate method. All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred. The Group does not capitalise borrowing costs into developments.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Share-based payments

Share-based compensation benefits are provided to Executive Directors via the Management Equity Plan.

The fair value granted under the Audley Group Limited Management Equity Plan is recognised as an employee benefits expense, with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value granted:

- including performance conditions (such as the IRR to investors and NAV targets); and
- excluding the impact of any service conditions (for example, remaining an employee of the entity).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates based on the performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. These estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, given the uncertainty surrounding the assumptions and conditions upon which the estimates are based. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The Directors do not consider there to be any critical judgments other than those disclosed in this note. The Directors consider the key estimates made in the financial statements to be related to:

Valuation of investment property

The fair value of investment properties is based on a valuation model using a cash flow methodology that reflects future income streams included in the village apartment leases. The future income streams are estimated based on current contractual arrangements and ancillary income streams. The initial cost of the investment property is dependent on an equitable allocation of costs to develop the village, split between the shared facilities and the saleable apartments. The Group has adopted external valuations from an independent firm of chartered surveyors. For sensitivities on key inputs please see note 10.

Valuation of stocks and inventories

Stocks are carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Valuations of site/phase work in progress are carried out at regular intervals and estimates of the cost to complete a site/phase and estimates of anticipated revenues are required to enable a development profit to be determined. Management is required to employ considerable judgement in estimating the profitability of a site/phase and in assessing any impairment provisions which may be required. A 10% reduction in the selling price across all sites would result in an additional impairment of £372k in respect of 1 site (2023: impairment of £365k in respect of one site).

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

Contract assets

The Group accrues deferred management charge income based on each village apartment's lease agreement, which includes a provision for the Group to earn a fixed percentage based on the selling price of the apartment that crystallises upon resale of the apartment in the future. Given the contingent timing of the event, the charge is accrued each period based on the average realised selling price at each village on a per square foot basis. Given the contingent timing of the event, the contract assets have been split between amounts due in greater than one year and due in less than one year. This has been estimated, informed by historical sales data, to reflect the timing of expected cash flows. The split between current and non-current is based on an 8 year expected stay. If the average length of stay decreases by one year the amount recognised in current assets would increase by £4.7m (2023: £4.6m) and the amount recognised in non-current assets would decrease by £4.7m (2023: £4.6m). If the average length of stay increased by one year the amount recognised in current assets would decrease by £5.8m (2023: £2.3m) and the amount recognised in non-current assets would increase by £5.8m (2023: £2.3m). Deferred management fee receivables have been discounted to reflect the time value of money at the relevant discount rate.

Deferred tax

The Group has made an assessment of the recoverability of deferred tax assets and given the uncertainty over future profitability no deferred tax asset has been recognised in the year in respect of historic losses. The Group has total unrecognised gross tax losses of £124.2m (2023: £90.3m).

The Group has recognised a deferred tax asset in respect of investment properties where the valuation has decreased, given that the Directors have determined that a subsequent increase in valuation is probable, and therefore it is probable that sufficient taxable profit will be available in the future to allow the benefit of that deferred tax asset to be recovered.

Wycliffe Park lease arrangement

During the period, the Group obtained practical completion on the Wycliffe Park village. This village is leased from an external third party, who earn development revenue from the sale of units, and the Group has the rights to operating revenue (including monthly and deferred management charges). The Group has recorded an investment property asset on the statement of financial position which represents the gross value of the property, prior to any deductions for lease payments, and a lease liability which reflects the expected future rent payable. The rent payable by the Group increases based on the number of units sold, and therefore the lease liability depends upon the rate of future property sales. The lease liability has been modelled on the assumption that

Wycliffe Park will sell 2 units per month. If the sales rate decreases to 1 unit per month, the lease liability would reduce by £783k. If the sales rate increases to 3 units per month, the lease liability would increase by £293k.

Financial liabilities with inflation-linked cashflows

The Group has financial liabilities with payments linked to RPI. An RPI estimation has been used to estimate the future cashflows for the financial liability. Given that the transaction completed on 16 December 2024, a change in this RPI estimation does not have a material impact on the Group's results for the year ended 31 December 2024. A 1% decrease in the RPI forecast reduces the interest charge in the year by £15k.

Buyback of Stanbridge Earls village

On 16 December 2024, the Group completed the buyback of the Stanbridge Earls village by acquiring the remaining 75% shareholding in Audley Stanbridge Earls Limited from the RELF joint venture. The consideration paid exceeded the fair value of the net assets acquired, and the resulting loss on acquisition of £6.5m has been allocated to investment properties (note 11). Determining the fair value of the investment property on acquisition, and the net realisable value of the unsold stock acquired (which gave rise to an impairment of £1.2m, refer to note 6), requires estimation of future unit sales prices, sales rates and the discount rate applied. A change in these assumptions would change both the loss recognised on acquisition and the carrying value of stock held at the year end.

Audley Group Limited

2 ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

Treatment of sale and leaseback

Following the sale and leaseback transaction on 16 December 2024, the Group has entered into long-term leases over five of its investment properties. The investment properties for the villages are not derecognised, and given that the Group retains control and does not lose access to any operating or development cashflows as a result of this transaction, there is no increased risk for the Group, and therefore the discount rates used in determining the fair value of the investment property are unchanged (i.e. a freehold discount rate is applied).

A judgement was made that the Group retains control over the villages, by retaining the:

- rights to earn revenue;
- responsibility for the upkeep of the properties; and
- the option to buyback the villages at the end of the lease for £1.

Therefore, the sale and leaseback transaction does not satisfy the requirements of IFRS 15 to be accounted for as a sale. Consequently, the financial liability recorded is equal to the transfer proceeds, and no gain or loss is recognised upon completion of the transaction.

3 SIGNIFICANT CORPORATE TRANSACTIONS

Sale and leaseback transaction

On 16 December 2024, the Group completed a sale and leaseback transaction over five of its investment properties (Willicombe, St George's, Ellerslie, Stanbridge, Chalfont), in exchange for £39.5m consideration. These properties were leased back on the same day to the Group via a 50-year lease and the Group has a purchase option at the end of the lease for £1. The cash received is accounted for as a financial liability (in accordance with IFRS 9), net of day 1 transaction costs, and measured at amortised cost on a go-forward basis.

The day 1 financial liability of £37.4m is calculated as follows:

	2024 £'000
Cash consideration	39,455
Directly attributable transactions costs	(2,041)
Day 1 financial liability	37,414

Cash received is allocated to the villages as follows:

	2024 £'000
Willicombe Park	2,210
St Georges Place	3,820
Ellerslie	4,280
Stanbridge Earls	13,445
Chalfont	15,700
Total cash received	39,455

Audley Group Limited

3 SIGNIFICANT CORPORATE TRANSACTIONS (CONTINUED)

Sale and leaseback transaction (continued)

The sale and leaseback liability at 31 December 2024 is £36.8m, which is calculated as follows:

	2024 £'000
Day 1 financial liability (refer to Note 2)	37,414
Interest incurred in December 2024	154
Payments made in December 2024	(752)
31 December 2024 liability	36,816

Acquisition of the Stanbridge Earls village

On 16 December 2024, the Group completed the buyback of the Stanbridge Earls village by purchasing the 75% shareholding from the RELF joint venture. Post the buyback, the Group now owns 100% of the share capital in Audley Stanbridge Earls Limited. This acquisition extinguishes the first of the Group's joint venture buyback commitments. Post acquisition, the Group owned the freehold investment property (which was subsequently sold in a sale and leaseback transaction, on the same day) and the unsold stock for the Stanbridge Earls village.

The Group incurred interest from the buyback date set in the joint venture agreement (JVA) (of 1 November 2023) up until the date of the transaction (16 December 2024), at a rate of 15% per annum on the agreed buyback price set out in the JVA. The total interest incurred was paid on the same date as the buyback (i.e. 16 December 2024), and amounted to £2.9m which has been recognised in note 8.

	2024 £'000
The consideration for the acquisition is as follows	
Cash consideration	18,454
Deferred cash paid back to the Group	(393)
Directly attributable transactions costs	116
Cashflows relating to the acquisition of Stanbridge Earls Village	18,177
Investment in joint venture derecognised (refer to Note 12)	7,858
	26,036

The buyback has been accounted for as an asset acquisition. In determining the accounting, the fair values of the investment property and the stock acquired were assessed at the date of acquisition and compared with the total consideration paid. The remaining assets and liabilities acquired were recognised at their carrying values, and the consideration has been allocated against the assets acquired on a relative fair value basis as follows:

	Carrying value at 16 Dec 2024 £'000	Relative fair value at acquisition £'000	Allocated considera- tion £'000	Excess of fair value over carrying value on acquisition £'000	Other disclosure notes impacted
Investment property	16,049	16,049	22,531	6,481	11
Stock	2,272	2,876	3,434	1,161	6
Amounts due from related parties	234	234	234	-	-
Cash	53	53	53	-	-
Trade and other creditors	(216)	(216)	(216)	-	-
	18,392	18,996	26,036	7,642	

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3 SIGNIFICANT CORPORATE TRANSACTIONS (CONTINUED)

Acquisition of the Stanbridge Earls village (continued)

Other disclosure notes impacted

	Note	2024 £'000
Impairment of Stanbridge village stock	6	1,162
Revaluation loss relating to Stanbridge village buyback	11	6,481
Buyback of Stanbridge Earls from joint venture	12	7,858

Disposal of Nightingale village

At 31 December 2023, the Group held a 4% interest in Audley Nightingale Lane Limited (“ANLL”), which has developed a retirement village and is registered in Jersey. The carrying value of this investment at 31 December 2023 was £nil. In January 2024, the remaining 96% interest was purchased for £3.2m, resulting in the Group holding 100% of the share capital in ANLL, in addition to the preference share capital held. This purchase was partially funded by a £3m loan from Moorfield Real Estate Fund II GP Limited, a related party of the Group’s ultimate controlling parties (at the date of this transaction). Additionally, a further £2m was drawn down on this loan facility. In May 2024, the Group sold its share capital in Audley Nightingale Lane Holdings Limited (which includes the 100%-owned shareholdings of both ANLL and Audley Nightingale Place Management Limited, as wholly owned subsidiaries of Audley Nightingale Lane Holdings Limited) to MREF V GP Limited, a related party of the Group’s ultimate controlling parties (at the date of this transaction).

