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HARWORTH GROUP PLC

('Harworth' or the 'Group' or the 'Company')

Full Year Results for the year ended 31 December 2024

Operational outperformance, strong returns and continued EPRA NDV growth

Harworth Group plc, a leading land and property regenerator of sustainable developments, today announces its results for the year ended 31 December 2024.

Summary highlights[1]	**2024**	**2023**	% change		**2024**	**2023**	% change
Total accounting return (%)	**9.1**	5.1	+4.0*	Value gains (£m)	**97.2**	58.1	+67.3
EPRA NDV per share (p)[2]	**222.3**	205.1	+8.4	Total Property sales (£m)[3]	**215.8**	125.9	+71.4
EPRA NDV (£m) [2]	**719.5**	662.9	+8.5	Residential plots sales	**2,385**	1,170	+103.9
Net loan to portfolio value (%)	**5.4**	4.7	+0.7*	Inv. Portfolio value (£m)[4]	**297.2**	221.4	+34.2
Liquidity (£m)	**192.4**	192.2	+0.2	Inv. Portfolio Grade A[5] (%)	**45**	37	+8.0*

Financial highlights[6]	**2024**	**2023**	% change		**2024**	**2023**	% change
Total dividend per share (p)[7]	**1.614**	1.466	+10	Operating profit (£m)	**74.6**	54.2	+37.6
Net debt (£m)	**46.7**	36.4	+28.3	Portfolio value (£m)[8]	**821.6**	734.7	+11.8
Net assets per share (p)	**213.7**	197.3	+8.3	Net asset value (£m)	**691.7**	637.7	+8.5

Lynda Shillaw, Chief Executive of Harworth, commented: "Harworth delivered record revenue and land sales in 2024, generating significant value gains, with EPRA NDV up 8.5% year on year. Our strong total accounting return of 9.1% is yet again among the best in the sector and the result of management actions, consistent with our focus on driving value as we continue to progress our sites through development. This included two landmark land sales, to Microsoft for a hyperscale data centre and Frasers Group for their global headquarters, alongside record residential plot sales. Our performance continues to demonstrate the resilience of our through-the-cycle business model and highlights our ability to capitalise on emerging sectors, such as data centres, to accelerate our sites. The last four years of investment in strengthening our business to enable growth is bearing fruit and the business is performing across the board.

"While we remain cautious in light of the current macro-economic backdrop, our financial flexibility and careful capital allocation, and alignment to structurally undersupplied sectors fundamental to the UK's growth, mean we are well placed to navigate uncertainty.

"Our consented pipeline and land bank and our ability to deliver at scale are significant strengths against a backdrop of site scarcity in our regions, and a planning system that remains sluggish as the reforms introduced by the government bed in. With a significant number of our sites coming on line for development, we are well positioned to continue to deliver strong returns, creating long-term value for our investors as we recycle capital to unlock the material underlying value of our land bank and increase the development of modern Grade A Industrial & Logistics assets. All of these actions provide the foundations for achieving our targets of £1bn of EPRA NDV by the end of 2027 and growing our core Investment Portfolio to £0.9bn by the end of 2029."

Management actions drive strong performance

- Total accounting return [1] ('TAR') of 9.1% (2023: 5.1%), driven by growth in EPRA NDV per share and marking another year of consecutive sector-leading returns with an average of 8.4% over the last five years against the MSCI All Property Index of 5.1%
- EPRA NDV increased by 8.5% or £56.6m to £719.5m (2023: £662.9m), driven by management actions, principally moving sites through planning, and progressing infrastructure and direct development, which are reflected in revaluation gains and gains on sales, including landmark sales at Skelton Grange, Leeds and Ansty, Rugby
- EPRA NDV[1][2] per share increased by 8.4% or 17.2p to 222.3p (2023: 205.1p)
- In line with our progressive dividend policy, total dividend per share of 1.614p was up 10%, (2023: 1.466p) after a final dividend of 1.125p

Total property sales of £215.8m across 2,385 Residential plots and 4.4m sq. ft of Industrial & Logistics land

- Agreed £106.6m land sale to Microsoft, of which £47.9m was recognised during 2024
- Completed sale of Strategic Land site at Ansty (Rugby) for £53.5m to Frasers Group

- Record Residential plot sales of 2,385 at headline sales value of £104.1m (broadly in line with or ahead of HY24 book values before transaction costs)
- Deep and diversified customer base with sales to national and regional housebuilders and registered social affordable housing providers, including our third forward funded development agreement with Great Places, validating the robust demand for our de-risked Residential service land across different tenures

Planning approvals underpin extensive and growing pipeline

- Planning approvals secured for 6.8m sq. ft of Industrial & Logistics space (2023: 1.1m sq. ft), including 1.5m sq. ft at Gascoigne Wood (Selby), increasing total consented space to 8.4m sq. ft (2023: 6.1m sq. ft)
- Planning approvals secured for 818 Residential plots, growing total consented plots to 4,568 plots (2023: 5,296 plots).
- Harworth's extensive land bank now has capacity to deliver up to 33.6m sq. ft of Industrial & Logistics space and 31,264 Residential plots across the Midlands and the North of England

Selective strategic acquisitions

- £43.7m acquisition of Catalyst (Rotherham), a 285,000 sq. ft, Grade A, urban logistics estate, with headline rental income of £2.2m, located adjacent to our flagship Advanced Manufacturing Park ('AMP')
- £30.6m acquisition of former brickworks site at Stewartby (Bedfordshire), payable over two years, which has outline planning consent for 1,000 homes
- Further acquisitions of £11.5m including at Wingates (Bolton), enhancing our land assembly for Phase 2 of that development, and at Grimsby West (Grimsby)
- Acquired 25 acres of Residential land at Cinderhill (Derbyshire), increasing the freehold ownership to 51%, and enabling the delivery of an enhanced scheme

Core Investment Portfolio space now 45% Grade A (2023: 37%)

- Core Investment Portfolio valued at £297.2m (2023: £221.4m), with a reduced EPRA vacancy rate[(9)] of 5.6% (2023: 9.9%)
- 107,000 sq. ft. of Grade A Industrial & Logistics space completed in 2024, 73,000 sq. ft of which was retained within the core Investment Portfolio, adding £0.6m of headline rental income
- Currently on site with 270,000 sq. ft of Industrial & Logistics development, with one-third of this space already pre-let.
- Leasing activity added £0.7m of headline rental income on a like for like basis, 4.3% ahead of December 2023 estimated rental value ('ERV'), with renewals and rent reviews achieving, on average, a 22% uplift to previous passing rents
- The core Investment Portfolio has a headline rental income 19.3% below year-end ERVs, alongside a net initial yield of 4.8% (2023: 5.0%), and a reversionary yield of 6.5% (2023: 6.3%), demonstrating near-term reversionary potential

Investment in enabling works builds momentum in pipeline

- Completed enabling works during the year to deliver up to 1.3m sq. ft of Industrial and Logistics space at Chatterley Valley (Stoke) and Droitwich (Worcester). Construction already well progressed at Droitwich and ready to start at Chatterley Valley later this year.
- The next tranche of enabling works was underway at year-end, to open up a further 1.8m sq. ft of space at both Skelton Grange (Leeds), where we are delivering serviced land for Microsoft, and Wingates (Bolton), where we are undertaking major highway works

Significant firepower to fund development pipeline

- Available liquidity of £192.4m at year-end (2023: £192.2m), alongside our consistent track record of generating cash through land sales, gives us the firepower needed to fund our attractive development pipeline
- Year-end net debt was £46.7m (2023: £36.4m), representing a net loan to portfolio value ('LTV') of 5.4% (2023: 4.7%)

Delivering Harworth's commitment to planet, people and communities

- The Group published its first Net Zero Carbon ('NZC') Progress Report, providing an update on progress in meeting its NZC pathway. A further update will be provided in our 2024 NZC Progress Report, which will be released alongside the Annual Report & Accounts in April 2025
- Harworth published its Communities Framework, outlining its approach to delivering social value. The Framework has been incorporated into the Group's Gascoigne Wood development (Selby) and will continue to be rolled out across the business in 2025

Notes:

(1) Represent our Alternative Performance Measures (APMs). A full description of these is set out in Note 2 to the financial statements with a reconciliation between statutory measures and APMs set out in the appendix to the financial statements.

(2) European Public Real Estate Association Net Disposal Value

(3) Total sales include £101.0m of Industrial & Logistics land sales, £97.2m of Residential plot sales and £17.6m of investment property sales and other

(4) The core Investment Portfolio represents our primary income generating Industrial & Logistics portfolio. It excludes Strategic Land, Major Developments, Natural Resources, and Agricultural land

(5) Measured by area

(6) The financial highlights represent our statutory measures

(7) The Ex-dividend date, Record date and Payment date for the 2024 dividend can be found in the Shareholder Information section of this announcement

(8) Properties include investment properties, development properties, AHFS, occupied properties and investment in joint ventures, refer to Note 2 to the financial statements

(9) European Public Real Estate Association Vacancy Rate

*percentage point change

For further information

Harworth Group plc
Lynda Shillaw (Chief Executive) T: +44 (0)114 349 3131
Kitty Patmore (Chief Financial Officer) E: investors@harworthgroup.com
Dougie Maudsley (Interim Chief Financial Officer)

FTI Consulting
Dido Laurimore T: +44 (0)20 3727 1000
Richard Gotla E: Harworth@fticonsulting.com
Eve Kirmatzis

Results presentation

Harworth will host a presentation for analysts and investors at 9.30am today. A live webcast and playback of this can be accessed at the following link: https://brrmedia.news/HWG_FY24

Investor Meet Company presentation

A presentation relating to these results will also be hosted via the Investor Meet Company platform on 25 March 2025 at 1.00pm. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting, or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and follow Harworth via:
https://www.investormeetcompany.com/harworth-group-plc/register-investor

Investors who already follow Harworth on the Investor Meet Company platform will automatically be invited.

