

Cala Group (Holdings) Limited

Annual Report and Financial Statements
for the year end 31 December 2024



Barden Croft, Tonbridge

Strategic report

Cala has delivered a solid financial performance in 2024, in what was a significant year in our company’s history.



Kevin Whitaker, Chief Executive



On the 31st of October, the sale of Cala to Sixth Street and Patron completed. This is an excellent outcome for Cala, providing the platform for our future growth, and we look forward to working with our new owners to enhance all aspects of the business in the years to come.

I am grateful to our talented and hardworking teams across the business, for continuing to deliver for Cala and our customers whilst this process was ongoing.

We traded very well due to our market position, product offering in the first half of 2024. In the second half, a slight shift in consumer confidence, unsettled by political change, economic uncertainty and the prospect of higher interest rates over a longer period, created a more normalised trading environment.

Our high-quality, energy efficient, well-designed homes in desirable locations remain attractive to homebuyers and our talented sales teams worked closely with customers to facilitate their move. We took a measured approach to pricing strategies, offering targeted support including mortgage pay, part exchange and stamp duty payments.

Thanks to the capability and focus of our people we delivered a profit before tax (before exceptional items) of £78.2 million (2023: £112.3million). The number of homes sold slightly decreased to 2,861 during the year to 31 December 2024, compared to 2,917 in 2023, a 2% reduction. This has resulted in turnover before exceptional items of £1,168.3 million, down 6.6% year on year (2023: £1,251.6 million). This reduction is due to a combination of less unit completions in the year, a lower average selling price on private units due to sales mix and a number of site starts that were delayed due to planning, therefore delaying their contribution to the financial results.

Looking ahead there are reasons for optimism. Improved stability in interest and inflation rates are facilitating greater mortgage availability and affordability for buyers. The Government’s intention to implement planning reforms to unlock land to improve supply are long overdue and very welcome and Cala looks forward to playing our part in helping the Government achieve its ambitious housing targets.

Some areas of uncertainty remain in the macro environment as we move through 2025. However, Cala is well-placed to navigate changing market conditions, with the talent and dedication of our teams and the backing of our new owners, Sixth Street and Patron.

I would like to thank Legal & General for their support during their ownership. With their backing Cala has grown to become a top ten homebuilder and is in a strong position to go on and prosper in future years.