This disposal has not been treated as a discontinued operation, given that the disposal does not reflect the discontinuation of a major line of business or geographical area of operation.

The Group has recorded a loss on disposal of the Nightingale village, which is calculated as follows:

	2024 £'000
Cash consideration	11,233
Deferred cash paid back to the Group	550
Legal cost relating to the disposal	(157)
Intercompany assets written off	(21,881)
Net liabilities disposed	5,476
Loss on disposal	(4,779)

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4 REVENUE AND GROSS PROFIT

All revenue is generated in the United Kingdom.

	2024 £'000	2023 £'000
Property sales ¹	6,327	18,538
Estate management fees ²	29,383	26,492
Care income ¹	6,327	6,204
Development fee income ^{1, 2}	2,308	2,055
Other ³	6,868	6,570
Total revenue	51,213	59,859
Property cost of sales	(4,721)	(13,980)
Estate management	(25,910)	(22,944)
Care	(3,740)	(3,759)
Other ³	(2,122)	(1,911)
Total cost of sales	(36,493)	(42,594)
Gross profit	14,720	17,265

1. Recognised at a point in time.
2. Recognised over time.
3. Other revenues include restaurant and bistro sales¹, club memberships², sales and admin fee and ground rents².

5 OPERATING LOSS

	2024 £'000	2023 £'000
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	159	335
Depreciation of right of use assets	182	183
Amortisation of software	55	75
Gain on sale of Headley Court land to joint venture	-	(436)
Disposal of Nightingale village (<i>refer to note 3</i>)	(4,779)	-
Other impairment (<i>refer to note 6</i>)	(1,555)	(6,501)
Auditors' remuneration – audit of the Group and Parent Company	485	400
Auditors' remuneration – audit of subsidiaries	55	50
Total auditors' remuneration	540	450
Operating lease rentals:		
– Other	102	108

Audley Group Limited

6 OTHER IMPAIRMENT

	2024	2023
	£'000	£'000
Expected credit loss on financial assets at amortised cost	-	(6,053)
Impairment of investment in Denmark	-	(448)
Reversal of impairment in investment in joint ventures	(117)	-
Impairment of stock	(276)	-
Loss on acquisition of Stanbridge village, allocated to stock	(1,162)	-
	(1,555)	(6,501)

See note 17 for further details on the expected credit loss, which refers to the impairment of the preference shares held in Audley Nightingale Lane Limited.

The investment in Denmark was written off in 2023, and the related entity (PFA Audley PropCo P/S) was subsequently liquidated during 2024.

Investments in joint ventures (including the acquisition of Stanbridge from a joint venture) and stock are disclosed in further detail in note 13 and 16 respectively.

See note 18 for further details on the expected credit loss, which refers to the impairment of the preference shares held in Audley Nightingale Lane Limited.

7 EMPLOYEE BENEFIT EXPENSES

	2024	2023
	£'000	£'000
Employee benefit expenses (including Directors) are as follows:		
Wages and salaries	17,540	23,100
Defined contribution pension costs	1,075	962
Social security costs	2,337	2,261

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1.1m (2023: £1.0m), of which £189k (2023: £163k) was outstanding at the year end and included within other payables.

The average monthly number of employees (full-time equivalent), including Directors, employed by the Group during the year was as follows:

	2024	2023
Estate management	289	264
Care provision	279	285
Restaurant	199	191
Central management and administration	70	62
Sales and marketing	25	24
	862	826

Audley Group Limited

7 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Directors' emoluments

	2024 £'000	2023 £'000
Wages and salaries	841	1,777
Social security costs	111	254
Defined contribution pension costs	10	110
	962	2,141

The highest paid Director received £474k (2023: £742k) in the year, including £10k (2023: £3k) for pension contributions. Non-Executive Directors do not receive a salary but are compensated as part of a management fee as disclosed in note 25.

Key management personnel compensation

The compensation disclosure below relates to the Company Directors and key senior managers within the Group, who constitute the people having authority and responsibility for planning, directing and controlling the Group's activities. For the year ended 31 December 2024, the key senior managers within the Group are deemed to be the Board members and Group Land Director, who is a Director of subsidiary companies. No amounts are paid to Non-Executive Directors in respect of their services as Directors. No balances are outstanding from key management personnel at the year end.

Key management personnel

	2024 £'000	2023 £'000
Wages and salaries	3,204	3,104
Social security costs	390	398
Defined contribution pension costs	153	312
	3,747	3,814

8 FINANCE INCOME AND FINANCE EXPENSE

	2024 £'000	2023 £'000
Preference share interest	551	3,030
Discounting of deferred management fees	755	244
Other interest receivable	414	342
Finance income	1,720	3,616
Bank interest payable on bank overdrafts and loans	(16,599)	(6,887)
Other finance costs (including facility fees)	(57)	(231)
Interest on lease liabilities	(1,087)	(811)
Finance expense	(17,743)	(7,929)
Net finance expense	(16,023)	(4,313)

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9 TAX CHARGE/(CREDIT)

	2024 £'000	2023 £'000
Current tax		
Corporation tax	—	—
Deferred tax		
In respect of revenue losses	—	—
In respect of revaluation losses	(1,338)	(738)
Total tax credit	(1,338)	(738)

The reasons for the difference between the actual tax charge/(credit) for the year and the Group rate of corporation tax applied to the loss before tax for the year are as follows:

	2024 £'000	2023 £'000
Loss before tax for the year	(41,472)	(13,236)
Loss before tax on ordinary activities multiplied by standard rate of corporation tax in the UK for smaller companies 19% (2023: 19%)	(7,880)	(2,515)
Expenses not deductible	1,542	1,406
Timing differences relating to investment property valuations	(1,338)	(738)
Losses not recognised	6,338	1,109
Total tax credit	(1,338)	(738)

On 1 April 2023, the standard rate of corporation tax in the UK increased from 19% to 25% for companies with profits above £250k. Deferred tax assets and liabilities have therefore been recognised at the future rate of 25%. Current tax has been recognised at the small companies rate of 19% given the Group is not making taxable profits.

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10 INTANGIBLE ASSETS

Software
£'000

Cost	
At 1 January 2023	-
Transfers from property, plant & equipment	784
Additions	148
At 31 December 2023	932
Additions	612
At 31 December 2024	1,544
Accumulated amortisation and impairment	
At 1 January 2023	-
Transfers from property, plant & equipment	(592)
Amortisation	(75)
At 31 December 2023	(667)
Amortisation	(55)
At 31 December 2024	(722)
Net book value	
At 31 December 2024	822
At 31 December 2023	265

11 INVESTMENT PROPERTIES

Valuation	2024 £'000	2023 £'000
At 1 January	115,974	111,391
Additions	25,097	5,013
Adjustment for leased investment properties	(570)	-
Disposals of shared equity properties	(163)	(63)
Revaluation loss relating to Stanbridge Village buyback	(6,481)	-
Gain/(loss) on revaluation	(6,704)	(367)
At 31 December	127,153	115,974
	2024 £'000	2023 £'000
Fair value of central facilities as determined by CBRE	164,875	140,475
Adjustment for leased investment properties	-	2,267
Shared equity ownership and right of use assets	7,580	7,058
Contract assets on owned villages	(45,302)	(33,826)
	127,153	115,974

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11 INVESTMENT PROPERTIES (CONTINUED)

The historical cost of investment properties at 31 December 2024 was £135.9m (2023: £111.2m). Of the £25.1m additions to investment property during the year, £22.5m relates to the acquisition of the Stanbridge village.

The Group's investment properties are the central buildings and club facilities at each retirement village. The Group holds 13 investment properties (2023:12) that are valued annually on the basis of fair value. At 31 December 2024 the investment properties were valued by CBRE Limited (CBRE), an independent firm of chartered surveyors. The valuations are in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (the 'Red Book') and are classified as level 3 within the fair value hierarchy. Fair value was determined by the directors to be £164.9m (2023: £140.5m), based upon CBRE's valuation of £169.9m (2023: £145.5m), and an additional fair value adjustment of £5.0m (2023: £5.0m).

During the year, the Group obtained practical completion on the Wycliffe Park village. This village is leased from an external third party, who earn development revenue from the sale of units, and the Group has the rights to operating revenue (including monthly and deferred management charges). The fair value of the central facilities provided by CBRE includes a deduction for lease payments made relating to the Wycliffe Park property. The Directors have made a £2.3m adjustment for this lease payment deduction, to avoid double-counting the lease liability already recorded.

The fair values were arrived at by a valuation model using a cash flow methodology that reflects future income streams included in the village apartment leases and other ancillary income streams. The future income streams are estimated based on current and anticipated contractual arrangements and non-contractual ancillary revenue.