About Harworth

Harworth Group plc (LSE: HWG), is a leading land and property regenerator of sustainable developments. We own, develop, and manage a portfolio of over 15,000 acres of Strategic Land over 100 sites located throughout the North of England and Midlands. We specialise in delivering long-term value for all stakeholders by regenerating large, complex sites, particularly former industrial sites, into new Industrial & Logistics developments and serviced Residential land to create sustainable places, support new homes, jobs and communities where people want to live and work. Visit www.harworthgroup.com for further information. LEI: 213800R8JSSGK2KPFG21

Chair's statement

2024 has been a landmark year for Harworth:-

- We achieved our largest ever sale of regenerated brownfield land, concluding a £106.6m agreement with Microsoft for the development of a hyperscale data centre in Leeds, a deal that had been more than 18 months in the making. Taking all stages of that transaction together, this should realise a profit of some £78.2m.
- Over the year we sold a record 2,385 plots for Residential development, materially ahead of the 1,170 sold in 2023 and ahead of our strategic target of 2,000 per year on average, as we accelerate through sites by broadening the range of our Residential products.
- Four years after Lynda Shillaw joined us as Chief Executive, we announced the next stage in the evolution of the four growth drivers of the strategy she first outlined in 2021, increasing our focus on Industrial & Logistics development and retaining more prime Grade A properties in our Investment Portfolio. This is now targeted to grow to £0.9bn by the end of 2029, at which point we expect our balance sheet to be weighted over 85% towards Industrial & Logistics assets compared to its current 63%. In turn, we expect the increase in recurring earnings from the significantly larger Investment Portfolio to allow increased dividends to be declared in future years.
- Positive market sentiment towards the consistency of our operational performance and the evolution of our strategy drove our share price to 179p on 13 September after the interim results, 46% ahead of the start of the year. We entered the FTSE 250 for the first time, a significant milestone for the business and a testament to our people and ability to deliver against our strategic objectives. The institutional buying associated with entering the index drove us to a high of 194.5p. Whilst, as would be expected, the share price has settled back somewhat, we have maintained a narrower discount to NDV.

We are pleased to see that the strategic pivot of our business towards the development, and retention, of Grade A Industrial & Logistics has resonated with investors. Residential land sales and our mixed tenure products remain an important source of funding for the business, in particular for the growth in direct development of our Industrial & Logistics portfolio source of funding for the business, in particular for the growth in direct development of our Industrial & Logistics portfolio, and we shall continue to seek out opportunities to acquire sites that have the potential to be developed into serviced parcels of Residential land - indeed, we acquired the potential for 4,404 such plots during the year. It is also likely that some of the sites we acquire, given their typical scale, will offer the potential for both commercial and Residential development. Our recent development of other tenures, alongside private sales to housebuilders, increases our ability to accelerate through such Residential developments, thereby achieving an accelerated capital turn.

As Lynda's Chief Executive report details, alongside our success in accelerating Residential sales we also made strong progress against each of the other elements of our strategy:

- With the practical completion of 107,000 sq. ft of directly developed Grade A commercial space and acquisition of the 285,000 sq. ft Grade A Catalyst urban logistics estate in Rotherham, 45% of our core Investment Portfolio is now Grade A. Enabling works for direct development are underway on several of our Major Development sites and all of the Grade A space in progress over the next 12 months is expected to be retained in our Investment Portfolio.
- We have maintained our objective of holding a 12 to 15-year forward pipeline of sites at varying stages of planning and development having secured control of further sizeable land holdings during the year, with these adding the potential for 1.0m sq. ft of Industrial & Logistics space and 4,404 Residential plots.

The speed at which we can realise the overall potential in our pipeline of 33.6m sq. ft of Industrial & Logistics space and 31,264 Residential plots is substantially dependent upon developments in the macro-economy and what results from planning reforms. The course of the global economy, and in particular of interest rates, is very uncertain with a new administration taking power in the US, political and economic instability in the EU, and areas of major active conflict. At home, businesses and consumers are still digesting the implications of the new government's first budget, and the Bank of England is trying to chart a course for UK interest rates having regard to global interest rates, movements in sterling, and how UK inflation develops.

Uncertainty depresses and delays business demand for new development and society's demand for new homes, whilst interest rates staying higher for longer compounds consumers' wariness and suppresses both returns and the potential for yield compression. These in turn are compounded by planning delays, reflecting both the lack of clear direction that followed the previous government's December 2023 planning reforms and local authority resource constraints. Overall, the new government's commitments to a planning system that supports economic growth in key sectors and significantly increases housing supply should be strongly supportive of our own potential for new development. However, the reforms that marked the first stages of the extensive planning legislation agenda will take time to become embedded in practical decision-making. Whilst, therefore, we continue to make steady progress towards the achievement of £1bn EPRA NDV by the end of 2027, and the outlook for 2025 is more challenging than when we reported at our 2024 interim results in September 2024.

The other prime determinant of the speed at which we can progress is the availability of the necessary skills, experience, and relationships within the people who make up Harworth. In my past reports I have focused consistently on the criticality of having the right team of the necessary size to the achievement of our objectives - to see the potential of undeveloped land; to create masterplans that maximise that potential; to negotiate with planners and communities to turn those masterplans into detailed planning consents; to manage the detailed implementation of the resulting developments; to identify how best to market those developments; and to nurture the relationships that in turn lead to successful transactions. As Harworth grows, both in the number of developments it has ongoing at any time, and in the size of its Investment Portfolio, so too must its available resource grow. As we are a long-term through the cycle business, what we plan to be achieving as outcomes in two to three years' time, and even longer-term, will depend on what we are creating as inputs today. It is, therefore, inevitable that we have to grow our resource ahead of the planned future growth of the business. It is also critical that we attract and retain the leadership talent we need to achieve our strategic ambitions. The changes that, following considerable thought and extensive engagement with our shareholders, we are proposing to the Remuneration Policy that will apply for the next three years are designed with this in mind.

As last year, alongside our Annual Report, we are publishing our latest report of the progress we made over the last 12 months along our NZC Pathway. Considerable further progress has been made in understanding our carbon footprint, in particular the Scope 3 emissions of the contractors and suppliers who are upstream of our developments, and of the downstream tenants in our Investment Portfolio. This allows us to work with both to reduce those emissions with changes to structural design and construction methods and materials, alongside helping our tenants to reduce their own emissions through measures such as the installation of solar panelling and sourcing renewable energy. We have also seen carbon pricing becoming an integral part of planning policy, with net zero targets embedded into the Greater Manchester Combined Authority planning policy, Places for Everyone, and whole life carbon assessments and detailed energy assessments, becoming a required part of planning applications within the areas covered by nine of the Greater

Manchester local authorities. The focus we have placed on understanding our own NZC Pathway, and developing the supporting detailed assessment methodology, stands us in good stead to present for approval ourselves developments that are strongly aligned with planning objectives.

ESG is firmly embedded in all aspects of our business: every decision we make has regard to its ESG implications and its support of our NZC commitment. In an area of complex, and sometimes conflicting, reporting requirements we now understand what we are going to report, and how to deliver the related reporting obligations. Our NZC Pathway is well-defined, and its components measured and independently verified. ESG is, therefore, mainstream for our business and as such we have decided that its oversight and related decisions should move to being considerations of the main Board in which all Directors participate, rather than scrutinised by a separate committee. The oversight of ESG reporting, itself now being embedded into international accounting standards, will become the responsibility of our Audit Committee.

I have two particular thank yous - to Steven Underwood who retired at the end of last year as our longest serving non-executive director, having first joined the board in August 2010. With his in-depth insight into real estate development in the North of England, as Chief Executive of the Peel Group, he has made a great contribution to Board decision-making and will be much missed. We shall, however, not lose touch given Peel's position as our second largest shareholder. We are actively seeking to appoint a new Non-Executive Director with similar experience and capability within the real estate sector. I would also express our appreciation of the contribution Ruth Cooke has made since she joined as a Non-Executive Director in March 2019. As we have developed our mixed tenure Residential proposition her experience and insight as Chief Executive of one of the largest housing associations has been of great value. She will be retiring from the Board at this year's Annual General Meeting.

More generally, my grateful thanks go to all those within Harworth, and to our partners, advisers, suppliers and contractors, who have contributed to our continuing successful growth and increase in value. A business is like a jigsaw - it cannot achieve its objective unless every element is in place and achieving its purpose: every individual is critical to us and is valued by us.

Alastair Lyons
Chair
17 March 2025

Chief Executive's review

Our 2024 results translate into an impressive total account return of 9.1%, demonstrating our ability to deliver in challenging markets and showcasing the agility and resilience of our through-the-cycle business model. I could not have asked more of our teams in achieving sector-leading results ahead of the MSCI All Property Index, whilst maintaining significant financial liquidity and a low year end LTV of just 5.4%. 2024 saw us deliver a record level of land sales, undertake selective strategic acquisitions, and progress our lettings ahead of estimated rental values. This translated to significant growth in value through both valuation gains and profits on sales. We offer a unique combination: an extensive land bank that is proving strategically significant to the UK's infrastructure needs for both Residential and Industrial & Logistics, coupled with our specialist skillset to uncover new market opportunities, invest in our developments, and unlock material underlying value as we continue to move our sites through the planning system, positioning us well as we move into 2025.

Operational performance

Our ambitions to grow EPRA NDV to £1bn by the end of 2027 and our core Investment Portfolio to £0.9bn by the end of 2029 are underpinned by a clear road map and the significant progress we have made since launching our strategy in 2021. We remain confident in achieving our goals by accelerating the delivery of our sites whilst achieving our NZC ambitions, drawing on our highly specialist expertise to work through our extensive strategic land bank. The table below shows our progress to date against our four key growth drivers.

Growth drivers	2020[1]	2023	Progress in 2024	Ambition by the end of 2027
Repositioning our core Investment Portfolio to modern Grade A	<10% Grade A at year-end	37% Grade A at year-end	45% Grade A at year-end	**100% of core Investment Portfolio to be Grade A**
Increasing direct	200,000 sq. ft	193,000 sq. ft completed	107,000 sq. ft completed 270,000 sq. ft started	**800,000 sq. ft**

Increasing direct development of Industrial & Logistics stock	completed[2] 0.4m sq. ft of enabling works	208,000 sq. ft started 1.5m sq. ft of enabling works	1.3m sq. ft of enabling works completed 1.8m sq. ft of enabling works underway at year-end	**run-rate of completed space (average per annum)**
Accelerating sales and broadening the range of our Residential products	862 plots sold[2]	1,170 plots sold	2,385 plots sold	**2,000 plots sold on average per annum**
Scaling up through land acquisitions and promotion activities	Land supply of 12 to 15 years		Maintained 12 to 15-year land supply through acquisitions representing 1.0m sq. ft and 4,404 plots	**Maintain a land supply of 12 to 15 years**
Targets				
Grow EPRA NDV	£515.9m[3]	£662.9m	£719.5m	**£1bn**
Grow core Investment Portfolio		£221.4m[4]	£297.2m	**£0.9bn by end of 2029**

(1) Targets announced 2021. FY20 used as baseline.