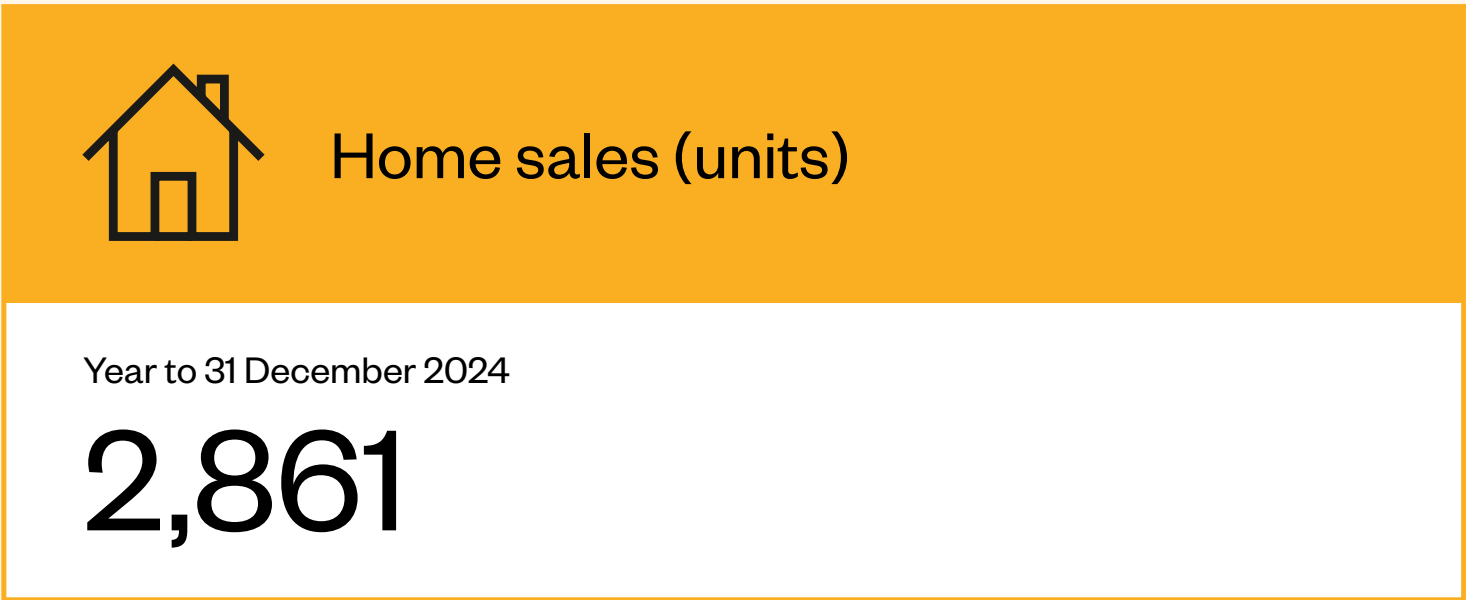
Investing in the future

A steady sales rate and strong average selling price (ASP) delivered revenue of £309,000 per site per week, which supported Cala’s decision to continue to invest in land throughout 2024. During the 12-month period, Cala contracted 21 new short term and strategic sites, capable of delivering 2,287 new homes. These sites have a gross development value (GDV) over £1.0bn with the ASP of the units being £474,000. Cala remains committed to this strategy and our land and planning teams across the UK are actively seeking further opportunities to invest in sustainable developments in desirable locations in 2025.