Revenue stream	Methodology	Key inputs 2024
Deferred management fees	Discounted cashflow	- house price inflation (HPI) (average 3.2% - 4.4% and 3% thereafter); - discount rate (8.75% – 12.75%); - average length of stay (7.5 – 8.0 years); - exit yield (6.25% – 8%); - estate management and lifecycle costs; - deferred management charges (typically between 1.0% and 2.0% of gross development value) - Sales rates (1 to 2 per month depending on the size of the scheme) and
Operations, including monthly management fees, restaurant and club	Discounted cashflow	- management charges (£533 – £2,250 per unit per month); - discount rate (8.25% – 12.25%) - exit yield (5.75% – 7.5%) and
Administration fees	Discounted cashflow	- discount rate (8.75% – 12.75%); - exit yield (6.25% – 8%) - average length of stay (7.5 – 8.0 years).

Revenue stream	Methodology	Key inputs 2023
Deferred management fees	Discounted cashflow	- house price inflation (HPI) (average 3.0%); - discount rate (8.75% – 13%, average 9.58%); - average length of stay (7.5 – 8.0 years); - exit yield (6.25% – 8%); - estate management and lifecycle costs; - deferred management charges (typically between 1.0% and 2.0% of gross development value) - Sales rates (1 to 2 per month depending on the size of the scheme) and

Audley Group Limited

11 INVESTMENT PROPERTIES (CONTINUED)

Operations, including monthly management fees, restaurant and club	Discounted cashflow	- management charges (£560 – £1,077 per unit per month) - discount rate (8.25% – 12.5%, average 9.08%); - exit yield (5.75% – 7.5%) and
Administration fees	Discounted cashflow	- discount rate (8.75% – 13%, average 9.58%); - exit yield (6.25% – 8%) - average length of stay (7.5 – 8.0 years).

The inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if:

- HPI was higher/(lower)
- Discount rates are lower/(higher)
- Average length of stay is lower/(higher)
- Expected management charges were higher/(lower)
- Expected deferred management charges were higher/(lower)
- Estate management and lifecycle costs were lower/(higher)
- Resale fee income and ground rent is higher/(lower)
- Exit yield was lower/(higher).

The table below shows the sensitivity of the investment property value for changes to the discount rate and HPI assumptions.

£'000	2024	Change in discount rate		
		–100BP	–	+100BP
Change in HPI	–100BP	(4,606,000)	(20,466,000)	(32,938,000)
	–	19,855,000	–	(16,505,000)
	+100BP	49,210,000	24,495,000	(4,100,000)

£'000	2023	Change in discount rate		
		–100BP	–	+100BP
Change in HPI	–100BP	3,350,000	(12,815,000)	(26,300,000)
	–	18,860,000	–	(15,640,000)
	+100BP	36,910,000	14,870,000	(3,305,000)

The Group did not incur any direct operating expenses arising from investment properties that did not generate income. There are no obligations, except those already contracted, to construct or develop the Group's investment properties. At 31 December 2024 contractual obligations to develop investment properties amounted to £nil (2023: £nil).

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12 RIGHT OF USE ASSETS

Given nature of the asset, on 1 January 2019 following adoption of the leasing standard IFRS 16, assets in relation to leases which had previously been classified as operating leases were recognised to right of use assets.

	Right of use property assets £'000
Cost	
At 1 January 2023	11,038
Lease modification	(459)
Additions	2,308
At 31 December 2023	12,887
Lease modifications	(184)
Additions	104
Disposals	(6,558)
At 31 December 2024	6,249
Accumulated depreciation	
At 1 January 2023	(122)
Depreciation charge for the year	(183)
At 31 December 2023	(305)
Disposals	118
Depreciation charge for the year	(182)
At 31 December 2024	(369)
Net book value	
At 31 December 2024	5,880
At 31 December 2023	12,582
	2024 2023
	£'000 £'000
Lease liabilities	
Current	232 230
Non-current	9,193 17,073

The statement of comprehensive income shows the following amounts relating to leases:

	2024	2023
	£'000	£'000
Depreciation of right of use assets		
Buildings	182	183
	182	183
Interest expense (included in finance cost)	1,087	811
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative and selling expenses)	102	108

Audley Group Limited

12 RIGHT OF USE ASSETS (CONTINUED)

The total cash outflow for leases in 2024 was £232k (2023: £203k), excluding the payments for low-value assets shown in the table above.

The Group leases various offices and investment properties. Rental contracts for investment properties range from 99 to 999 years, and the Group's leased offices are for a period of ten years. Contracts may contain both lease and non-lease components. For leases of real estate for which the Group is a lessee, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which do not have recent third-party financing
- Makes adjustments specific to the lease, for example term, country, currency and security

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

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12 RIGHT OF USE ASSETS (CONTINUED)

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life. While the Group revalue its land and buildings that are presented within investment properties, it has chosen not to do so for the right of use buildings held by the Group.

The Group has one lease with variable payments terms; the lease payments on the Wycliffe Park property are linked to the number of units sold. These lease payments become fixed once the final unit has been sold. The Group has treated these lease payments as in-substance fixed lease payments given that the lease payments are unavoidable.

Extension and termination options are included in a number of properties and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

13 INVESTMENTS IN JOINT VENTURES

Cost	£'000
At 1 January 2023	28,557
Additions	2,751
Share of results from joint ventures	1,058
At 1 January 2024	32,366
Buyback of Stanbridge village from joint venture	(7,858)
Additions	4,856
Share of results from joint ventures	(1,101)
Impairment reversal	(117)
Interest on Sunningdale buyback from joint venture	(603)
At 31 December 2024	27,543

Breakdown of share of results of joint ventures for the period

Joint venture	Total comprehensive income/(loss)	Audley Share	Adjustments for Group accounting policies	Share of results from joint ventures
SLIP	(10,342)	5%	-	(517)
Blackrock	(1,170)	25%	-	(292)
RELF	1,452	25%	(655)	(292)
				(1,101)

The £655k adjustment for Group accounting policies in respect of RELF relates to deferred management charge (DMC) income recognised by the joint venture, which is already reflected in the fair value of the Group's investment properties. It is therefore adjusted out of the Group's share of results to ensure there is no double counting.

As at 31 December 2024, investments in joint ventures consisted of the Group's 25% share of the RELF Audley Retirement Living LLP, 25% share of UK Retirement Villages SCSp and 5% share of SLIP Audley LLP.

During the year to 31 December 2024, the Group invested an additional £4.7m (2023: £1.7m) in RELF Retirement Living LLP and recognised its share of total comprehensive income for the period to 31 December 2024 from the joint venture of £363k (2023: £214k).

Audley Group Limited

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

During the year to 31 December 2024, the Group made £200k of additional investment in UK Retirement Villages SCSp (2023: £nil). The Group recognised its share of total comprehensive loss for the period to 31 December 2024 from the joint venture of £292k (2023: profit of £855k).

During the year to 31 December 2023, the Group set up a new joint venture with Senior Living Investment Partners (General Partner) Limited, to construct luxury retirement villages (the "SLIP joint venture"). The Group owns 5% of the equity in this SLIP joint venture, with the remaining 95% owned by Senior Living Investment Partners (General Partner) Limited. The Group received a net distribution of £81k from this joint venture in the year (2023: investment of £1.0m), and recognised its share of total comprehensive loss for the period to 31 December 2024 from the joint venture of £517k (2023: £11k).

RELF Audley Retirement Living LLP joint venture

The tables below provide summarised financial information for the RELF Audley Retirement Living LLP joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures (adjusted for IFRS) and not Audley Group Limited's share of those amounts.

	2024 £'000	2023 £'000
Non-current assets		
Intangible assets	1,376	1,376
Investment properties	14,370	35,058
Property, plant and equipment	6	10
Deferred tax assets	-	492
Total non-current assets	15,752	36,936
Current assets		
Stocks and inventories	136,235	150,884
Trade and other receivables	6,155	3,463
Cash and cash equivalents	1,043	10,835
Total current assets	143,433	165,182
Total assets	159,185	202,118
Liabilities		
Current liabilities		
Trade and other payables	(4,539)	(9,979)
Loans and borrowings	-	(97,916)
Total current liabilities	(4,539)	(107,895)
Non-current liabilities		
Loans and borrowings	(72,611)	-
Deferred tax liabilities	-	(3,407)
Total non-current liabilities	(72,611)	(3,407)
Total liabilities	(77,150)	(111,302)
Total net assets	82,035	90,816
Total members' interests		
Loans and other debts due to members	83,488	93,725
Accumulated losses	(1,453)	(2,909)
Total equity	82,035	90,816

Audley Group Limited

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

RELf Audley Retirement Living LLP joint venture (continued)

	Year ended 31-Dec 2024 £'000	Year ended 31-Dec 2023 £'000
Revenue	32,271	55,580
Cost of sales	(27,567)	(44,841)
Gross profit	4,704	10,739
Administrative and selling expenses	(4,958)	(4,372)
Gain/(loss) on revaluation of investment properties	(2,380)	490
Gain on disposal of Stanbridge to Audley Group	9,580	-
Operating profit/(loss)	6,946	6,857
Net finance income/(cost)	(5,269)	66
Profit before tax	1,677	6,923
Tax charge	(221)	(1,205)
Profit and total comprehensive income for the year	1,456	5,718

UK Retirement Villages SCSp joint venture

The tables below provide summarised financial information for the UK Retirement Villages SCSp joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures (adjusted for IFRS) and not The Group Limited's share of those amounts.