(2) Annual average 2015 to 2020.

(3) EPRA NDV at 31 December 2020.

(4) Target announced H2 2024. FY23 used as baseline.

We are making significant progress repositioning our core Investment Portfolio to modern Grade A specification. It now stands at 45% Grade A, compared to 11% in 2021, when we announced our ambition. This was driven by significant sales, where we had already maximised value through asset management or re-development initiatives, as well as through our development and letting of new space, and the selective acquisition of the Catalyst urban logistics estate in Rotherham. We are confident in our ability to reach our 100% Grade A target, underpinned by the combination of our direct developments, and further selective acquisitions alongside our sales programme.

We completed a record 2,385 Residential plot sales during the year, across 13 transactions, demonstrating the depth of demand for our de-risked serviced land product, and the strong relationships cultivated by our teams with housebuilders, Build-to-Rent developers and housing associations. Residential sales were completed at a headline sales value of £104.1m, at prices that were broadly in line with or ahead of HY24 book values before transaction costs. The average plot sales since setting our 2021 target sit at 1,800, positioning us well to hit our 2,000 average plot sales by 2027.

Our Industrial & Logistics Major Developments portfolio consists of 12 sites at various stages of development, from early enabling works to near-complete Grade A units. We developed 107,000 sq. ft of modern Grade A Industrial & Logistics space in 2024, of which 73,000 sq. ft went into our core Investment Portfolio and the remainder was built for an owner occupier. We started on a further 270,000 sq. ft in the period, with one-third of this space already pre-let. In order to achieve our aim of an 800,000 sq. ft run-rate of completions by 2027, we need to scale up our enabling works to at least three times this level on an annual basis. Our programme to 2027 is back-end weighted and at year-end enabling works were underway for 1.0m sq. ft of development at Wingates (Bolton).

Our strategic land bank is fundamental to our business model and scaling up our land bank through acquisitions and promotions is one of our key skillsets to maintain a land supply of 12 to 15 years. During the year, we made land acquisitions representing 1.0m sq. ft of potential Industrial & Logistics space and a further 4,404 Residential plots.

Our markets

We focus on Industrial & Logistics and Residential, two structurally undersupplied sectors fundamental to delivering growth to the UK economy and requiring key infrastructure delivery to ensure their success. Both are a priority for this government and set to benefit from recent government policy objectives. In December 2024, the UK government announced its planning overhaul via the National Planning Policy Framework to accelerate housebuilding and deliver 1.5m new homes before the next General Election. More recently, the Prime Minister announced his blueprint to turbocharge Artificial Intelligence ('AI'), in which data centres and the delivery of key infrastructure will play a critical part. Our Industrial & Logistics portfolio is well placed to contribute to this rollout.

Industrial & Logistics

Demand continues to be driven by structural factors, including growth of online retail, cloud computing, the dramatic proliferation of AI, and the increased infrastructure requirements that come with all three. Take-up for Grade A industrial and logistics space of 100,000 sq. ft units and larger was up 6% in 2024, to 22.6m sq. ft, outperforming the pre-pandemic average of 21.2m sq. ft, according to Jones Lang LaSalle (JLL). Three-quarters of this total take-up was of new, rather than second-hand, space, indicating significant business focus on new facilities. A fall in the level of build-to-suit space was more than offset by an increased level of speculative take-up of 7.4m sq. ft, which compares to average pre-pandemic speculative take-up levels of 4.5m sq. ft.

Despite occupiers remaining active, the market is not seeing a corresponding impact on net absorption and overall vacancy as occupier demand is being driven by more strategic reasons than business growth alone, which is resulting in deals taking longer to complete and older space coming back into the market. Notwithstanding, H1 2025 requirements are forecast to be up year-on-year with a focus nationwide on units of 100,000-200,000 sq. ft. According to JLL, 74% of 2024 take-up was within our regions and the Midlands made up the lion's share at 58%.

Prime yields were broadly stable across 2024, but the volatility in bond markets is expected to impact Q1 2025 transaction appetite, as investors and vendors wait to see how the market settles down. Investors and developers are increasingly focused on strategic acquisitions and developments that meet occupier needs and sustainability requirements and are best placed to benefit from rental growth. UK prime headline rents enjoyed 6% growth over 2024 and, while this is down year-on-year and materially below the pandemic peak of almost 18% in 2021, it is still above average pre-pandemic levels of 4.1%, based on JLL research.

Data centres

The UK data centre market is in a material growth phase, with more recent interest outside of London and the South East. While different commentators have varying projections of the state of the UK market and potential growth, consensus is clear that the market is set to experience a double-digit CAGR out to 2030, driven by growing adoption of multi-cloud computing and network upgrades required to support the roll out of 5G alongside the need for more data storage and transmission from ecommerce, digital content, social media and the Internet of Things.

Currently, London is the largest data centre market in the EMEA and the second largest globally, with 1.14GW in operation, a 15% increase year-on-year, according to Cushman & Wakefield. Data from JLL shows that capacity in the London market is set to double, including 504MW in development and 677MW in planning, driven by growth in multi-tenant data centres, hyperscale data centres and edge computing, coupled with a focus on energy efficiency and eco-friendly solutions. Emerging regional markets and remote campuses sitting outside the established metro areas are also beginning to reshape the data centre landscape as the emergence of AI and cloud computing facilities are becoming increasingly location agnostic, driven by power availability and site deliverability. This is evidenced by our own land sale for data centre use in Leeds and other market transactions across the North West and North East.

Limited availability of land and power, together with sustainability regulations, and their impact on cost and time to deliver, are the pressing issues for both operators and investors in the UK and globally. Since the start of 2024, Savills has tracked over 415 acres of UK land deals to data centre operators that were, in the main, previously promoted for industrial and logistics use. This has had the effect of removing, on average, close to one year's worth of potential industrial and logistics supply from the market.

Support for the sector has been underpinned both by the UK government and significant private investment. Government initiatives to ensure the viability of the sector include investment to boost the grid capacity through new measures in the Planning and Infrastructure Bill, classifying data centres as critical national infrastructure, strengthening resilience and regulatory support. These were followed up by the launch of the AI Action Plan and associated planning reforms, to boost sectors that are critical to powering the economy and the long-term growth of the UK. Government actions have been significantly bolstered by private sector investments, including Microsoft's announcement that, in addition to its contracting to acquire 48 acres at our Skelton Grange (Leeds) site for a hyperscale data centre, it had acquired the former Eggborough power station in North Yorkshire to create a data centre campus; DC01UK's £3.75bn investment in Europe's largest data centre in Hertfordshire; Amazon Web Services' plans to invest £8bn building, operating and maintaining data centres in the UK; and Latos DC's plans to open 40 purpose-built data centres across the UK by 2030.

Residential

Residential volumes remained subdued in 2024, with the market in the early stages of recovery. Front and centre of government policy are bold ambitions to increase housing activity, delivering 1.5m new homes by the next General Election government policy are bold ambitions to increase housing activity, delivering 1.5m new homes by the next General Election, with planning reform at the heart of supporting this and wider economic growth. It's fair to say that delivery against this target will be back-end loaded, with housebuilder volumes in 2024 still not recovering to 2022 levels and new government initiatives to drive up volumes being mobilised.

Local housing targets have been reintroduced and the presumption in favour of development strengthened with government task forces formed to unlock the 'grey' belt. While planning reform is still expected to be a relatively protracted process, the shift to drive growth and develop new homes is a positive signal to the sector and, from a supply side perspective, positive also for strategic land. However, the returns for landowners need to remain attractive for land to come forward to meet the scale of what is proposed.

The ambition to build more affordable homes is no silver bullet, and while demand exists, the financial capacity of Housing Associations remains weak and viability remains an issue for developers where the mix is skewed to affordable tenures. Where investor markets are concerned, the stamp duty surcharge announced in the October Budget is likely to suppress the appetite of buy-to-let landlords and tip towards larger, wealthier and institutional landlords.

With interest rates easing and, subject to global dynamics, showing signs of a further downward trajectory in 2025 this is positive for homebuyers, however rental reform through the Renters Rights Bill and residual building safety issues and regulation are weighing on parts of the sector. Savills forecasts house price growth of 20% to 25% over the next five years with 4% growth predicted for 2025. Rental values are forecast to increase by over 17% in the same period with 4% growth predicted for 2025.

The Harworth Way

As a specialist regenerator and placemaker, a commitment to our communities, our people and our planet is at the heart of everything we do. Critical to this is having a lasting positive impact on the communities we serve, supporting new homes, jobs and infrastructure. The Harworth Way is our framework for ensuring this happens.

During the year we published our first NZC Progress Report, providing an update on progress, challenges, and opportunities in meeting our NZC Pathway. Against our 2030 Commitment to be NZC for our business operations, operational emissions reduced by 17% in the year and by 33% since 2022, through the continued use of alternative fuels in our site preparation works, the increased use of electric vehicles, and the transition of our core Investment Portfolio to Grade A. In collaboration with the Forestry Commission, we completed a woodland planting scheme of 108,000 trees at Chevington North (Northumberland), whilst also commencing further planting of more than 150,000 trees at Highthorn (Northumberland).

In April 2024 we published our Communities Framework, which explains our approach to delivering social value throughout the regeneration process and the developments we create. During 2024 we developed our processes to allow the Framework to be incorporated into our Gascoigne Wood (Selby) scheme, which received resolution to grant planning permission for 1.5m sq. ft of Industrial & Logistics space, and we will continue to roll out the Framework throughout the business in 2025.

It has been another very active year in delivering for our communities with a wide range of community events and local club sponsorship, from fun runs to food festivals and community planting. We completed the construction of the new forest school at Coalville (Leicester), providing 420 new primary school places in an energy efficient, modular building, integrated into the new community. At Thoresby Vale a wonderful opening event marked the completion of the country park providing more than 100 acres of restored heathland, home to unique wildlife, alongside 4.2km of active travel infrastructure all set within the growing residential community.

Over 2024, we once again commissioned Ekosgen, an independent economic research consultancy, to appraise the social and economic benefits of the regeneration and developments we have delivered and plan to deliver, and it found that our portfolio has the potential to deliver £4.3bn of GVA, support up to 66,800 jobs and generate up to £72.5m in business rates, underscoring the huge potential of our activities to benefit society.