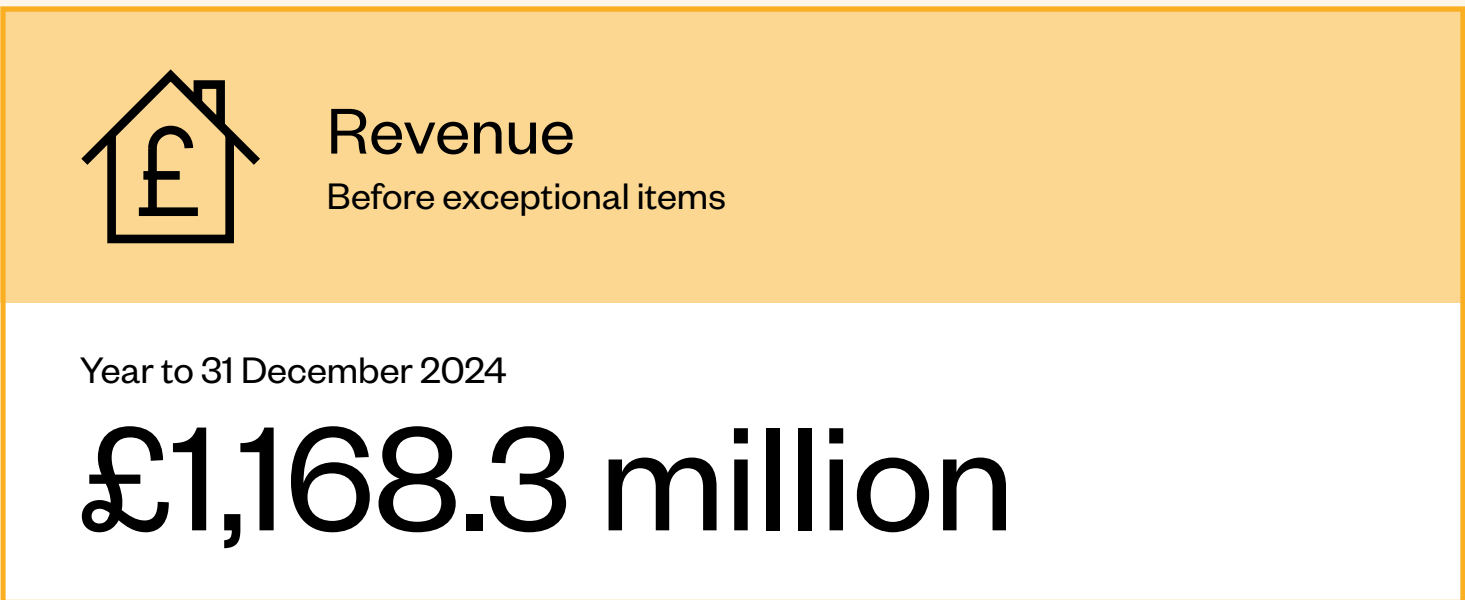
During the year, strong progress was achieved towards our sustainability targets of building homes that are operationally net zero carbon enabled from 2030 and reaching net zero total greenhouse gas emissions by 2045. Cala’s operational greenhouse gas emissions in 2024 were 6,930 tCO2e – representing a 31% reduction on the 2021 baseline figure. Reductions within our Scope 1 and 2 emissions were even better, with absolute Scope 1 and 2 emissions reducing by 39% in 2024 compared to 2021.