	2024 £'000	2023 £'000
Non-current assets		
Investment properties	12,536	14,100
Property, plant and equipment	-	4
Deferred tax assets	-	1,922
Total non-current assets	12,536	16,026
Current assets		
Stocks and inventories	54,621	64,128
Trade and other receivables	2,231	1,281
Cash and cash equivalents	1,419	1,564
Total current assets	58,271	66,973
Total assets	70,807	82,999
Liabilities		
Current liabilities		
Trade and other payables	(3,380)	(2,784)
Total current liabilities	(3,380)	(2,784)
Non-current liabilities		
Loans and borrowings	(31,892)	(41,654)
Trade and other payables	(3,434)	(3,051)
Deferred tax liabilities	(1,071)	(1,546)
Total non-current liabilities	(36,397)	(46,251)
Total liabilities	(39,777)	(49,035)
Total net assets	31,030	33,964
Total members' interests		
Loans and other debts due to members	42,496	40,944
Accumulated losses	(11,466)	(6,980)
Total equity	31,030	33,964

Audley Group Limited

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

UK Retirement Villages SCSp joint venture (continued)

	Year ended 31-Dec 2024 £'000	Year ended 31-Dec 2023 £'000
Revenue	15,308	13,225
Cost of sales	(10,720)	(10,901)
Gross profit	4,588	2,324
Administrative and selling expenses	(3,141)	(3,114)
Gain/(loss) on revaluation of investment properties	(1,924)	6,183
Operating profit/(loss)	(477)	5,393
Net finance expense	(3,082)	(1,172)
(Loss)/profit before tax	(3,559)	4,221
Tax charge	(981)	(801)
(Loss)/profit and total comprehensive (expense)/income for the year	(4,540)	3,420

SLIP Audley LLP joint venture

The tables below provide summarised financial information for the SLIP Audley LLP joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures (adjusted for IFRS) and not The Group Limited's share of those amounts.

	2024 £'000	2023 £'000
Current assets		
Stocks and inventories	15,770	20,001
Trade and other receivables	221	4,402
Cash and cash equivalents	38	50
Total current assets	16,029	24,453
Total assets	16,029	24,453
Liabilities		
Current liabilities		
Trade and other payables	(430)	(777)
Total current liabilities	(430)	(777)
Non-current liabilities		
Loans and borrowings	(12,833)	(8,884)
Total non-current liabilities	(12,833)	(8,884)
Total liabilities	(13,263)	(9,661)
Total net assets	2,766	14,792
Total members' interests		
Loans and other debts due to members	17,393	19,077
Accumulated losses	(14,627)	(4,285)
Total equity	2,766	14,792

Audley Group Limited

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

SLIP Audley LLP joint venture (continued)

	Year ended 31-Dec 2024 £'000	Period ended 31-Dec 2023 £'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative and selling expenses	(638)	(114)
Loss on revaluation of investment properties	(9,704)	(4,172)
Operating loss	(10,342)	(4,286)
Net finance income	-	1
Loss before tax	(10,342)	(4,285)
Tax charge	-	-
Loss and total comprehensive expense for the year	(10,342)	(4,285)

Commitments in respect of joint ventures

The RELF joint venture has capital commitments of £nil (2023: £7.0m) of which the Group's share is £nil (2023: £1.7m). The Group is contracted to purchase the remaining three entities from the joint venture that have developed the retirement villages. The total consideration for the three villages is £44.7m (2023: £74.7m), of which Audley already own 25%; therefore, the contractual future cash outflows are £33.5m (2023: £56m). The timing of the purchase of these entities is either when 95% of the village units are sold or a specified number of months from the acquisition of the land, unless agreed and negotiated separately with the joint venture partner. The obligation to buy back the properties is estimated to fall between 2025 and 2027, or earlier when the 95% of the village units are sold.

The Watford Mayfield joint venture has capital commitments of £nil (2023: £nil) of which the Group's share is £nil (2023: £nil). The Group is contracted to purchase the entity from the joint venture that has developed the retirement village. The total consideration for the village is £25m (2023: £25m), of which Audley already own 25%; therefore, the contractual future cash outflows are £21.8m (2023: £21.8m). The timing of the purchase of these entities is either when 92.5% of the village units are sold or a specified number of months from the acquisition of the land. The obligation to buy back the properties is estimated to fall in 2026, or earlier when the 92.5% of the village units are sold.

The SLIP joint venture has no capital commitments as at 31 December 2024 (2023: £nil). The Group is currently contracted to purchase one entity (Headley Court) from the joint venture, which has developed the related retirement village. The total consideration for this is £26.2m, of which Audley already own 5%; therefore, the contractual future cash outflows are £24.9m. The timing of the purchase of these entities is either when 95% of the village units are sold or a specified number of months from the acquisition of the land, unless agreed and negotiated separately with the joint venture partner. The obligation to buy back the properties is estimated to fall in 2028, or earlier when the 95% of the village units are sold.

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14 PROPERTY, PLANT AND EQUIPMENT

	Short-term leasehold property £'000	Fixtures and fittings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2023	655	741	2,178	97	3,671
Additions	-	16	102	-	118
Transfer to intangible assets			(784)		(784)
At 31 December 2023	655	757	1,496	97	3,005
Additions	-	2	99	-	101
Nightingale assets disposed off in sale	-	(190)	(1)	-	(191)
At 31 December 2024	655	569	1,594	97	2,915
Accumulated depreciation					
At 1 January 2023	650	367	1,686	66	2,769
Depreciation charge for the year	5	147	173	10	335
Transfer to intangible assets			(592)		(592)
At 31 December 2023	655	514	1,267	76	2,512
Depreciation charge for the year	-	21	130	8	159
At 31 December 2024	655	535	1,397	84	2,671
Net book value					
At 31 December 2024	-	34	197	13	244
At 31 December 2023	-	243	229	21	493

15 DEFERRED TAX

	2024 £'000	2023 £'000
Disclosed as:		
Deferred tax asset (tax losses)	-	-
Deferred Tax asset (revaluation deficits)	-	-
Total deferred tax assets	-	-
Recoverable within one year	-	-
Recoverable after more than one year	-	-
Deferred tax liability (revaluation surpluses)	(4,028)	(5,366)
Total deferred tax liabilities	(4,028)	(5,366)
Arising within one year	-	-
Arising after more than one year	(4,028)	(5,366)

At 31 December 2024 the Group had unused tax losses of £125.4m (2023: £90.9m), of which £nil (2023: £nil) has been recognised as a deferred tax asset. These tax losses have not been recognised as it is not considered sufficiently certain that these losses can be utilised in future periods.

Audley Group Limited

16 STOCKS AND INVENTORIES

	2024	2023
	£'000	£'000
Land and work in progress	8,813	2,131
Finished goods	23,122	26,202
Food and beverage stocks	134	129
	32,069	28,462
		£'000
At 1 January 2023		43,684
Additions		21,867
Additions transferred to SLIP JV		(20,877)
Disposals - property cost of sales		(13,980)
Disposals - food & beverage cost of sales		(1,253)
Other movements		(979)
At 31 December 2023		28,462
Disposals - property cost of sales		(4,721)
Additions to food & beverage stock		6
Work in progress acquired		6,682
Stock acquired from acquisition of Stanbridge		2,321
Impairment of stock		(276)
Other movements		(404)
At 31 December 2024		32,070

During the year, impairment of £0.3m has been recognised on stocks and inventories (2023: £nil), based on recent sales values and estimated costs to sell.

There were no significant differences between the replacement cost of stocks and its carrying value.

17 TRADE AND OTHER RECEIVABLES

Trade and other receivables – greater than one year

	2024	2023
	£'000	£'000
Amounts due from related undertakings	3,434	3,051
Contract assets	28,321	27,030
	31,755	30,081

In May 2021, Audley Group Developments 1 Limited, which holds the Watford Mayfield development, was sold by Audley Court Limited to a newly incorporated joint venture entity (Thomas Sawyer Holdings Limited) in which the Group holds 25% of the share capital via its investment in UK Retirement Villages SCSp. As part of the transaction, Audley Investments Number 4 Limited (a 100% subsidiary of Audley Group Limited) issued £3.5m of loan notes to Audley Group Developments 1 Limited. The loan notes are interest free but under IFRS the loan has been accounted for as a basic financial instrument and interest has been imputed and accrued at an estimated market rate of 12.5%.

Audley Group Limited

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

The loan itself has been accounted for in trade and other receivables at present value, and the difference between present value and par value has been recognised as a capital contribution and therefore accounted for within investments in joint ventures.

Included within contract assets in trade and other receivables is income that has been accrued in relation to the deferred management charges and is split between the amount due in greater than one year and due in less than one year. The Directors have estimated these amounts, informed by historical sales data, to classify the amounts based on the timing of expected cash flows.

The ageing of trade and other receivables greater than one year was as follows:

	2024	2023
	£'000	£'000
Between one and two years	8,034	7,844
Between two and five years	15,680	11,813
Greater than five years	8,042	10,424
Total	31,756	30,081

Trade and other receivables – less than one year

	2024	2023
	£'000	£'000
Trade receivables	3,396	4,428
Provision for impairment of trade receivables	(98)	(105)
Trade receivables (net)	3,298	4,323
Other receivables	4,134	2,690
Amounts due from related undertakings	1,662	2,062
Preference shares and accrued interest	-	13,602
Prepayments	1,149	1,003
Contract assets	20,575	15,113
	30,818	38,793

The ageing of trade receivables was as follows:

	2024	2023
	£'000	£'000
Up to 30 days overdue	153	145
31 to 60 days overdue	117	74
61 to 90 days overdue	60	60
Over 90 days overdue	464	595
Total	794	874
Amounts not yet due	2,504	3,449
Trade receivables (net)	3,298	4,323

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18 CASH AND CASH EQUIVALENTS

	2024	2023
	£'000	£'000
Cash and cash equivalents	2,221	7,872
	2024	2023
	£'000	£'000
Cash and cash equivalents	2,221	7,872
Gross debt – variable interest rates	(92,582)	(55,502)
Lease liabilities	(9,425)	(17,303)
Net debt	(99,786)	(64,933)

The Group's gross debt at 31 December 2024 comprises amounts drawn under a stock financing facility, a shareholder loan facility and a freehold financing facility, together with the financial liability arising on the sale and leaseback transaction completed in December 2024. The stock financing and freehold financing facilities are secured against owned villages and contain financial covenants that are tested quarterly. In addition to cash and cash equivalents of £2.2m (2023: £7.9m), the Group had undrawn loan facilities of £10.8m (2023: £17.2m) at 31 December 2024. Further details of each facility, including amounts drawn and the maturity profile of the Group's borrowings, are set out in note 20.