Our people

The long-term sustained growth and prosperity of Harworth can only be delivered by providing an environment which cultivates a high-performance culture. Our high talent retention, engagement, and happiness rates reflect the growing effectiveness of our people strategies, which are consciously designed to enable people to do their best work for the benefit of all our stakeholders, including investors.

We continuously review and enhance our Total Reward package to ensure it meets the evolving needs of a diverse workforce and remains attractive in a continuously challenging skills and talent market. Our diversity picture is one of steady progress and in the context of our sector a very encouraging one and an important indicator within our recently developed Culture Dashboard. In 2024 our Culture programme delivered several important milestones, such as our new corporate values and behaviours framework and the inclusion of cultural indicators within our recently launched Enabling Excellence Framework.

Looking ahead, we are excited about the prospect of securing an Investors In People accreditation this year and delivering further important milestones such as the next generation of our Learning & Development Programme and further enhancing the productivity of our people and efficiency in process through our Digital Transformation agenda.

Outlook

Harworth is a long-term through-the-cycle business. Regeneration of large, complex sites that may take a decade or more to move from inception to completion, underpinned by our significant land bank and proven skillset in being able to unlock value through our management actions, is what sets Harworth apart. Since 2021, when we stepped into our strategy, we have not only been focused on growing our business and accelerating delivery across our sites, but have invested in our planning teams to progress more applications through the system, our development teams to ramp up delivery, and our acquisitions teams to build our land bank.

For the Industrial & Logistics market, the structural drivers of demand remain particularly strong, with increased infrastructure needs from online retail, cloud computing and AI, and a relatively constrained supply of suitable sites and power capacity in our regions. Our portfolio can contribute solutions to these infrastructure gaps. That said, given short-term economic uncertainties in the year ahead, we will continue to de-risk our development by focusing on pre-let and build-to-suit opportunities and land parcel sales. For Residential, while affordability challenges remain for house buyers, our increasingly diversified range of Residential products alongside constrained supply of development-ready land, improves our confidence that our consented, de-risked serviced land will continue to appeal strongly to a wide range of housebuilders, developers and social housing participants, providing us with exposure to markets that continue to grow regardless of the cycle.

As we move into the second half of our delivery strategy, we have an 8.4m sq. ft consented Industrial & Logistics pipeline that is capable of delivering c.£0.6bn of Gross Development Value ('GDV') by the end of 2027. We continue to explore other use classes, including the development of data centres and energy assets on our Industrial & Logistics sites and senior living opportunities on our Residential sites. Together these factors will ensure we realise the full potential of our 33.6m sq. ft Industrial & Logistics portfolio, which has an estimated GDV of c.£5bn, and our 31,264 plot Residential pipeline, while delivering for our people, our planet and our communities.

Whilst we remain cautious about the near-term macro-economic outlook, I continue to be excited about our prospects as a business and the significant growth and embedded value across our portfolio, including our ability to reach £1bn of EPRA NDV by the end of 2027 and grow our core Investment Portfolio to £0.9bn by the end of 2029.

I would like to say a huge thank you to my colleagues across the business, who work tirelessly to deliver on the ambition of our strategy and have achieved a strong year of progress, and to our investors who have continued to support what we do. Our significant financial performance and operational progress illustrate the dedication, determination, skills, and teamwork that make us proudly Harworth.

Lynda Shillaw
Chief Executive
17 March 2025

Operational review

Portfolio key

Our portfolio sits across three regions: Yorkshire & Central ('YAC'), Midlands ('MID') and the North West ('NOW') with a focus on two sectors: Industrial & Logistics ('I&L') and Residential ('R'). Within I&L, we have three portfolios, Investment Portfolio ('IP'), Strategic Land ('SL') and Major Developments ('MD') and within R, the focus is SL and MD.

Industrial & Logistics land portfolio

At year end, the I&L pipeline totalled 33.6 m sq. ft (2023: 37.7m sq. ft) comprising a consented pipeline of 8.4m sq. ft (2023: 6.1m sq. ft) and a further 4.8m sq. ft in the planning system awaiting determination (2023: 10.1m sq. ft). The pipeline was 50% owned freehold by the Group, with the remainder controlled through joint venture arrangements, options or Planning Promotion Agreements ('PPAs') (2023: 57% / 43%).

Land assembly

- Wingates (Bolton) NOW | I&L | MD / SL: freehold acquisition adding 392,000 sq. ft to our existing development site, of which 1.0m sq. ft is consented for logistics and manufacturing space and 1.9m sq. ft has an allocation for commercial use under Greater Manchester's Places for Everyone. This increases the area under our control to 2.9m sq. ft, of which 86% is under freehold ownership and 14% held via options agreements. We are also creating more green space for residents and a new landscaped buffer to screen the road and move traffic away from nearby homes by working to realign a short section of the A6 Chorley Road and provide improved and dedicated access to the site.
- Gateway 36 (Barnsley) YAC | I&L | IP / SL: Strategic Land capable of delivering 546,000 sq. ft was acquired under an option agreement, which brings the development land under our control for future development to 1.1m sq. ft. With 110,000 sq. ft already built, and in the IP, this option extends our pipeline and adds to our potential GDV on delivery.

Planning

- Planning approvals were secured for 6.8m sq. ft of I&L space across four sites, bringing total consents to 8.4m sq. ft. Allocations were received for 3.5m sq. ft (total allocated now 4.9m sq. ft) and draft allocations for 0.7m sq. ft (total benefiting from draft allocation now 2.9m sq. ft) as sites continue to move through the planning system.
- Applications totalling 4.8m sq. ft are in the planning system awaiting determination, including two significant planning applications across MID for 1.8m sq. ft and YAC for 2.9m sq. ft.

Direct development

- During the year, we completed 107,000 sq. ft at the AMP (Rotherham) YAC | I&L | IP, of which 73,000 sq. ft was let to Insight, the solutions and systems integrator, and retained as part of our core IP and the remaining 34,000 sq. ft was built on behalf of an owner-occupier.
- At 31 December 2024, we were on site with 270,000 sq. ft. of direct development, 34% of which is pre-let. A further 386,000 sq. ft of I&L space is expected to commence during the next 12 months, all of which is expected to be retained within the core IP. The units will all be delivered to Harworth's sustainable commercial building specification, targeting EPC A and BREEAM Excellent, with whole life carbon assessments and renewable energy provisions incorporated into the design.
- Enabling works are a critical component of our pipeline to reach our direct development targets. During the year, we completed a significant level of works, enabling future delivery of up to 1.3m sq. ft of I&L space. A further 1.8m sq. ft of enabling works were underway at the year-end.

Land sales

Sales completed in 2024 included:

- Skelton Grange (Leeds) YAC | I&L | MD, where we completed the sale of 27 acres of unserviced land to Microsoft, alongside a development agreement, and conditionally exchanged on a further 21 acres, for a total consideration of £106.6m, of which £53m is set to be received in H1 2026 upon completion. The transaction is expected to generate an IRR above 40%, with further potential from the delivery of the 16 acres of 'Retained Land'.
- Ansty (Rugby) MID | I&L | SL, where we sold 278 acres for £53.5m, reflecting a premium to June 2024 book value.

Key Industrial & Logistics development sites

Site	Site type / Ownership[1]	Sold or developed (sq. ft)	Consented or planned (sq. ft)	Estimated GDV remaining to develop (£)	Stage	Forecast completion date
Advanced Manufacturing Park (AMP) (Rotherham)	MD / FH	1.7m	0.3m / 0.0m	£45m - £55m	Direct development or plot sale	2026
Gateway 36 (Barnsley)	MD / FH	0.4m	0.6m / 0.5m	£130m - £150m	Direct development or plot sale	2033
Chatterley Valley (Stoke)	MD / FH	0.0m	1.2m / 0.0m	£160m - £170m	Land remediation and infrastructure development	2026
Wingates (Bolton)	MD & SL / FH & O	0.0m	1.0m / 1.9m	£500m - £540m	Land remediation and infrastructure development	2029
Skelton Grange	SL / FH	0.6m	0.8m	Confidential	Direct	2025

(Leeds)					development or plot sale	
Cinderhill (Derby)	SL / FH & PPA	0.0m	1.5m / 0.0m	£180m - £190m	Planning approval	2030
Gascoigne Wood (Selby)	SL / FH	0.0m	1.5m / 0.5m	£270m - £290m	Planning approval	2028
Northern Gateway[2] (Greater Manchester)	SL / JV & O	0.0m	0.0m / 2.0m	Confidential	Masterplanning	2026 - 2035
N. Yorkshire site	SL / O	0.0m	0.0m / 3.3m	Confidential	Masterplanning	2040
Rothwell (Coventry)	SL / FH	0.0m	0.0m / 1.8m	£300m - £320m	Masterplanning	2028
Junction 15 (Northampton)	SL / O	0.0m	0.0m / 1.5m	£260m - £290m	Masterplanning	2030

(1) Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint venture and O: Option Site type includes Strategic Land, SL and Major Developments, MD.

(2) Harworth's share of a Joint Venture, adjacent to the M62 and close to the M66, Northern Gateway is the core site of the Atom Valley Mayoral Development Zone, comprising a mix of freehold and optioned land.

Investment Portfolio

The I&L IP comprises assets we have acquired and, increasingly, directly developed and retained. It generates recurring rental income, with the potential for capital value growth via active asset management.

Acquisition

- Catalyst (Rotherham) YAC | I&L | IP: newly developed Grade A urban logistics estate acquired for £43.7m in October 2024, reflecting a net initial yield of 5.4%. This prime 285,000 sq. ft scheme was completed in 2023 and is located adjacent to the AMP, where we expect to benefit from strong occupier demand to fill up the existing 28,000 sq. ft vacancy. Once fully let, the scheme will generate £2.5m of headline rental income.

Lettings

- During the year, 146,000 sq. ft of leasing deals were completed, with total leasing activity adding a net £1.3m of headline rental income (2023: 462,000 sq. ft, adding £2.1m). New lettings, renewals and reviews were completed at an average 4.3% premium to ERVs.

At year end, the IP was valued at £297.2m, up 34% on the prior year, and with a target to grow to £0.9bn by year-end 2029, a required CAGR of 25% over the next five years. The portfolio comprised 12 sites covering 2.8m sq. ft. It generated £17.5m of headline rental income and had a passing rental income of £15.8m. This equates to a net initial yield of 4.8%. The portfolio comprised of 45% Grade A space. Our target is to transform it to 100% Grade A by year-end 2027.