Throughout the year, we have been actively progressing several initiatives aimed at developing our systems, people, and processes. These efforts are geared towards continuously improving our collaboration, efficiency and effectiveness across all aspects of our business to the benefits of our employees, customers, local communities, and the environment, while also improving financial returns.

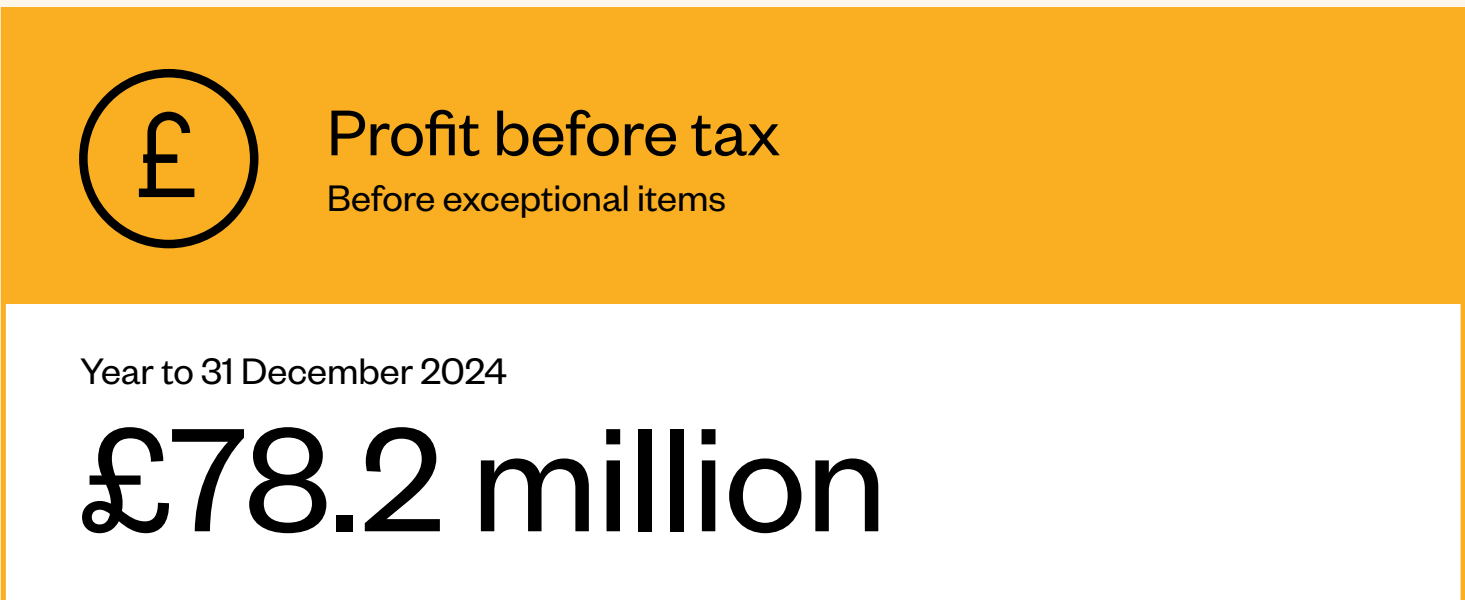
Financial and operational highlights



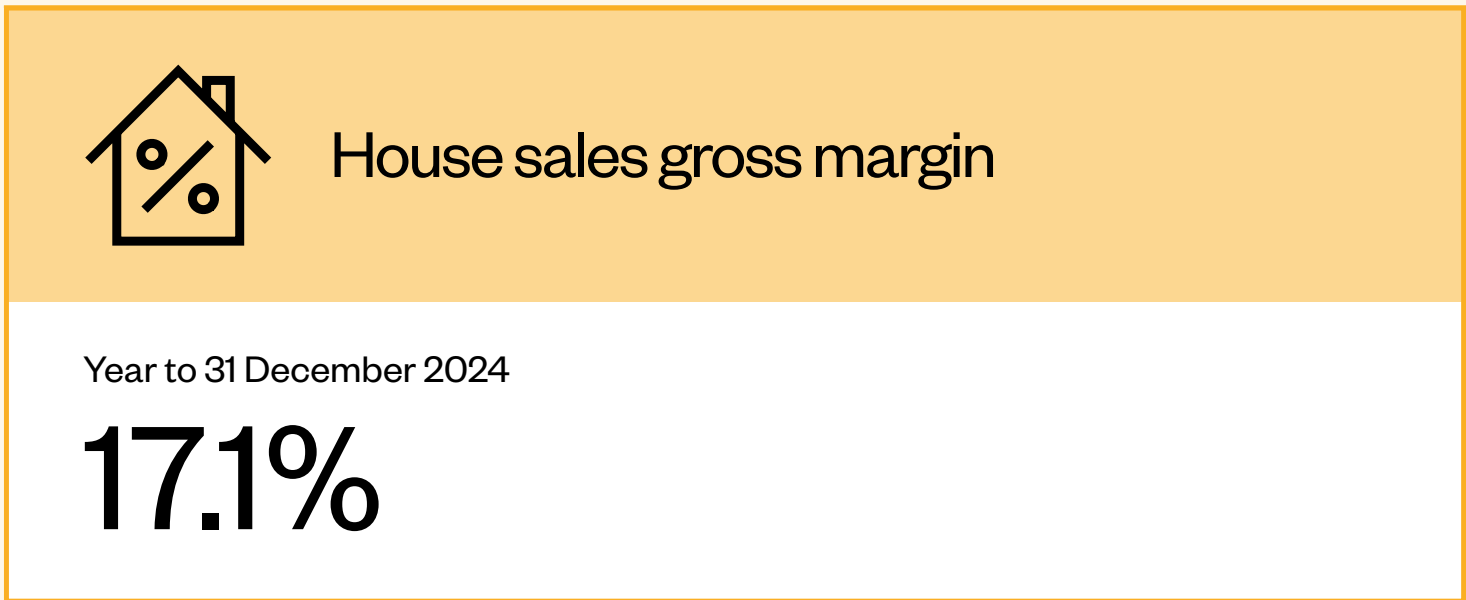
Year to 31 December 2023 2,917



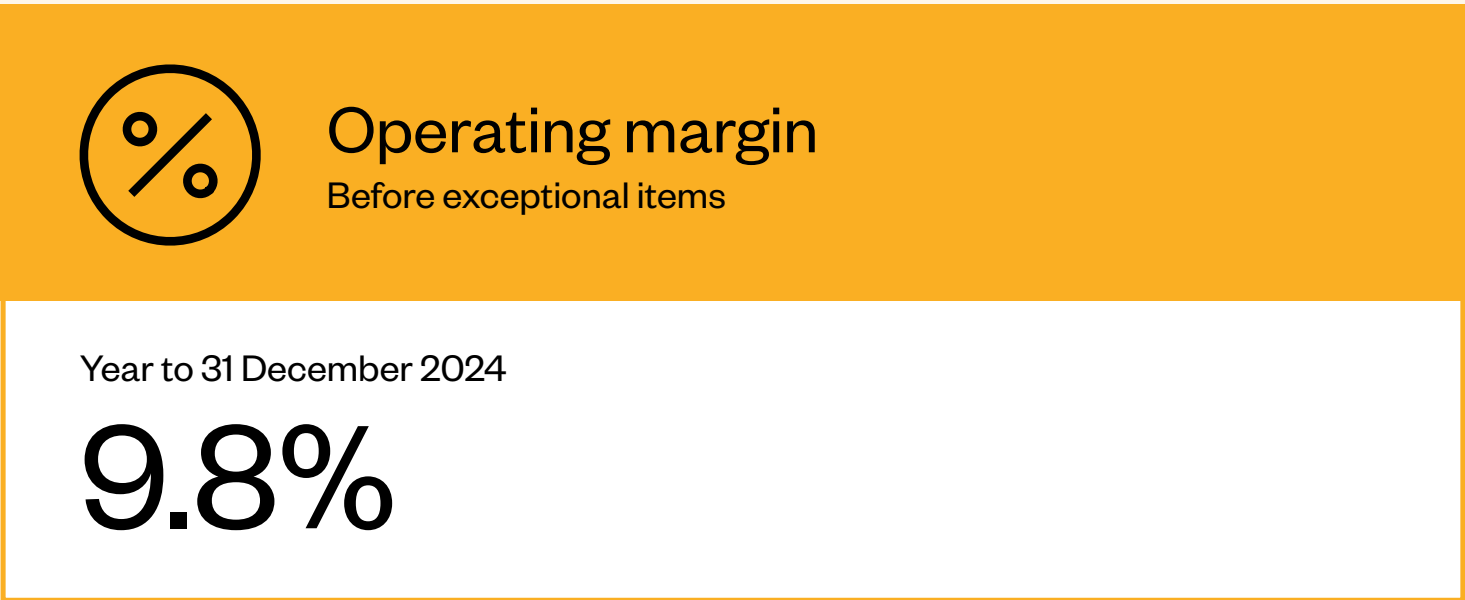
Year to 31 December 2023 £1,251.6 million