	Cash and cash equivalents	Liabilities from financing activities		Net debt
	Cash and cash equivalents	Borrowings – due within one year	Borrowings – due after one year	Total
	£'000	£'000	£'000	£'000
At 1 January 2023	4,178	(118)	(54,991)	(50,931)
Cash flows	3,694	118	(511)	3,301
Leases	-	(230)	(17,073)	(17,303)
At 1 January 2024	7,872	(230)	(72,575)	(64,933)
Cash flows	(5,651)	230	(20,007)	(25,428)
Leases	-	(232)	(9,193)	(9,425)
Reclassification of debt to current liabilities	-	(31,135)	31,135	-
At 31 December 2024	2,221	(31,367)	(70,640)	(99,786)

19 TRADE AND OTHER PAYABLES

	2024	2023
	£'000	£'000
Trade payables	4,702	4,239
Other payables	2,284	1,117
Amounts due on Lingfield site acquisition	3,378	-
Accruals	7,482	10,392
Contract liabilities	2,947	2,996
	20,793	18,744

Audley Group Limited

20 LOANS AND BORROWINGS

	2024 £'000	2023 £'000
Less than one year	31,135	-
Between one and five years	24,632	53,798
Greater than five years	36,816	-
	92,583	53,798

In September 2022, the group refinanced its revolving credit facility with a £59.3m stock financing facility from Silbury Specialty Finance, secured on the net assets of Cooper's Hill. In so doing seven property assets were released from security and the gross debt borrowing amount was increased.

On 17 February 2023, the Group secured a £22.9m three-year shareholder financing facility to provide liquidity through 2023 and to 'bridge' to new financing.

On 22 November 2023, the Group entered into a new five-year £28.5m freehold financing facility with Federated Hermes. At 31 December 2024, £17.8m had been drawn from this facility.

On 16 December 2024, the Group completed a sale and leaseback transaction for five of its investment properties, in exchange for £39.5m consideration. These properties were leased back on the same day to the Group via a 50-year lease and the Group has a purchase option at the end of the lease for £1. The cash received is accounted for as a financial liability, net of day 1 transaction costs, and measured at amortised cost on a go-forward basis.

At 31 December 2024 the Group had undrawn loan facilities of £10.8m (2023: £17.2m).

The £92.6m loan outstanding at 31 December 2024 (2023: £53.8m) can be split as follows between the loan facilities in place

	2024 £'000	2023 £'000
Stock financing facility	14,272	25,942
Shareholder loan facility	24,632	17,704
Freehold financing facility	16,863	10,152
Sale and leaseback liability, accounted for as a loan	36,816	-
Total loans outstanding	92,583	53,798

21 FINANCIAL INSTRUMENTS

Capital risk management

The Group's primary capital management objective is to ensure the Group's ability to continue as a going concern for the foreseeable future. The Group's capital comprises equity, cash and cash equivalents and borrowings. The Group's capital structure is managed and monitored through its budget, rolling cash flow forecast and monthly management accounts. The Group's net debt to equity ratio is 75.7% (2023: 37.7%).

Financial risk management

The Group's principal financial instruments at 31 December 2024 comprise bank loans and cash. The main purpose of these financial instruments is to provide finance for the Group's development and operation of retirement villages at appropriate risk levels. The Group has other financial instruments that arise directly from its operations, including trade and other receivables, trade and other payables, and lease liabilities.

Audley Group Limited

21 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

The Group considers the main risks arising from its financial instruments to be credit risk, price risk, liquidity risk and interest rate risk. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Group's finance department. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

Credit risk

Credit risks arise from the possibility that customers might not be able to settle their obligations as agreed. On the reservation of a property, the Group takes a reservation fee and retains ownership of the property until legal completion, thus minimising risk. The deferred management charge is accrued throughout the period the property is owned by the resident and is settled upon resale of the property; the deferred management charge is secured on the property. The primary risk is that care customers do not settle their obligations as agreed. To manage this risk the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Group is not reliant on any major customer to continue as a going concern. The Group's cash is held with reputable banking institutions and in client accounts with solicitors and therefore credit risk is considered low.

Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank	2,219	7,870
Cash in hand	2	2
Cash and cash equivalents	2,221	7,872

The cash held in the restricted bank accounts can only be used to pay for lifecycle costs which in aggregate exceed the deferred management income received.

Credit ratings of the financial institutions holding the Group's cash deposits as at 31 December 2024 are shown below.

Financial institution	Long-term credit rating	Cash and cash equivalents £'000
HSBC	AA-	2,219
		2,219

Price risk

The Group is exposed to commodity price risk (as pertaining to raw materials for construction) as a result of its operations. The Group manages this by the use of fixed-price construction contracts where possible. All 100% owned sites were built at year end; the Group remains exposed to its share of commodity price risk in its joint ventures. The Group has no exposure to equity securities price risk as it holds no listed equity investments.

The Group is exposed to house price market movements and the selling price of apartments may vary in line with these movements.

Liquidity risk

Liquidity risk is the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price.

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21 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The maturity analysis of the undiscounted contractual cash flows of the Group's contracted financial liabilities is as follows:

At 31 December 2024	Carrying amount £'000	Contractual cash flow £'000	In less than one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000
Trade payables	4,703	4,703	4,703	—	—	—
Other payables	2,285	2,285	2,285	—	—	—
Amounts due on Lingfield site acquisition	3,378	3,378	3,378	—	—	—
Accruals	7,482	7,482	7,482	—	—	—
Lease liabilities	9,425	253,794	232	502	1,684	251,376
Bank loans	92,582	386,460	19,860	38,416	43,037	285,147
Total	119,855	658,102	37,940	38,918	44,721	536,523

At 31 December 2023	Carrying amount £'000	Contractual cash flow £'000	In less than one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000
Trade payables	4,239	4,239	4,239	—	—	—
Other payables	1,117	1,117	1,117	—	—	—
Accruals	10,392	10,392	10,392	—	—	—
Lease liabilities	17,303	246,613	230	589	2,370	243,424
Bank loans	53,798	103,384	18,719	13,916	70,749	—
Total	86,849	365,745	34,697	14,505	73,119	243,424

During 2022 the group repaid £14.4m of debt dedicated to the Mayfield Watford development on sale of The Group Developments 1 Limited and completed a further £10m reduction of the total credit facility. The facility has therefore reduced to £95m and is subdivided into separate tranches for ongoing developments, completed stock and working capital. Interest was based on three-month SONIA plus 3.75% for the development tranche and three-month SONIA plus 4.5% for the completed stock and working capital tranches. All 34 direct subsidiaries of Audley Court Limited were guarantors to the loan and the loan was secured by means of charges over the investment properties, stock and work in progress of those entities.

In September 2022, the group refinanced its revolving credit facility with a £59.3m stock financing facility from Silbury Specialty Finance, secured on the net assets of four villages (Chalfont Dene, Cooper's Hill, Ellerslie and St Georges Place). In so doing seven property assets were released from security and the gross debt borrowing amount was increased.

Interest rate risk

The Group has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include preference shares and cash balances. Preference shares earn interest at a fixed rate. Interest-bearing liabilities relate to bank loans. Interest-bearing liabilities are primarily in relation to the bank facility under which the Group is exposed to movements in SONIA.

Audley Group Limited

21 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (continued)

The analysis below shows the sensitivity of the statement of comprehensive income to a 0.5% change in interest rate on the Group's financial instruments that are affected by market risk.

	2024	2023
	£'000	£'000
0.5% increase in interest rates		
Interest on borrowings	(156)	(278)
Interest on cash and cash equivalents	11	39
Total impact on pre-tax loss and equity	(145)	(239)

	2024	2023
	£'000	£'000
0.5% decrease in interest rates		
Interest on borrowings	156	278
Interest on cash and cash equivalents	(11)	(39)
Total impact on pre-tax loss and equity	145	239

Categories of financial assets and financial liabilities

	2024 Carrying value £'000	Fair value £'000	2023 Carrying value £'000	Fair value £'000
Non-current financial assets – amortised cost				
Contract assets	28,321	28,321	27,030	27,030
Loan receivable	3,434	3,434	3,051	3,051
Non-current financial assets – fair value through the profit and loss				
Derivative financial asset	211	211	342	342
Total non-current financial assets	31,966	31,966	30,423	30,423
Current financial assets – amortised cost				
Cash and cash equivalents	2,221	2,221	7,872	7,872
Trade and other receivables (excluding prepayments)	9,093	9,093	9,075	9,075
Preference shares	-	-	13,602	13,602
Contract assets	20,575	20,575	15,113	15,113
Total current financial assets	31,889	31,889	45,662	45,662
Total financial assets	63,855	63,855	76,085	76,085
Current financial liabilities – amortised cost				
Lease liabilities	232	232	230	230
Trade payables	4,703	4,703	4,239	4,239
Loan liabilities	31,135	31,135	-	-
Other payables	13,144	13,144	11,509	11,509
Total current financial liabilities	49,214	49,214	15,978	15,978
Non-current financial liabilities – amortised cost				
Loan liabilities	61,447	61,447	53,798	53,798
Lease liabilities	9,193	9,193	17,073	17,073
Total non-current financial liabilities	70,640	70,640	70,871	70,871
Total financial liabilities	119,854	119,854	86,849	86,849

22 SHARE CAPITAL

Audley Group Limited

Authorised and issued

	2024		2023	
	Number	£'000	Number	£'000
Authorised, issued and fully paid ordinary shares of £1 each				
A shares	265,304,045	265,304	265,304,045	265,304
B shares	1,584,091	1,584	1,584,091	1,584
Authorised and issued ordinary shares of £0.001 each				
C shares	70,000,000	70	70,000,000	70
At 31 December	336,888,136	266,958	336,888,136	266,958

Movements in ordinary share capital

	Number	£'000
At 1 January 2023 and 31 December 2023	336,888,136	266,958
At 31 December 2024	336,888,136	266,958

The A and B shares rank equally for voting rights, dividend rights and distributions rights on winding up and are not redeemable. There are 265,304,045 A shares in issue and 1,584,091 B shares in issue.