Industrial & Logistics Investment Portfolio

	2024	2023	% change
Portfolio value (£m)	297.2	221.4	34
Number of sites	12	11	9
Area (m sq. ft)	2.8	2.5	14
Grade A space - by area (%)	45	37	8pp[1]
Passing rental income (£m)	15.8	11.4	39
Weighted average passing rent[2] (£ psf)	5.90	4.60	28
Grade A ERV[3] (£ psf)	9.10	8.80	3
WAULT[4] to first break (years)	10.1	11.9	-15
WAULT[4] to expiry (years)	11.4	12.9	-12
EPRA vacancy[5] (%)	5.6	9.9	-4.3pp
Net initial yield (%)	4.8	5.0	-0.2pp
Reversionary yield (%)	6.5	6.3	0.2pp

(1) Percentage points
(2) Calculated on occupied space
(3) Estimated rental values
(4) Weighted average unexpired lease term
(5) European Public Real Estate Association vacancy

Investment Portfolio sites

Site	Location	Region	Ownership	Area (sq. ft)
Advanced Manufacturing Park (AMP)	Rotherham	YAC	FH	363,000
Bardon Hill	Leicester	MID	FH	332,000
Catalyst	Rotherham	YAC	FH	285,000
Wyke Lane	Bradford	YAC	FH	252,000
Saturn Business Park	Liverpool	NOW	FH	422,000
Logistics North	Bolton	NOW	FH	104,000
Multiply Logistics North	Bolton	NOW	20% JV	87,000

Brierley Hill	Birmingham	MID	FH	373,000
Gateway 36	Barnsley	YAC	FH	110,000
Moor Lane	Leeds	YAC	FH	253,000
Etherow Industrial Estate	Manchester	NOW	FH	190,000
A19 Business Park	Selby	YAC	FH	61,000

Residential portfolio

The Residential pipeline totalled 31,264 plots at year end (2023: 27,190 plots) comprising a consented pipeline of 4,568 plots (2023: 5,296 plots) and a further 2,136 plots in the planning system awaiting determination (2023: 1,774 plots). Development continues to progress on the first mixed tenure sites sold by way of forward funding agreements. The pipeline was 41% owned freehold by Group, with the remainder controlled through joint venture arrangements, options or PPAs (2023: 49% / 51%).

Acquisition & land assembly

- Stewartby (Bedford) MID | R | MD: we acquired this iconic former brickworks site in Bedfordshire for total consideration of £30.6m payable over 2 years. This is a near-term opportunity which has outline planning permission for the delivery of 1,000 plots, offering the ability to create value and generate cash to fund the broader direct development programme.
- Grimsby West (Grimsby) YAC | R | SL: we entered into a uniquely structured joint venture for Harworth where, once planning permission is secured, we will hold a c.75% profit share in the scheme which has the capacity to deliver 3,979 Residential plots. The site is allocated and planning progress continues, we expect the first parcels will be available for sale in 2027 with development continuing through to 2046.
- Staveley (Chesterfield) YAC | R | SL: we acquired an additional freehold parcel at our existing site, which is expected to deliver up to 360 plots, taking the total plots in our control to 950.

Planning

- Hale Gate Road (Widnes) NOW | R | PPA: planning approval was secured for 500 Residential plots under a PPA and separately, an allocation was received for 1,200 homes on another site in the North West.
- Diseworth West (East Midlands Airport) MID | R | SL / PPA: a draft allocation was secured for a mixed use development comprising 2,275 Residential plots and 0.7m sq. ft of I&L space.

At year-end, 2,136 plots across five sites continue to progress through the planning system awaiting determination. Planning consent was received at Cadley Park YAC | R | PPA for 150 plots post year-end.

Key Residential development sites

Site	Site type / Ownership[1]	Sold (plots)	Consented or planned (plots)	Stage	Forecast completion date
Waverley (Rotherham)	MD / FH	2,578	393 / 0	Mixed tenure delivery or plot sale	2025
Thoresby Vale (Nottingham)	MD / FH	650	150 / 286	Mixed tenure delivery or plot sale	2027
Staveley (Chesterfield)	SL / FH	0	0 / 950	Masterplanning	2030
Rossington (Doncaster)	MD / FH	927	273 / 206	Mixed tenure delivery or plot sale	2028
Stewartby (Bedford)	MD / FH	0	1,000 / 0	Planning approval	2029
Ironbridge (Telford)	MD / FH	312	688 / 0	Mixed tenure delivery or plot sale	2030
Coalville (Leicester)	MD / FH	1,334	682 / 270	Mixed tenure delivery or plot sale	2031
Diseworth (East Midlands)	SL / FH & PPA	0	0 / 842	Masterplanning	2035
Cinderhill (Derby)	SL / FH & PPA	0	150 / 1,200	Planning approval	2039
Grimsby West (Grimsby)	SL / JV	0	0 / 3,044	Acquisitions and land assembly	2044

(1) Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint venture and O: Option. Site type includes Strategic Land, SL and Major Developments, MD.

Land sales

Record sales of 2,385 Residential plots were completed at a headline sales value of £104.1m (broadly in line with or ahead of HY24 book values before transaction costs). Sales were made to national and regional housebuilders and registered social affordable housing providers, including our third forward funded development agreement with Great Places, validating the robust demand for our de-risked Residential service land across different tenures.

Natural Resources portfolio

The Natural Resources portfolio is comprised of sites used for a wide range of energy production, including wind and solar

The Natural Resources portfolio is comprised of sites used for a wide range of energy production, including wind and solar energy production, battery storage, and reforestation schemes, delivered as part of our Energy & Natural Capital strategy. The aim is to grow this portfolio, alongside strategic partners where appropriate, through developing renewable energy generation solutions and other sustainability initiatives such as battery storage, solar, EV charging, multi-fuel hubs and reforestation/rewilding. The strategy has a wider focus on embedding these energy concepts and future-proofing principles across all of Harworth's sites to maximise energy availability and resilience, create economic value, and help fulfil the Group's NZC ambitions.

At the year-end, the Natural Resources portfolio had a value of £21.5m (2023: £21.6m) and headline rental income of £2.1m (2023: £1.8m).

Financial review

Overview

Our primary metric, Total Accounting Return, for 2024 was 9.1%, representing an increase from 5.1% in 2023. This Total Accounting Return reflected positive contributions from all areas of the Group, with management actions delivering value through planning success, and progressing infrastructure and direct development, along with completing the landmark sales at Skelton Grange and Ansty. These actions, alongside completions of direct development, securing sales, and asset management initiatives across our Investment Portfolio, resulted in EPRA NDV per share increasing by 8.4% to 222.3p (2023: 205.1p). Our 2024 performance reflected strong operational delivery while continuing to progress against our strategic objectives. Looking forward, the structural undersupply within our chosen markets continues to provide a strong foundation for the Group's future growth.

Sales of serviced land and property, in addition to income from rent, royalties and fees, resulted in Group revenue of £181.6m (2023: £72.4m). The increase in the year reflected £47.9m of revenues recognised from the successful phase 1 sale at Skelton Grange to Microsoft. Revenue from the sale of Residential serviced land also increased during the year to £92.2m (2023: £38.0m), reflecting strong demand for the Group's de-risked land products. Lower rental income during the year reflected the timing of Investment Portfolio asset sales during 2023 and the early part of 2024 offset by rental revenue from letting completed directly developed assets, and the acquisition of Catalyst during October 2024. Total property sales, which included proceeds from the sales of investment properties, assets held for sale ('AHFS')and overages, amounted to £215.8m (2023: £125.9m), reflecting both the increased development property sales and the sale of the Ansty Strategic Land site for £53.5m. Rental income collection has been consistently strong and like-for-like income increased through management actions, including lettings of completed direct developments at the Advanced Manufacturing Park (Rotherham) and rent reviews. The £181.6m of revenue also included PPA and development revenue totalling £19.3m (2023: £1.7m), with the increase year-on-year being driven by completion of a UK head office for a customer at the Advanced Manufacturing Park, Rotherham, as well as development for Microsoft at Skelton Grange. In 2025, we have already completed headline sales of £10.4m and remain confident in our ability to achieve the 2025 budgeted sales targets.

The Investment Portfolio increased to £297.2m at the end of 2024 (2023: £221.4m) reflecting the impact of increased valuations driven by management actions, market rental growth, and the £43.7m acquisition of Catalyst, a 285,000 sq. ft, Grade A, urban logistics estate in Rotherham, South Yorkshire adjacent to the Group's established Advanced Manufacturing Park. The Group is targeting a core Investment Portfolio of approximately £0.9bn by the end of 2029, through a combination of retained developments and selective acquisitions with the target of this becoming 100% Grade A by the end of 2027.

BNP Paribas, Jones Lang LaSalle and Savills, our independent valuers, completed a full valuation of our portfolio as at 31 December 2024, resulting in full-year revaluation gains of £86.0m (2023: gains of £64.9m), including the movement in the market value of development properties. These external independent valuations have regard to conditions in the residential and industrial and logistics markets as well as the positive factors resulting from management actions at our sites. Outside the valuation movements, profits on sales were £11.2m (2023: losses of £6.8m). Overall, this led to total value gains of £97.2m (2023: £58.1m gains).

The fair value of investment properties increased by £60.8m (2023: £71.4m increase), which fed through to an underlying operating profit of £74.6m (2023: £54.2m) and profit after tax of £57.2m (2023: £38.0m).

Over the year, the net asset value of the Group grew by 8.5% to £691.7m (31 December 2023: £637.7m). With EPRA adjustments for development property valuations included, EPRA NDV at 31 December 2024 increased by 8.5% to £719.5m (31 December 2023: £662.9m) representing a per share increase of 8.4% to 222.3p (31 December 2023: 205.1p).

The Group remains well capitalised and, at 31 December 2024, had available liquidity of £192.4m (31 December 2023: £192.2m). Net debt was £46.7m (31 December 2023: £36.4m) resulting in an LTV at 31 December 2024 of 5.4% (31 December 2023: 4.7%). Following the repayment of development loans, none of the Group's drawn debt was subject to fixed rates (31 December 2023: 35%).

Presentation of financial information

As our property portfolio includes development properties and joint venture arrangements, Alternative Performance Measures ('APMs') can provide valuable insight into our business alongside statutory measures. In particular, revaluation gains on development properties are not recognised in the Consolidated Income Statement and the Balance Sheet. The APMs outlined below measure movements in development property revaluations, overages and joint ventures. We believe that these APMs assist in providing stakeholders with additional useful disclosure on the underlying trends, performance and position of the Group.