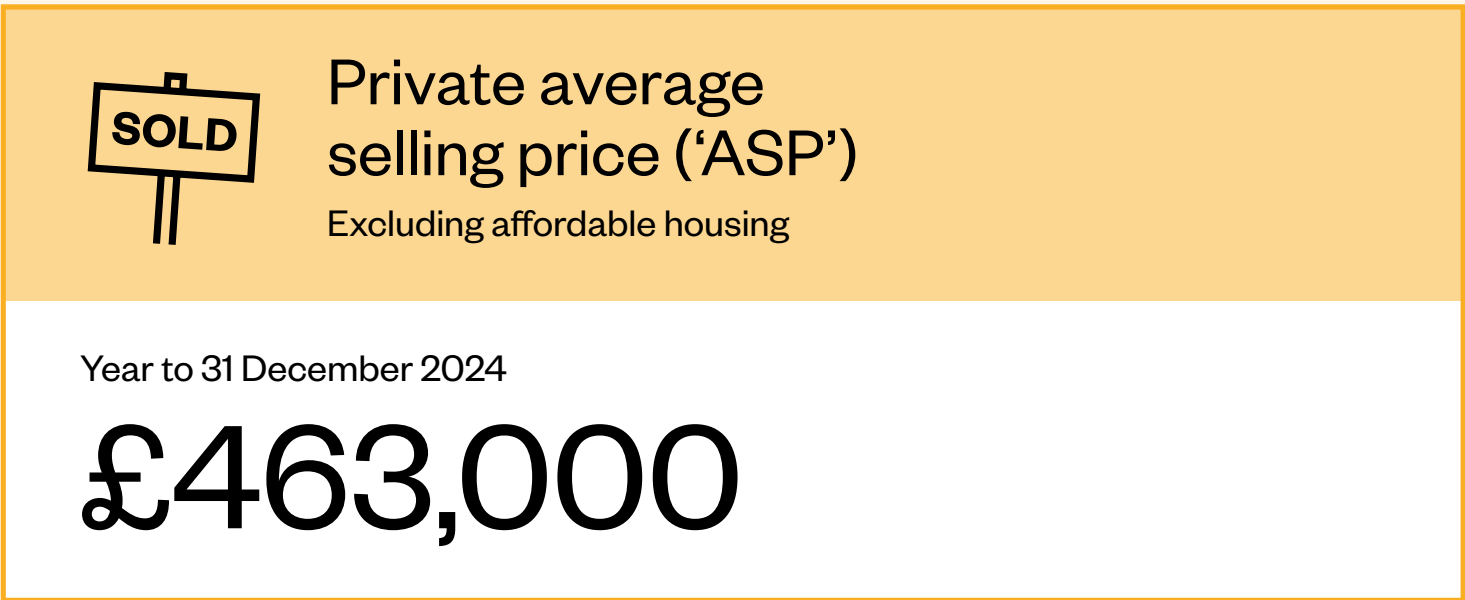
Year to 31 December 2023 £112.3 million



Year to 31 December 2023 17.5%



Year to 31 December 2023 10.9%



Year to 31 December 2023 £495,000



Year to 31 December 2023 £8.8 billion



Year to 31 December 2023 93.2%



Year to 31 December 2023 13%

Cala

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

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

We are focussed on sustainability and committed to bringing added value and meaningful benefit to the communities in which we build.

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

On 31 October 2024, Cala was acquired by Sixth Street and Patron.



Calderwood, East Calder



Rosebery Wynd, South Queensferry



St Crispin's Court, Edinburgh



Knights Grove, Newbury

Our strategy and ambition

We exist to do more than put bricks and mortar together. We are guided by our four key values: **Passion, Quality, Respect and Delivery** which define the culture of our business. Our ambition is to help people realise their **dreams and aspirations**. From owning your first property to your ‘forever home’; the experience of choosing, purchasing and moving into a Cala home should be an aspirational dream come true. We want to support each and every person that comes into contact with our business to realise their aspirations. From the people who work here, the businesses we work with, to the customers who choose us. Doing the right thing by the communities in which we operate is important to us.

Our vision: A place to be proud of

It is about more than the homes we build – it is the communities we create. The core of what makes us who we are is grounded in pride. It is more than building houses our customers are proud to call their homes; it is about being a workplace our colleagues are proud to advocate for. We want to do the best for our people. We want to be an organisation that nurtures growth, development and opportunities for our colleagues – we want to be a place to be proud of.







Our ambitions are underpinned by our Strategic Pillars:

- **People**
- **Product**
- **Technology**
- **Service**
- **Sustainability**
- **Performance**

These pillars are in place to hold us accountable. They are constructed of tangible and measurable goals – to keep us focused, they’re time sensitive and unique to us.