On 23 March 2020 the Directors were issued C shares in Audley Group Limited. These shares do not have any voting rights, and have no preference over existing A or B shares. These shares are part of the Audley Group Limited Management Equity Plan (MEP), which was approved by a shareholder resolution on 12 March 2020. The MEP is designed to provide long-term incentives for executive directors to deliver long-term shareholder returns. Under the plan, participants have been granted shares where the share class entitlement crystallises if certain performance standards are met. At the reporting date, these performance standards are not expected to be met.

23 RESERVES

The movement on reserves is set out in the consolidated statement of changes in equity.

Share premium account represents the excess of the value of shares issued over their nominal amount.

Retained earnings represent the cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

24 CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND GUARANTEES

Post year-end, the Group commenced the operational management of a new site (Shiplake Meadows), which achieved practical completion (PC) in January 2025. An agreement was signed pre year-end in 2024 which gives the Group the contractual obligation to either purchase or lease the site. This purchase or lease commences 150 weeks from the PC date (i.e. December 2027).

The Group has signed an agreement to purchase land at a new site (Lingfield). At 31 December 2024, the Group had spent £4.7m on this land (including directly attributable transaction costs). The Group has contractual obligations to pay the remaining £3.4m, and is accruing interest on this deferred land payment at 10% p.a. See note 13 for commitments to joint ventures.

25 RELATED PARTY TRANSACTIONS

Audley Group Limited

The Directors who served during the year are considered to be key management personnel. Directors' remuneration is disclosed in note 7. The Company's immediate Parent Company is MAREF Topco Ltd, which is registered in England and Wales.

Throughout the year, the Group's ultimate controlling parties are Moorfield Audley Real Estate Fund 'A' Limited Partnership and Moorfield Audley Real Estate Fund 'B' Limited Partnership, both registered in England and Wales.

Refer to post-balance sheet events note for the change in ownership post year end.

Moorfield

During the year Moorfield Investment Management Limited charged £1.2m (2023: £936k) for management services. Included in accruals at the year end was £3.8m (2023: £2.6m). Included in trade creditors at year end was £2.1m (2023: £2.1m).

During the year Moorfield Group Limited charged £300k (2023: £300k) for Asset Management Fees. Included in trade creditors at the year end was £900k (2023: £900k). Included in accruals at year end was £300k (2023: £75k).

During the prior year, Audley Willicombe Limited was issued a loan by MAREF Loan GP Limited, a related party of the Group's controlling parties (at 31 December 2024). The Group drew down £15m on this loan during 2023, utilising the facility in full. The Group expects to pay £33.2m in 2026 to repay this loan, giving an effective interest rate on the loan of 34.3%, however this loan repayment might vary based on the post year-end equity raise and consequential change in controlling parties. The impact of this is a non-adjusting event and therefore has not been reflected in these accounts.

Audley Court Hollins Hall

There is an agreement between Audley Court Limited and Audley Court Hollins Hall Limited that grants Audley Court Hollins Hall Limited a royalty-free licence to use the trademarks of Audley. Audley Court Hollins Hall Limited is part owned by Nick Sanderson, a Director of Audley Group Limited and Audley Court Limited. During the year £nil (2023: £nil) amounts were received in respect of the licence agreement and £nil (2023: £nil) amounts were outstanding from Audley Court Hollins Hall Limited at year end.

REL F JV

During the year, Audley Stanbridge Earls Limited received services from Audley Group Limited, a partner to ReLF Audley Retirement Living LLP. Fees charged to Audley Stanbridge Earls Limited in the period were £Nil for development management services (2023: £Nil) and £15,234 for sales and marketing recharges (2023: £110,006). Amounts outstanding at year end date was £Nil (2023: £11,001).

During the year, Audley Court Limited (a wholly owned subsidiary of Audley Group Limited) recharged sales and marketing services of £555,374 (2023: £203,824). Amounts outstanding at year end date was £664,469 (2023: £426,720).

During the year, Audley Stanbridge Earls Management Limited (a wholly owned subsidiary of Audley Group Limited) invoiced the Audley Stanbridge Earls Limited for sales incentives and management charges on empty apartments amounting to £42,011 (2023: £348,405). Amounts outstanding at year end date was £Nil (2023: £227,114).

In the prior years, Audley Stanbridge Earls Limited entered into a 250-year operating lease with Audley Stanbridge Earls Rent Company Limited, a wholly owned subsidiary of Audley Group Limited to rent the investment property. The annual rent is £361,000 commencing on 3 July 2020 with a rent-free period of 5 years. During the year £353,780 (2023: £353,780) was recognised in turnover. The accrued income on this lease was released following the acquisition of Audley Stanbridge Earls Limited by the Group.

25 RELATED PARTY TRANSACTIONS (CONTINUED)

Audley Group Limited

RELIF JV (continued)

During the year Audley Sunningdale Park Unit Trust received services from Audley Group Limited, a partner to ReLF Audley Retirement Living LLP. Fees charged to Audley Sunningdale Park Unit Trust in the period were £Nil (2023: £31,813) for development management services and £139,214 (2023: £135,559) for sales and marketing recharges. Included in trade creditors at the period end was £11,638 (2023: £9,543).

During the year, Audley Court Limited (a wholly owned subsidiary of Audley Group Limited) recharged sales and marketing services of £287,427 (2023: £261,755). Amounts outstanding at year end date was £Nil (2023: £261,755).

During the year, Audley Sunningdale Park Management Limited (a wholly owned subsidiary of Audley Group Limited) invoiced the Audley Sunningdale Park Unit Trust for sales incentives and management charges on empty apartments amounting to £409,314 (2023: £441,177). Amounts outstanding at year end date was £Nil (2023: £228,385).

During the year, Audley Sunningdale Park Unit Trust entered into a 250-year operating lease with Audley Sunningdale Park Rent Company Limited, a wholly owned subsidiary of Audley Group Limited to rent the investment property. The annual rent is £333,000 commencing on 1 September 2022 with a rent-free period of 5 years. During the year £326,666 (2023: £326,666) was recognised in turnover and £653,330 (2023: £326,666) is recognised in accrued income at 31 December 2024.

During the year the Audley Cobham Unit Trust received services from Audley Group Limited, a partner to ReLF Audley Retirement Living LLP. Fees charged to the Trust in the year were £Nil (2023: £23,983) for development management services and £32,447 (2023: £271,603) for sales, marketing and professional fee recharges. Amounts outstanding at year end was £Nil (2023: £8,714).

During the year, Audley Court Limited (a wholly owned subsidiary of Audley Group Limited) recharged sales and marketing services of £458,227 (2023: £449,296). Amounts outstanding at year end was £Nil (2023: £449,296).

During the year, Audley Cobham Management Limited (a wholly owned subsidiary of Audley Group Limited) invoiced the Audley Sunningdale Park Unit Trust for sales incentives and management charges on empty apartments amounting to £391,713 (2023: £380,775). Included in trade creditors at the year end was £Nil (2023: £122k).

During the year, Audley Cobham Unit Trust entered into a 250-year operating lease with Audley Cobham Rent Company Limited, a wholly owned subsidiary of Audley Group Limited to rent the investment property. The annual rent is £270,000 commencing on 1 April 2022 with a rent-free period of 5 years. During the year £264,600 (2023: £180,361) was recognised in turnover and £444,961 (2023: £180,361) is recognised in accrued income at 31 December 2024.

During the year the Audley Scarcroft I Unit Trust received services from Audley Group Limited, a partner to ReLF Audley Retirement Living LLP. Fees charged to the Trust in the period were £96,038 (2023: £155,929) for development management services and £66,307 (2023: £30,284) for sales, marketing and professional fee recharges. Amounts outstanding at year end was £6,880 (2023: £156,704).

During the year, Audley Court Limited (a wholly owned subsidiary of Audley Group Limited) recharged sales and marketing services of £363,588 (2023: £209,760). Amounts outstanding at year end was £Nil (2023: £275,747).

25 RELATED PARTY TRANSACTIONS (CONTINUED)

Audley Group Limited

RELF JV (continued)

During the year, Audley Scarcroft Management Limited (a wholly owned subsidiary of Audley Group Limited) invoiced the Audley Scarcroft I Unit Trust for sales incentives and management charges on empty apartments amounting to £389,586 (2023: £32,326). Amounts outstanding at year end was £Nil (2023: £32,326).

Blackrock JV

During the year, Audley Group Developments 1 Limited received services from Audley Group Limited, a 25% owner of UK Retirement Villages SCSp. Fees charged to Audley Group Developments 1 Limited in the year were £Nil (2023: £150,000) for development management services. Included in accruals at the year end was £Nil (2023: £Nil).