Our key APMs are:

- Total Accounting Return: the movement in EPRA NDV plus dividends per share paid in the year expressed as a percentage of opening EPRA NDV per share.
- EPRA NDV per share: EPRA NDV aims to represent shareholder value under an orderly sale of the business, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability net of any resulting tax. EPRA NDV per share is EPRA NDV divided by the number of shares in issue at the end of the period (less shares held by the Employee Benefit Trust or Equiniti Share Plan Trustees Limited to satisfy Restricted Share Plan, Share Incentive Plan and Deferred Share Bonus awards).
- Value gains: the realised profits from the sale of properties and unrealised profits from property valuation movements including joint ventures, and the mark-to-market movement on development properties and overages.
- Net LTV: Group debt net of cash held expressed as a percentage of portfolio value.

A full description of all non-statutory measures is set out in the appendix to the financial statements and reconciliations between all statutory and non-statutory measures are provided in the appendix to the consolidated financial statements. From 2025 the Group plans to report on an additional APM, Total Property Return, calculated in line with the MSCI Property Index Methodology. This will provide increased information to shareholders on the Group's relative performance and support the implementation of relative operational performance measures for the short-term and long-term incentive schemes under the revised Remuneration Policy.

Our financial reporting is aligned to our business units of Capital Growth and Income Generation, with any items that are not directly allocated to specific business activities held centrally and presented separately.

Income Statement

	2024				2023			
	Capital Growth £m	**Income Generation £m**	**Central Overheads £m**	**Total £m**	Capital Growth £m	Income Generation £m	Central Overheads £m	Total £m
Revenue	**160.1**	**21.5**	**-**	**181.6**	49.0	23.4	-	72.4
Cost of sales	**(145.8)**	**(4.7)**	**-**	**(150.5)**	(54.0)	(6.0)	-	(60.1)
Gross profit	**14.2**	**16.8**	**-**	**31.1**	(5.0)	17.4	-	12.4
Administrative expenses	**(6.4)**	**(1.1)**	**(25.7)**	**(33.2)**	(5.1)	(3.1)	(19.2)	(27.4)
Other gains/(losses)	**59.7**	**18.4**	**-**	**78.1**	65.2	4.3	-	69.4
Other operating expense	**-**	**-**	**(1.4)**	**(1.4)**	-	-	(0.1)	(0.1)
Operating profit/(loss)	**67.5**	**34.1**	**(27.1)**	**74.6**	55.1	18.5	(19.3)	54.2
Share of profit / (loss) of JVs	**(0.7)**	**2.2**	**-**	**1.5**	0.9	0.7	-	1.6
Net interest credit / (expense)	**2.9**	**0.1**	**(9.7)**	**(6.7)**	0.5	-	(6.5)	(6.0)
Profit/(loss) before tax	**69.7**	**36.5**	**(36.8)**	**69.4**	56.4	19.2	(25.8)	49.8
Tax charge	**-**	**-**	**(12.1)**	**(12.1)**	-	-	(11.9)	(11.9)
Profit/(loss) after tax	**69.7**	**36.5**	**(48.9)**	**57.2**	56.4	19.2	(37.7)	38.0

Note: There are minor differences on some totals due to roundings.

Revenue inthe year was £181.6m (2023: £72.4m), of which Capital Growth contributed £160.1m (2023: £49.0m) and Income Generation contributed £21.5m (2023: £23.4m).

Income Generation contributed £21.5m (2023: £23.4m).

Capital Growth revenue, which primarily relates to the sale of development properties, increased by £111.1m as a result of higher sales of Residential serviced land, as well as the completion of the phase 1 sale at Skelton Grange to Microsoft for which revenue of £47.9m was recognised during the year. Capital Growth revenue also includes fees from PPAs and development management revenue.

Revenue from Income Generation mainly comprised property rental and royalty income from the Investment Portfolio, Natural Resources and Agricultural Land. Revenue of £21.5m (2023: £23.4m) was lower than last year reflecting the 2023 sale of investment properties and the successful sale of a site at Flaxby in early 2024, offset by income from our Catalyst Grade A urban logistics site, acquired in October 2024. Like-for-like headline rent from the Investment Portfolio increased by 4.9% during 2024 following new lettings, lease re-gears and rent reviews on our existing assets. Taking into account the acquisition of the Catalyst Grade A urban logistics site and the letting of assets that practically completed during the year, the total headline rental income for the Investment Portfolio increased by 24% to £17.5m at the year-end, (2023: £14.1m). Cost of sales comprises the inventory cost of development property sales, costs incurred in undertaking build-to-suit development and both the direct and recoverable service charge costs of the Income Generation business. Cost of sales increased to £150.5m (2023: £60.1m), of which £132.0m related to the inventory cost of development property sales (2023: £47.3m). In the year, we saw a decrease in the net realisable value provision on development properties of £5.7m (2023: £4.4m increase) following the valuation process as at 31 December 2024.

Administrative expenses increased in the year by £5.8m (2023: £5.3m increase). This was due to higher salary expenses, resulting from increased employee numbers recruited to deliver future value creation as we step into the next phase of the strategy, higher bonus costs incurred reflecting the strong performance, coupled with inflationary cost pressures, IT spend increasing automation, and costs incurred as part of progressing strategic objectives.

The strong EPRA NDV growth shows the actions of the teams creating value as they work on sites and progress transactions to a conclusion. Administrative expenses expressed as a percentage of operating profit excluding administrative expenses was lower than the previous year at 31% (2023: 34%).

Other gains comprised a £60.4m net increase (2023: £71.1m net increase) in the fair value of investment properties and assets held for sale ('AHFS') combined with the profit on sale of investment properties, AHFS and overages of £17.7m (2023: £1.7m loss), driven primarily by the sale of the Ansty Strategic Land site following receipt of planning permission during the year.

Other operating expense includes a settlement loss incurred following the Group entering a trustee agreed Buy-In Agreement with respect to the Blenkinsopp Pension scheme during the year. The agreement secures all remaining liabilities in the scheme by way of an insurance contract. The costs of £1.4m represent a settlement loss preceding buyout arrangement and as such are expensed through the Income Statement.

Joint venture profits of £1.5m (2023: £1.6m profits) were the result of net rental income and valuation gains at Multiply Logistics North, offset by a small reduction in value of the Aire Valley Land joint venture increasing costs of development. Value gains/(losses) on a non-statutory basis are outlined below.

Non-statutory value gains/(losses)

Value gains/(losses) are made up of profit on sale, revaluation gains/(losses) on investment properties (including joint ventures), and revaluation gains/(losses) on development properties, AHFS and overages. A full description and reconciliation between statutory and non-statutory value gains can be found in Note 2 and the appendix to the consolidated financial statements.

		2024			2023			**31 Dec 24**	31 Dec 23
£m	**Category**	**Profit /(loss) on sale**	**Reval. gains/ (losses)**	**Total**	Profit /(loss) on sale	Reval. gains/ (losses)	Total	**Total valuation**	Total valuation
Capital Growth									
Residential Major Developments	Development	**(2.9)**	**20.3**	**17.4**	(5.4)	(9.0)	(14.4)	**223.8**	210.5
Industrial & Logistics Major Developments	Mixed	**0.7**	**5.8**	**6.5**	0.1	43.1	43.2	**138.1**	136.0
Residential Strategic Land	Investment	**-**	**8.6**	**8.6**	(0.1)	6.1	6.0	**61.0**	51.6
Industrial & Logistics Strategic Land	Investment	**12.6**	**31.4**	**44.0**	(0.1)	18.4	18.3	**109.7**	105.9

Strategic Land									
Income Generation									
Investment Portfolio	Investment	**0.8**	**19.6**	**20.4**	(1.4)	6.2	4.8	**297.2**	221.4
Natural Resources	Investment	**-**	**0.5**	**0.5**	0.1	-	0.1	**21.5**	21.6
Agricultural Land & other	Investment	**(0.1)**	**(0.3)**	**(0.4)**	-	0.1	0.1	**7.5**	21.1
Total		**11.2**	**86.0**	**97.2**	(6.8)	64.9	58.1	**858.8**	768.1

Notes: There are some minor differences on some totals due to roundings. Profit/(loss) on sale is stated net of the impact of transaction fees incurred.

Profit on sale of £11.2m (2023: £6.8m loss) reflected the impact of the sale of the Ansty Industrial & Logistics Strategic Land site alongside wider sales reflecting pricing broadly in line with book value before transaction costs, the impact of discounting deferred consideration at present value, and retentions not recognised on completion. Revaluation gains were £86.0m (2023: £64.9m gains) and are outlined in the table below.

	2024 £m	**2023 £m**
Increase in fair value of investment properties	**60.8**	71.4
Decrease in value of assets held for sale	**(0.4)**	(0.3)
Movement in net realisable value provision on development properties	**1.3**	(6.2)
Contribution to statutory operating profit	**61.7**	64.9
Share of profit of joint ventures	**1.5**	1.6
Unrealised (losses)/gains on development properties and overages	**22.7**	(1.6)
Total non-statutory revaluation gains	**86.0**	64.9

Note: There are minor differences on some totals due to roundings

The principal revaluation gains and losses across the divisions reflected the following:

- Industrial & Logistics:
  - Across Major Developments and Strategic Land, there were value gains relating to planning progress, including at Gascoigne Wood and Ansty, as well as progressing the sale of land for data centre use at Skelton Grange through the agreement with Microsoft.
  - The industrial and logistics market continued to benefit from rental growth supporting our Industrial & Logistics Major Development sites, Strategic Land sites and the Investment Portfolio alongside the impact of management actions.
  - Regional investment yields remained stable between December 2023 and December 2024, according to JLL. Value gains were primarily driven by management actions, particularly from renewals and rent reviews, securing new leases, and providing renewable energy to tenants, combined with incentive period completions.

- Residential:
  - Masterplan optimisation at our Residential Major Development sites drove value gains, through our responding flexibly to increasing local housing needs and reducing future costs by working with stakeholders and re-engineering development solutions.
  - Strategic Land gains included the impact of sites progressing through the planning system as well as re-allocating land to Residential where changes in local markets could drive greater value through acceleration.
  - Residential land sales on our Major Development sites at good pricing levels demonstrated the demand for our serviced land product underpinning valuations.
  - The residential market saw house prices increase by 4.7% over the year; however, new house completions remained low and significantly below the UK government target of 300,000 a year. Despite this the demand for short term and serviced land continued to be strong across Harworth sites supporting both sales and underpinning valuations.

- Natural Resources: valuations remained broadly stable with valuation increases resulting principally from higher royalties from wind assets.