We’re committed to achieving our ambitions...	
People	The favoured employer in our sector and beyond
Service	Leaders in outstanding service
Product	Designers of aspirational homes
Sustainability	Operate our business in a sustainable way
Technology	Harness technology to transform our working environment
Performance	Deliver a financial performance that reflects the quality of our homes

Our determination to achieve these ambitions is equally matched by our commitment to deliver industry-leading customer service and high quality, sustainable financial returns, whilst remaining true to our four key values. We will ensure our strategy generates value for shareholders in a responsible and controlled manner by maintaining a resilient balance sheet through the business cycle with a clear focus and disciplined approach to margin delivery and return on capital.

2024 at a glance	
	Achieved HBF 5-star rating
	Overall recommend score of 96.2%
	Trustpilot score 'Excellent' at 4.6
	Five Cala Site Managers recognised as Pride in the Job Quality Award winners, one of whom went on to receive the next stage 'Seal of Excellence' Award.

Land and planning

During 2024 the Cala regions contracted 21 new sites projected to deliver 2,287 new homes with a Gross development value (‘GDV’) of £1,084 million and an average selling price (‘ASP’) including affordable housing of £474,000 (2023: 19 sites, with a GDV of £1,423 million). 8 new sites were added to the strategic land bank with a potential GDV of £575m.

Land contracted during the financial year*	Year to 31 December 2024	Year to 31 December 2023
Sites	21	19
Plots	2,287	2,705
Consented (by plots)	74%	55%
Average site size	109 plots	142 plots
GDV	£1,084m	£1,423m
ASP	£474k	£526k
England : Scotland (by value)	53/47%	93/7%
Strategic plots	1,294	1,629

*All figures include private and affordable

Moving on to progress in planning, our dedicated teams continue to deliver mostly negotiated consents, with only limited recourse to the appeal process. Public consultation is undertaken on all applications for first time planning permission and views expressed are taken into account in progressing final designs. In 2024, we either improved the planning status of land we had acquired with a planning permission or secured a first-time planning permission on 27 sites for 3,419 homes with an estimated GDV of £1,483 million and an ASP of £434,000 (2023: 3,485 homes with a GDV of £1,458 million). 53% of the plots granted planning permission were pulled through from our strategic land bank.

Land consented during the financial year*	Year to 31 December 2024	Year to 31 December 2023
Sites	27	23
Plots	3,419	3,485
From strategic landbank (by plots)	53%	64%
Average site size	127 plots	152 plots
GDV	£1,483m	£1,458m
ASP	£434k	£418k

*All figures include private and affordable





The group’s owned and contracted short term landbank at 31 December 2024 comprises 18,841 plots (private and affordable homes), the scope and planning status of which are summarised in the table on the right (2023: 20,543 plots). As has been the case from previous years, we continue to meet our commitment to commence development on all sites that have planning and other necessary consents in place. The sites in the landbank at 31 December 2024 have a combined GDV of approximately £8.39 billion, measured at today’s selling prices, with an ASP including affordable housing of £445,000. This represents 7.4 years’ development potential based on 2024 housing revenue.

Landbank	Plots	£ GDV	£ ASP	Land cost	Years
Consented	15,461	6,850m	443k	19%	6.1
Allocated	2,401	1,054m	439k	15.9%	0.9
Draft allocation or no planning status	979	482m	493k	28.1%	0.4
Owned / Contracted	18,841	8,386m	445k	19.1%	7.4
Strategic	14,841	5,413m	365k	16.1%	
Total at 31 December 2024	33,682	13,799m	410k	17.9%	
Total at 31 December 2023	34,767	13,960m	402k	18.3%	

The group also controls a high quality longer-term strategic landbank comprising 14,841 plots (2023: 14,224), mostly held under option, to be promoted through the planning system to meet future development needs. Our success in this regard means that many of these sites have the prospect of gaining or enhancing their development plan status in the short term, with others reviewed regularly and to be promoted at the appropriate time.