During the year, Audley Group Limited recharged sales commission of £Nil (2023: £121,399). Included in trade creditors at the year end was £Nil (2023: £13,278).

During the year, Audley Court Limited (a wholly owned subsidiary of Audley Group Limited) recharged sales and marketing services (including sales commission) of £485,152 (2023: £338,121). Included in trade creditors at the year end was £Nil (2023: £338,121).

SLIP JV

In 2023 the Group formed a joint venture with Senior Living Investment Partners (SLIP). During the year, the Group charged accountancy fees to the joint venture of £25k (2023: £2k) and development management fees of £262k (2023: £19k). Costs recharged to the JV in 2023 were £334k, pertaining to invoices paid by the Group prior to set-up of the JV.

The Group purchased the land relating to the Headley Court property for £18.1m. In 2023, this was sold to the SLIP JV for £18.5m, and the £436k gain was recognised in other operating income.

Nightingale investment

Refer to the 'significant corporate transactions' disclosure for a detailed disclosure of the sale of the Nightingale entities to MREF V GP Limited, a related party of the Group's ultimate controlling parties (at the date of this transaction).

Key management personnel

On 23 March 2020 the Directors were issued C shares in Audley Group Limited. These shares do not have any voting rights, and have no preference over existing A or B shares. Shares were issued at nominal value of £0.001. Nick Sanderson was issued 23,100,000 shares, Nick Edwards 16,100,000 shares, 8,400,000 shares each to Jon Austen, Paul Morgan and Kevin Shaw, and 5,600,000 to a Director of subsidiary companies. No further shares were issued to any key management personnel during the year to 31 December 2024 (2023: none).

26 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

Throughout the financial year, the Company's immediate Parent Companies are Moorfield Audley Real Estate Fund 'A' Limited Partnership and Moorfield Audley Real Estate Fund 'B' Limited Partnership, both registered in England and Wales.

The Group's ultimate controlling parties are Moorfield Audley Real Estate Fund 'A' Limited Partnership and Moorfield Audley Real Estate Fund 'B' Limited Partnership, both registered in England and Wales.

Audley Group Limited is the undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2024.

Refer to post-balance sheet events note for the change in ownership post year end.

Audley Group Limited

27 SHARE-BASED PAYMENTS

The establishment of the Audley Limited Management Equity Plan (MEP) was approved by a shareholder resolution on 12 March 2020. The MEP is designed to provide long-term incentives for Executive Directors to deliver long-term shareholder returns. Under the plan, participants have been granted shares where the share class entitlement crystallises if certain performance standards are met. Participation in the plan is at the discretion of the MEP Remuneration Committee, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The amount of the share class entitlement that will vest depends on The Group Limited's total Net Asset Value (NAV) and IRR to the investors. C Shares vest in full on an Exit. The C shares carry no voting rights but do carry dividend rights. If the hurdles are reached then the C shares are entitled to 10% of any growth in equity value above the Hurdle, plus an additional 5% of any growth in equity value above the Stretch Hurdle. The Hurdle is a NAV of at least £300.0m and IRR to the investors of 10%. The Group did not receive cash on the share issuance but granted an employee loan for each participant at value (£70,000).

Set out below is a summary of shares issued under the MEP. The shares were issued at fair value at that date.

Issue/transfer date	Number	Share class	Number	Price per share	Share capital
23-Mar-20	8,400,000	C	JM Austen	£0.00	8,400
23-Mar-20	16,100,000	C	N Edwards	£0.00	16,100
23-Mar-20	8,400,000	C	PD Morgan	£0.00	8,400
23-Mar-20	5,600,000	C	JW Nettleton	£0.00	5,600
23-Mar-20	23,100,000	C	MN Sanderson	£0.00	23,100
23-Mar-20	8,400,000	C	KA Shaw	£0.00	8,400
At 31 December 2024	70,000,000				70,000

The fair value was determined for PAYE purposes and adopted by the Directors as the fair value of the shares. The key inputs into determining the fair value were:

- Exit date and transaction costs – an exit in three, four or five years, from the date the C Shares will be acquired, weighted 50%, 25% and 25%, respectively
- Exit multiples – exit price/book multiple of 1.2x for the development segment, and an exit EV/EBITDA multiples of 18.0x for the operational segment
- Discount for lack of marketability and control – 45.0%

The Group did not receive cash on the share issuance but granted an employee loan for each participant at value (£70,000).

28 POST-BALANCE SHEET EVENTS

Post year end the Group was acquired by BTEAR BidCo Limited. Following the acquisition, in January 2026 the acquired group completed a refinancing through the issuance of £51.0m of loan notes, secured against the future Deferred Management Charges ("DMC"), and a new £82.5m stock financing facility of which £55.0m was immediately drawn. Further information is disclosed in the Going Concern note.

Audley Group Limited

Parent company statement of financial position

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Investments	4	50,282	66,951
Current assets			
Stocks	5	10	1,507
Debtors: amounts falling due within one year	6	37,260	28,845
Cash and cash equivalents		294	1,589
		37,564	31,941
Creditors: amounts falling due within one year	7	(9,725)	(8,430)
Net current assets		27,839	23,511
Total assets less current liabilities		78,121	90,462
Net assets		78,121	90,462
Capital and reserves			
Called up share capital	8	266,958	266,958
Share premium		15,665	15,665
Accumulated losses		(204,502)	(192,161)
Total shareholders' funds		78,121	90,462

The notes on pages 74 to 82 form part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. Please refer to note 2.

The financial statements on pages 72 to 82 were approved and authorised for issue by the Board and were signed on its behalf on 11 September 2026.



Malcolm Nicholas Sanderson
Director
Registered number: 09906780
11 September 2026

Audley Group Limited

Parent company statement of changes in equity

For the year ended 31 December
2024

	Called up share	Share premium	Accumulated losses	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 1 January 2023	266,958	15,665	(75,808)	206,815
Loss for the financial year	-	-	(116,353)	(116,353)
At 31 December 2023	266,958	15,665	(192,161)	90,462
Loss for the financial year	-	-	(12,341)	(12,341)
At 31 December 2024	266,958	15,665	(204,502)	78,121

Audley Group Limited

1 ACCOUNTING POLICIES

The Company is a private company limited by shares and is incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office is 65 High Street, Egham, Surrey, TW20 9EY. The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006.

Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been applied consistently to both years, unless otherwise stated.

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Going concern

For details of the Directors' assessment of going concern for the Company refer to accounting policy Note 2 on pages 29 to 31.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders in prior years.

The Company has taken advantage of the following exemptions:

- From preparing a statement of cash flows, required under FRS 102 section 7, on the basis that it is a small company. A consolidated cash flow statement is included in the Group financial statements
- From the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the Group financial statements disclosures
- From disclosing the Company key management compensation, as required by FRS 102 paragraph 33.7.

Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment.

Stocks and inventories

Stocks and inventories are stated at the lower of cost and net realisable value. Cost comprises land deposits and associated expenditure.

The carrying amount of stocks and inventories is reviewed for impairment at least annually.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where it is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Audley Group Limited

1 ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The impairment reversal is recognised in the statement of comprehensive income. Financial assets are derecognised when:

- (i) the contractual rights to the cash flows from the asset expire or are settled, or
- (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, which is when the contractual obligation is discharged or cancelled or expires.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Critical accounting estimates and judgements

Investments in subsidiaries and amounts owed by Group undertakings.

The Directors review the investments for impairment annually. Where there are indicators of impairment or reversals of previous impairments, management performs an impairment test for the investment. The recoverable values of these investments are estimated taking into account net assets and the uplift in stock fair value above carrying value. Management is required to employ considerable judgement in assessing the fair value uplift and use an independent third party valuer to assess fair value of stock. There has been an impairment of £16.7m (2023: £18.2m) to investments in the year.

The Directors assess the recoverability of the amounts owed by Group undertakings annually. The recoverable values of these receivables are estimated taking into account net assets and the uplift in stock fair value above carrying value. Management is required to employ considerable judgement in assessing the fair value uplift and use an independent third party valuer to assess fair value of stock. There has been an impairment of amounts receivable from Group undertakings of £83.2m during the year (2023: £99.2m).

Audley Group Limited

1 ACCOUNTING POLICIES (CONTINUED)

Buyback of Stanbridge Earls Village

On 16 December 2024, the Parent company through Audley Investments No 1 Limited completed the buyback of the Stanbridge Earls village by purchasing the 75% shareholding from the RELF joint venture. Post the buyback, the Group now owns 100% of the share capital in Audley Stanbridge Earls Limited.

2. RESULTS OF THE COMPANY

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Parent Company's loss for the financial year was £12.3m (2023: loss of £116.4m). £nil dividends were paid in the year to 31 December 2024 (2023: £nil) and the Directors do not propose the payment of a final dividend.

3. DIRECTORS' AND AUDITORS' REMUNERATION

Directors' remuneration is given in Note 7 of the consolidated financial statements. Directors' remuneration is paid by Audley Court Limited, an immediate, 100% owned subsidiary company. There were no employees during the year (2023: nil). Remuneration paid to the Company's auditors for audit and non-audit services is disclosed in Note 4 of the consolidated financial statements.