- Agricultural Land and Other experienced a small valuation decrease during the year.

The net realisable value provision on development properties as at 31 December 2024 was £8.5m (31 December 2023: £14.1m). This provision is held to reduce the value of seven (31 December 2023: nine) development properties from their deemed cost (the fair value at which they were transferred from an investment to a development categorisation) to their net realisable value at 31 December 2024. The transfer from investment to development property takes place once planning is secured and development with a view to sale has commenced.

Cash and sales

Group revenue from property sales in the year of £215.8m (2023: £125.9m), resulted in an overall profit on sale of £11.2m (2023: loss £6.8m). Revenue from sales comprised Residential plot sales of £97.2m (2023: £44.1m), Industrial & Logistics land sales of £101.0m (2023: £11.5m), sales of Investment Portfolio properties of £13.3m (2023: £70.0m) and receipt of overages of £4.3m (2023: £0.3m).

Cash proceeds from sales in the year were £172.3m (2023: £132.0m) as shown in the table below:

	2024 £m	2023 £m
Total property sales	**215.8**	125.9
Less deferred consideration on sales in the year	**(57.8)**	(21.9)
Add receipt of deferred consideration from sales in prior years	**14.3**	28.0
Total cash proceeds	**172.3**	132.0

The increase in Residential headline sales to £104.1m (2023: £52.1m) resulted in higher levels of deferred consideration. Where deferred payment terms are agreed to, security is maintained to mitigate credit risk.

Tax

The income statement charge for taxation for the year was £12.2m (2023: £11.9m), which comprised a current year tax charge of £6.0m (2023: £5.8m) and a deferred tax charge of £6.1m (2023: £6.0m).

The current tax charge resulted primarily from profits from the sale of development properties, investment property, AHFS, profit on the rental of investment property, royalties and other fees after taking into account overheads and interest costs. The increase in deferred tax largely relates to unrealised gains on investment properties. The deferred tax balance has been calculated based on the rate expected to apply on the date the liability is crystallised.

At 31 December 2024, the Group had deferred tax liabilities of £37.4m (31 December 2023: £30.6m) and deferred tax assets of £1.5m (31 December 2023: £0.5m). The net deferred tax liability was £35.9m (31 December 2023: £30.1m).

Basic earnings per share and dividends

Basic earnings per share for the year increased to 17.7p (2023: 11.8p) reflecting the increase in the valuation of investment properties in 2024, increased profits from sales during the year, coupled with reduced rental income following the successful sale of investment property during 2023 and early 2024.

In addition to the interim dividend of 0.489p, the Board has declared a final dividend of 1.125p (2023: 1.022p) per share, bringing the total dividend for the year to 1.614p (2023: 1.466p) per share. The recommended 2024 final dividend and 2024 total dividend represent a 10% increase in line with our dividend policy.

Property categorisation

Until sites receive planning permission and their future use has been determined, our view is that the land is held for a currently undetermined future use and should, therefore, be held as investment property. We categorise properties and land that have received planning permission, and where development with a view to sale has commenced, as development properties.

The table below sets out our top 10 sites by value, which represent 54% of our total portfolio, split according to their categorisation, including currently consented Residential plots and commercial space:

Top 10 sites by value

Site	Region	Use	Site type	BS category	Progress to date
Ironbridge (Telford)	MID	R	MD	Dev. prop	1,000 Residential units consented, land sold representing 312 units, further enabling works underway
		R	SL	Inv. prop	Continue to progress master planning for the scheme in collaboration with the Local Authority
Advanced Manufacturing Park (AMP) (Rotherham)	YAC	I&L	MD	Inv. prop	2.1m sq. ft of Industrial & Logistics space consented, 1.7m sq. ft built or sold, with 0.1m sq. ft nearing completion

		I&L	IP	Inv. prop	0.4m sq. ft of Grade A held in Investment Portfolio
Bardon Hill (Leicester)	MID	I&L	IP	Inv. prop	0.3m sq. ft of fully-let Grade A held in Investment Portfolio
Coalville (Leicester)	MID	R	MD	Dev. prop	2,016 Residential units consented, land sold representing 977 units
Catalyst (Rotherham)	YAC	I&L	IP	Inv. prop	Acquisition of 0.3m sq. ft Grade A urban logistics estate
Wyke Lane (Bradford)	YAC	I&L	IP	Inv. prop	0.3m sq. ft fully-let
Logistics North (Bolton)	NOW	I&L	IP	Inv. prop	104k sq. ft owned freehold retained in Investment Portfolio.
		I&L	IP	JV	87k sq. ft controlled through joint venture retained in Investment Portfolio
Stewartby (Bedford)	MID	R	MD	Inv. prop	Outline consent for 1,000 Residential units
Wingates (Bolton)	NOW	I&L	MD	Inv. prop	Up to 1m sq. ft of I&L space consented on Phase 1 and enabling works started
		I&L	SL		The wider scheme allocation under Greater Manchester's Places for Everyone will see a further planning application for 1.9m sq. ft. submitted later this year.
Waverley (Rotherham)	YAC	R	MD	Dev. prop	Consent for up to 3,000 Residential units, land sold representing 2,578 units
		I&L	MD	Inv. prop	Olive Lane, a new mixed-use development reached practical completion in March 2025 and will be retained in Investment Portfolio (20k sq. ft)

As at 31 December 2024, the balance sheet value of our development properties was £190.9m (2023: £250.0m) and their independent valuation by BNP Paribas was £221.9m, reflecting a £31.0m cumulative uplift in value since they were classified as development properties. In order to highlight the market value of development properties, and overages, and to be consistent with how we state our investment properties, we use EPRA NDV, which includes the market value of development properties and overages less notional deferred tax, as our primary net assets metric.

Net asset value

	31 Dec 2024 £m	31 Dec 2023 £m
Properties[1]	**821.6**	734.7
Cash	**117.4**	27.2
Trade and other receivables	**98.2**	48.6
Other assets	**15.3**	13.8
Total assets	**1,052.5**	824.4
Gross borrowings	**(164.1)**	(63.6)
Deferred tax liability	**(35.9)**	(30.1)
Other liabilities	**(160.9)**	(93.0)
Statutory net assets	**691.7**	637.7
Mark to market value adjustment on development properties and overages less notional deferred tax	**27.8**	25.2
EPRA NDV	**719.5**	662.9
Number of shares in issue less Employee Benefit Trust & Equiniti Share Plan Trustees Limited-held shares	**323,640,852**	323,154,373
EPRA NDV per share	**222.3p**	205.1p

(1) Properties include investment properties, development properties, AHFS, occupied properties and investment in joint ventures.

EPRA NDV at 31 December 2024 was £719.5m (31 December 2023: £662.9m), which includes the mark to market adjustment on the value of the development properties and overages. The total Portfolio Value at 31 December 2024 was £858.8m, an increase of £90.6m from 31 December 2023 (£768.2m). The Group's share of gains from joint ventures of £1.5m (2023: £1.6m), alongside net investment, resulted in investments in joint ventures increasing to £33.6m (31 December 2023: £30.7m). Trade and other receivables include deferred consideration on sales as set out previously. At 31 December 2024, deferred consideration of £72.9m (31 December 2023: £28.1m) was outstanding, of which 61.0% is due within one year, with the increase driven by the higher level of Residential land sales completed during 2024; where deferred payment terms are agreed, the Group maintains security in order to mitigate credit risk.

Financing strategy

Harworth's financing strategy remains to be prudently geared. The Income Generation portfolio provides a recurring income source to service debt facilities and this is supplemented by proceeds from sales. The Group has an established sales track record that has been built up since re-listing in 2015, with 2024 reflecting a substantial increase in total property sales compared with 2023.

To deliver its strategic plan, the Group has adopted a target LTV at year-end of below 20%, with a maximum of 25% in-year. As a principle, the Group seeks to maintain its cash flows in balance by funding the majority of infrastructure expenditure through disposal proceeds, while allowing for growth in the portfolio.

Debt facilities

The accordion option within the RCF was exercised during 2024, increasing the total RCF to £240m. The RCF is provided by NatWest, Santander and HSBC and is aligned to the Group's strategy, providing significant liquidity and flexibility to enable us to pursue our strategic objectives. The interest rate on the RCF is based on an LTVratchet mechanism with a margin payable above SONIA in the range of 2.25% to 2.50%. The Group has no refinancing requirements until 2027.
As part of its funding structure, the Group also uses infrastructure financing provided by public bodies and site-specific direct development loans to promote the development of major sites and bring forward the development of Industrial & Logistics units.

The Group had borrowings and loans of £164.1m at 31 December 2024 (2023: £63.6m), being the RCF drawn balance (net of capitalised loan fees) of £164.1m (2023: £33.8m) and infrastructure or direct development loans (net of capitalised loan fees) of £nil (2023: £29.7m). The Group's cash balances at 31 December 2024 were £117.4m (2023: £27.2m) reflecting sales proceeds received in late December 2024. The resulting net debt was £46.7m (2023: £36.4m).

Net debt increased with property expenditure and acquisitions mainly offset by the completion of serviced land and property sales. The movements in net debt over the year are shown below:

	2024 £m	2023 £m
Opening net debt as at 1 January	**(36.4)**	(48.4)
Cash inflow from operations	**42.6**	17.4
Property expenditure and acquisitions	**(116.5)**	(54.9)
Disposal of investment property, AHFS and overages	**80.0**	69.6
Net investments in joint ventures	**(1.3)**	0.7
Interest and loan arrangement fees	**(7.7)**	(4.5)
Dividends paid	**(4.9)**	(4.4)
Tax paid	**(0.5)**	(10.2)
Other cash and non-cash movements	**(2.0)**	(1.7)
Closing net debt as at 31 December	**(46.7)**	(36.4)

The Group's hedging strategy to manage its exposure to interest rate risk is to hedge the lower of around half its average debt during the year or its net debt balance at year-end. Following the repayment of the infrastructure financing outside the RCF during the year, at 31 December 2024, none of the Group's drawn debt was subject to fixed rate interest rates (31 December 2023: 35%), with no hedging instruments in place on the floating rate debt. Projected drawn debt and hedging requirements remain under active review with any new hedging to be aligned to future net debt requirements.