All sites that we expect to contribute towards 2025 have detailed planning permissions in place and construction has commenced. In addition, 75% of the expected gross profit in 2026 has a detailed planning permission in place with a land price agreed with the vendor.



Craibstone Estate South, Aberdeen

Consolidated income statement

Continuing operations:	2024 Before exceptional items £000	2024 Exceptional items £000	Year ended 31 December 2024 £000	2023 Before exceptional items £000	2023 Exceptional items £000	Year ended 31 December 2023 £000
Revenue	1,168,266	67,500	1,235,766	1,251,616	-	1,251,616
Cost of sales	(963,249)	(102,286)	(1,065,535)	(1,029,887)	(20,818)	(1,050,705)
Gross profit/ (loss)	205,017	(34,786)	170,231	221,729	(20,818)	200,911
Net operating expenses	(91,171)	(23,535)	(114,706)	(85,854)	(786)	(86,640)
Other operating income	851	-	851	418	-	418
Operating profit/ (loss)	114,697	(58,321)	56,376	136,293	(21,604)	114,689
Finance income	390	-	390	184	-	184
Finance costs	(37,652)	-	(37,652)	(24,547)	-	(24,547)
Share of post-tax profit of joint ventures	770	-	770	418	-	418
Profit/ (loss) before tax	78,205	(58,321)	19,884	112,348	(21,604)	90,744
Tax on profit / (loss)	(23,433)	10,122	(13,311)	(31,350)	5,941	(25,409)
Profit for the year	54,772	(48,199)	6,573	80,998	(15,663)	65,335

Consolidated income statement

	2024 Before exceptional items £000	2024 Exceptional items £000	Year ended 31 December 2024 £000	2023 Before exceptional items £000	2023 Exceptional items £000	Year ended 31 December 2023 £000
Other comprehensive income						
Re-measurements of post-employment benefit obligation	1,365	-	1,365	(6,273)	-	(6,273)
Movement in deferred tax relating to post-employment benefit obligation	(395)	-	(395)	1,819	-	1,819
Other comprehensive income for the year	970	-	970	(4,454)	-	(4,454)
Total comprehensive income for the year	55,742	(48,199)	7,543	76,544	(15,663)	60,881

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The profit for the parent company for the year was £4.2 million (2023: £5.6 million).



Consolidated balance sheet

At 31 December 2024	Group 2024	Group 2023
Assets	£000	£000
Non-current assets		
Intangible assets	52,915	52,915
Property, plant and equipment	19,178	20,265
Investments in jointly controlled entities	3,999	3,786
Available for sale financial assets	88	88
Trade and other receivables	58,817	30,698
Retirement benefit surplus	3,344	-
	138,341	107,752
Current assets		
Available for sale financial assets	332	406
Inventories	1,748,306	1,626,243
Trade and other receivables	77,488	52,616
Corporation tax	1,739	5,524
Cash at bank and in hand	18,546	11,195
	1,846,411	1,695,984
Total assets	1,984,752	1,803,736

At 31 December 2024	Group 2024	Group 2023
Assets	£000	£000
Current liabilities		
Trade and other payables	(392,389)	(445,835)
Provisions	(4,801)	-
	(397,190)	(445,835)
Non-current liabilities		
Loans and borrowings	(364,933)	(150,000)
Trade and other payables	(122,176)	(148,049)
Provisions	(30,605)	(18,910)
Deferred tax liabilities	(4,722)	(3,751)
Retirement benefit deficit	-	(2,215)
	(522,436)	(322,925)
Total liabilities	(919,626)	(768,760)
Net assets	1,065,126	1,034,976
Equity		
Ordinary share capital	360	360
Share premium	22,607	-
Retained earnings brought forward	1,034,616	449,871
Share premium reduction	-	578,864
Total comprehensive income	7,543	60,881
Dividends Payable	-	(55,000)
Retained earnings carried forward	1,042,159	1,034,616
Total equity	1,065,126	1,034,976





Cornhill Village, Hamilton