4. INVESTMENTS

	£'000
Cost	
At 1 January 2023	160,769
Additions	4
At 31 December 2023	160,773
Additions	-
At 31 December 2024	160,773
Impairment	
At 1 January 2023	75,574
Impairment charge	18,248
At 31 December 2023	93,822
Impairment charge	16,669
At 31 December 2024	110,491
Net book value	
At 31 December 2024	50,282
At 31 December 2023	66,951

Audley Group Limited

4. INVESTMENTS (CONTINUED)

Subsidiaries

The direct subsidiaries of Audley Group Limited, all of which have been included in these consolidated financial statements, are as follows:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
Audley Court Limited	100	100	The development and management of retirement villages, including the provision of domiciliary care
Audley Nightingale Lane Holdings Limited	-	100	Holding company
Audley Nightingale Place Management Limited	-	100	Management company
Audley Investments No 1 Limited	100	100	Holding company
Audley Investments No 2 Limited	100	100	Holding company
Audley Investments No 3 Limited	100	100	Holding company
Audley Investments No 4 Limited	100	100	Holding company
Audley Investments No 5 Limited	100	100	Holding company
Audley Wycliffe Management Limited	100	100	Management company
AB Incentiveco Limited	100	100	Dormant
Mayfield Hove Limited	100	100	Dormant

The following are the subsidiaries that are owned by Audley Investments No 1 Limited:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
Audley Stanbridge Earls Rent Company Limited	100	100	Rental of freehold property
Audley Sunningdale Park Rent Company Limited	100	100	Rental of freehold property
Audley Sunningdale Park Management Limited	100	100	Management company
Audley Cobham Rent Company Limited	100	100	Rental of freehold property
Audley Cobham Management Limited	100	100	Management company
Audley Scarcroft 1 Rent Company Limited	100	100	Dormant
Audley Scarcroft 2 Rent Company Limited	100	100	Dormant
Audley Scarcroft Management Limited	100	100	Dormant

The following are the joint ventures that are owned by Audley Investments No 1 Limited:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
RELf Audley Retirement Living LLP	25	25	Holding company
RELf Audley Retirement Living II LLP	25	25	Holding company

Audley Group Limited

4. INVESTMENTS (CONTINUED)

Subsidiaries (continued)

The following are the joint ventures that are owned by Audley Investments No 4 Limited:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
UK Retirement GP Sarl	25	25	General partner
UK Retirement Villages SCSp	25	25	Holding company

The following are the subsidiaries that are owned by Audley Investments No 3 Limited:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
Audley Headley Court Rent Company Limited	100	100	Dormant
Audley Headley Court Management Limited	100	100	Dormant

The following are the joint ventures that are owned by Audley Investments No 3 Limited:

Name	Proportion of ownership interest at 31 December 2024 %	Proportion of ownership interest at 31 December 2023 %	Nature of business
SLIP Audley I LLP	5	5	Holding company
SLIP Audley II LLP	5	5	Holding company

Audley Group Limited

4. INVESTMENTS (CONTINUED)

Subsidiaries (continued)

The following are the subsidiaries that are all 100% owned by Audley Court Limited (either directly or indirectly):

Name	Nature of business
Audley Binswood Limited	Village Development company
Audley Binswood Management Limited	Management company
Audley Care Ltd	Care provider
Audley Care White Horse Ltd	Care provider
Audley Chalfont Limited	Village Development company
Audley Chalfont Management Limited	Management company
Audley Clevedon Limited	Village Development company
Audley Clevedon Management Limited	Management company
Audley Coopers Hill Limited	Village Development company
Audley Coopers Hill Management Limited	Management company
Audley Court Management Limited	Apartment resales
Audley Ellerslie Limited	Village Development company
Audley Ellerslie Management Limited	Management company
Audley Financial Services Limited	Dormant
Audley Flete Limited	Village Development company
Audley Flete Management Limited	Management company
Audley Homewood Limited	Village Development company
Audley Inglewood Limited	Village Development company
Audley Inglewood Management Limited	Management company
Audley Mote Management Limited	Management company
Audley Redwood Limited	Village Development company
Audley Redwood Management Limited	Management company
Audley St Elphins Limited	Village Development company
Audley St Elphins Management Limited	Management company
Audley St George's Limited	Village Development company
Audley St George's Management Limited	Management company
Audley Sunningdale Park Limited	Village Development company
Audley Dormant Co Limited	Dormant
Audley Willicombe Limited	Village Development company
Audley Willicombe Management Limited	Management company
Mayfield Villages Limited	Village Development company
Audley Group Developments 2 Ltd	Village Development company
Mayfield Watford Management Limited	Dormant
Audley Holdco No 1 Limited	Holding company
Mayfield Villages Care Limited	Dormant
Audley Stanbridge Earls Management Limited	Management company
Audley Shiplake Management Limited	Management company
Audley Stanbridge Earls Ltd	Village Development company
Audley Shiplake Meadows Limited	Village Development company
Audley Stanbridge Earls UnitCo Limited	Village Development company
Audley Ellerslie UnitCo Limited	Village Development company
Audley Lingfield Grange Limited	Village Development company
Audley Holdco No 2 Ltd	Holding company
Audley BW Midco Limited	Holding company

Audley Group Limited is incorporated in the United Kingdom and its registered address is 10 Grosvenor Street, London, W1K 4QB. The Group Limited and all of its subsidiaries listed above are all incorporated in England and Wales and their registered office is 65 High Street, Egham, Surrey, TW20 9EY.

Audley Group Limited

4. INVESTMENTS (CONTINUED)

Subsidiaries (continued)

Audley Group Limited and all of its subsidiaries listed above are all incorporated in England and Wales and their registered office is 65 High Street, Egham, England, TW20 9EY.

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2023, as required by Section 479C:

- Audley Care Limited (registered number 05606993)
- Audley Care White Horse Limited (registered number 06562475)
- Audley Cobham Rent Company Limited (registered number 12996316)
- Audley Stanbridge Earls Rent Company Limited (registered number 12152123)
- Audley Sunningdale Park Rent Company Limited (registered number 12234711)
- Mayfield Villages Care Limited (registered number 13303856)
- Mayfield Villages Limited (registered number 13303856)

The following subsidiaries of the Group are dormant and therefore exempt from preparing accounts in accordance with section 394A of the Companies Act 2006. The Company has guaranteed these subsidiaries as required by section 394C(1):

- AB Incentiveco Limited (registered number 13303856)
- Audley Court Management Limited (registered number 05582750)
- Audley Dormant Co Limited (registered number 10471304)
- Audley Sunningdale Park Limited (registered number 10471192)
- Audley Financial Services Limited (registered number 10263681)
- Audley Headley Court Management Limited (registered number 14922785)
- Audley Headley Court Rent Company Limited (registered number 14923864)
- Audley Scarcroft 1 Rent Company Limited (registered number 13082461)
- Audley Scarcroft 2 Rent Company Limited (registered number 13082426)
- Mayfield Watford Management Limited (registered number 12103773)
- Mayfield Hove Limited (registered number 13064363)
- Audley Investments No 5 Limited (registered number 15107026)

5. STOCKS

	2024	2023
	£'000	£'000
Land deposits and associated expenditure	10	1,507
	10	1,507

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Trade debtors	33	660
Amounts owed by Group undertakings	36,382	28,068
Other debtors	718	81
Prepayments and accrued income	127	36
	37,260	28,845

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

Audley Group Limited

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Trade creditors	108	218
Amounts owed to Group undertakings	8,945	7,678
Other creditors	-	478
Accruals and deferred income	672	56
	9,725	8,430

8. CALLED UP SHARE CAPITAL

Authorised and issued

	2024		2023	
	Number	£'000	Number	£'000
Authorised, issued and fully paid ordinary shares of £1 each				
A shares	265,304,045	265,304	265,304,045	265,304
B shares	1,584,091	1,584	1,584,091	1,584
Authorised and issued ordinary shares of £0.001 each				
C shares	70,000,000	70	70,000,000	70
At 31 December	336,888,136	266,958	336,888,136	266,958

Movement in ordinary share capital

	Number	£'000
At 1 January 2023 and 31 December 2023	336,888,136	266,958
At 31 December 2024	336,888,136	266,958

On 23 March 2020 the Directors were issued C shares in Audley Group Limited. These shares do not have any voting rights, and have no preference over existing A or B shares.

The A and B shares rank equally for voting rights, dividend rights and distributions rights on winding up and are not redeemable. There are 265,304,045 A shares in issue and 1,584,091 B shares in issue.

9. CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND GUARANTEES

As disclosed in Note 4, some of the Company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit. As a condition of the exemption, the company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full. The liabilities of the subsidiaries at the year-end was £11.6m (2023: £12.6m). Of this amount, £11.6m (2023: £10.6m) relates to amounts owed to fellow group undertakings of the Companies.

Audley Group Limited

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose the transactions with fellow wholly owned subsidiaries of Audley Group Limited. Refer to note 25 in the consolidated accounts for transactions between the Group and its associates/joint ventures.

11. IMMEDIATE PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTIES

Throughout the financial year, The Company's immediate Parent undertaking is MAREF Topco Ltd, which is registered in England and Wales.

The Company's ultimate controlling parties are Moorfield Audley Real Estate Fund 'A' Limited Partnership and Moorfield Audley Real Estate Fund 'B' Limited Partnership, both registered in England and Wales.

MAREF Topco Ltd is the undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2024. The consolidated financial statements are available from Companies House.

Refer to post-balance sheet events note for the change in ownership post year end.

12. POST-BALANCE SHEET EVENTS

See note 28 of the consolidated financial statements.

Audley Group Limited

COMPANY INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

65 High Street
Egham
Surrey
TW20 9EY
Registered number: 09906780

INDEPENDENT AUDITORS

Crowe U.K. LLP
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EC4M 7JW

PRINCIPAL BANKERS

HSBC
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London
EC4N 4TR

PRINCIPAL LAWYERS

Eversheds Sutherland
1 Wood Street
London
EC2V 7WS
Designed