Due to the timing of sales towards the end of December 2024, the Group held a higher year end cash balance of £117.4m (31 December 2023: £27.2m) of which £90.0m was used to repay RCF debt in the first week of January 2025. This higher cash and gross debt balance impacted the gross debt ratios at 31 December 2024. As at 31 December 2024, the Group's gross LTV was 19.1% (31 December 2023: 8.3%) and its net LTV was 5.4% (31 December 2023: 4.7%). If gearing is assessed against the value of the core income generation portfolio (the Investment Portfolio and Natural Resources portfolio) only, this equates to a net loan to core income generation portfolio value of 15.7% (31 December 2023: 15.9%). Under the RCF, the Group could withstand a material fall in portfolio value, property sales or rental income before reaching covenant levels.

At 31 December 2024, Group liquidity of £192.4m (31 December 2023: £192.2m) included undrawn capacity under the RCF of £75.0m (31 December 2023: £165.0m) in addition to the year-end cash balance of £117.4m (31 December 2023: £27.2m). Going forwards the RCF, alongside selected use of development and infrastructure loans where appropriate, will continue to provide the Group with sufficient liquidity to execute our growth strategy.

Dougie Maudsley
Interim Chief Financial Officer
17 March 2025

Key performance indicators

2.1 Financial track record

KPI	2024 result	2023 result	2024 performance commentary
Total Accounting Return (%) Growth in EPRA NDV during the year in addition to dividends paid, as a proportion of EPRA NDV at the beginning of the year.	9.1%	5.1%	Our total accounting return of 9.1% was the result of a 8.5% increase in EPRA NDV during the year, as well as the payment of 1.511p in dividends.
EPRA Net Disposal Value ('NDV') per share A European Public Real Estate Association ('EPRA') metric that represents a net asset valuation where development property is included at fair value rather than cost and deferred tax, financial instruments and other adjustments as set out in Note 2 and the appendix to the financial statements, are calculated to the full extent of their liability.	222.3p	205.1p	The increase in EPRA NDV was driven by profit on sales during the year as well as increased valuations reflecting management actions, including progressing sites through the planning process.
Net asset value The value of our assets less the value of our liabilities, based on IFRS measures, which excludes the mark-to-market value of development properties.	£691.7m	£637.7m	Net asset value included the impact of crystalising valuation gains through development property sales during the year in addition to increases in the value of investment properties, driven by management actions.
Net LTV Net debt as a proportion of the aggregate value of properties and investments.	5.4%	4.7%	Our LTV increased during the year but remained well within our target of less than 20% at year-end as we continued to manage carefully our levels of net debt.

2.2 Strategic track record

KPI	2024 result	2023 result	2024 performance commentary
Industrial & Logistics space direct development The amount of Industrial & Logistics space developed by Harworth, either speculatively or on a build-to-suit basis for an end occupier or investor, achieving practical completion during the year.	107,000 sq. ft	193,000 sq. ft	Our level of completed direct development reduced due to a focus on pre-let and build to suit schemes in 2024, but we made significant progress with enabling works (1.3m sq. ft enabled during the year and another 1.8m sq. ft of works underway at year-end) and were on site at the year end with 270,000 sq. ft. all due to complete in 2025.
Total Industrial & Logistics pipeline The total amount of Industrial & Logistics space that could be delivered from our land bank, including freehold land, options and PPAs.	33.6m sq. ft	37.7m sq. ft	Our Industrial & Logistics pipeline decreased primarily due to the landmark sales of the Ansty Strategic Land site and phase 1 of the sale to Microsoft at Skelton Grange (Leeds).
Proportion of Investment Portfolio that is Grade A The proportion of our Investment Portfolio by area that could be classified as modern Grade A Industrial & Logistics space. Grade A is a widely-used industry term that is understood to mean 'best in class' space which is new or relatively new, high-specification and in a desirable location, allowing the unit to attract a rent that is above the market average.	45%	37%	The proportion of our Investment Portfolio that is Grade A space significantly increased due to the completion of pre-let development at the AMP, Rotherham and the acquisition of Catalyst, a 285,000 sq. ft. Grade A urban logistics estate adjacent to the AMP.
Number of plots sold The number of plots equivalent to land parcel sales to housebuilders or registered providers during the year.	2,385	1,170	The number of plots sold increased significantly compared to 2023 reflecting the acceleration of our Residential sites, the strong demand for our serviced land product and the broadening of Residential product through mixed tenure sales.
Total Residential pipeline The total number of Residential plots that could be delivered from our pipeline including freehold land, options and PPAs.	31,264 plots	27,190 plots	Our Residential pipeline increased with the acquisition of a Residential development at Stewartby and Harworth's share of an allocated site near Grimsby in Strategic Partnership with a local landowner, as well as reflecting realignment of sites from Industrial & Logistics where local planning considerations provide opportunity to drive greater value through acceleration.

KPI | 2024 result | 2023 result | 2024 performance commentary

2.3 Environmental, economic and social track record

KPI	2024 result	2023 result	2024 performance commentary
Potential GVA that could be delivered from our portfolio Calculated by Ekosgen, an economic impact consultancy, on our behalf. This estimates the total contribution that our portfolio could make to the economy once fully built out.	£4.3bn	£4.8bn	The potential GVA that could be delivered from our portfolio decreased during the year due to landmark sales at Ansty (Rugby) and Skelton Grange (Leeds) from the I&L pipeline, together with a record number of Residential plot sales, only partially offset by acquisitions.
Location based Scope 1, Scope 2 and Scope 3 business travel emissions Emissions that are captured by our target to be operationally NZC by 2030. During the year, the scope and availability of our emissions data increased, and therefore figures for 2022 have been restated to allow for a like-for-like comparison with 2023.	694 tCO_2e	834(1) tCO_2e	Our emissions decreased during the year, driven by the use of alternative fuels for direct plant operations, and increased use of electric vehicles by staff.
Employee pride The proportion of employees who said they were "proud to tell people that I work for Harworth" in our annual employee survey.	98%	100%	Levels of staff satisfaction remained very high, as we continued our work to ensure Harworth is an employer of choice, with initiatives aimed at promoting employee engagement, wellbeing and equity, diversity & inclusion.

(1) Prior year figure has been restated

Principal risks & uncertainties

The Board is responsible for identifying and evaluating the Group's principal and emerging risks that could potentially impact the execution of our strategy, business model, future performance, solvency, liquidity, or reputation. The Board receives a report on these principal and emerging risks at each meeting. During 2024, the Board continued to assess principal risks closely, particularly in light of the strategic 'pivot' towards Industrial & Logistics development and investment announced during the year, and external factors such as the election of, and rollout of policies by, the new UK government, and persistent geopolitical instability and macroeconomic headwinds throughout the year.

In addition, during H2 2024, in-depth principal risk workshops were conducted by the Enterprise Risk Management function with business risk champions, further strengthening the 'top-down/bottom-up' review process. During 2025, the Board will undertake a comprehensive review of principal risks, informed by the strategic pivot, the resultant scaling up of development activity and of the Investment Portfolio, and the early outputs from the enhancement and standardisation of our 'bottom-up' operational risk management framework.

Below are the changes made to our principal risks since the 2023 Annual Report.

Risk	What has changed during the year
Planning	Although the risk profile outlined in this report remains unchanged, we recognise that the planning reforms proposed by the new government should have a positive overall impact on Harworth's planning promotion activities. However, implementation of these reforms, and realisation of their full effects, will take time. Consequently, we anticipate that the residual risk profile will trend downwards in the short-to-medium term.
Residential and commercial markets	The analysis of this principal risk has been undertaken against a backdrop of challenging and uncertain market conditions. At the time of writing, there are some early signs which suggest that the external economic landscape may improve over the course of the balance of the year, notably if there are further cuts in interest rates. That said, there also remains downside risk in the economic and political environment.
Digital resilience	This risk has been renamed from 'cyber security' to 'digital resilience' with changes to the risk description, broadening the risk scope beyond cyber-attack. It now includes the mismanagement of information by employees or suppliers, recognising and articulating that internal actions and third-party relationships also pose a risk alongside malicious threats. The revised statement also recognises a more comprehensive articulation of the potential impact of this risk, including intellectual property theft or loss, financial loss, reputational damage and/or business interruption. The residual risk rating has moved from 'low' to 'medium'. These changes result from the growing threat, both with increased malicious activity by third parties, and with Harworth, now a FTSE 250 company, being more likely to be targeted. The digital resilience controls in place and being bolstered will improve Harworth's overall security posture, keep pace with and support the rollout of our digital transformation project.

A detailed analysis of each principal risk is set out below, and in the 'Effectively managing our risk' section of the 2024

Risk 1: Availability of and competition for strategic sites

Failure to acquire strategic land at appropriate prices due to constrained supply or competition.

Inherent risk (before mitigating actions)	Residual risk (after mitigating actions)	Change in residual risk in the year
High	Medium	No change

Commentary

The availability of and competition for financially viable strategic sites are influenced by several factors, including land scarcity, which, combined with the impact of other principal risks to the viability of prospective new schemes, create challenges to securing schemes which meet our financial return aspirations. These factors are partially offset by Harworth's significant embedded value to be unlocked from our high-quality extensive land bank, capable of delivering c. 33.6m sq. ft. of Industrial & Logistics space and over 30,000 Residential plots. We continue to leverage our relationships with key stakeholders in the market, enhancing strategic partnerships, market intelligence, and financial analysis to secure prime locations, optimise developments, and ensure long-term environmental and regulatory compliance.

Mitigation	Additional measures planned for 2025
• Developing and maintaining our relationships with land agents and land owners. • Developing strategic partnerships to secure first access to prime locations whenever possible. • Gathering market intelligence. • Engaging with valuers before major acquisitions and conducting extensive financial analysis to ensure acquisition prices yield appropriate returns. • Optimising master plans and enhancing organic scheme value growth, focusing on locations with existing infrastructure and strong market potential. • Conducting comprehensive evaluations of prospective new sites, which are informed by price- and non-price-based risks and opportunities throughout the development cycle.	• Brand awareness: Optimising Harworth's brand value as a master developer and existing reputation for tackling complex projects. • Deploying alternative structures to support land assembly, including via strategic partnerships. • Re-evaluate the long-term Strategic Land and development pipeline in light of the strategic pivot to the Industrial & Logistics sector and undertake a gap analysis of the existing pipeline to inform an updated acquisitions strategy.

Risk 2: Planning

Planning promotion risk including uncertainty around local and national changes to planning regime with adverse effects on promotion activity and/or financial returns.

Inherent risk (before mitigating actions)	Residual risk (after mitigating actions)	Change in residual risk in the year
Very high	High	No change

Commentary

The UK planning challenges include delays from an inefficient system, resource constraints within local authority planning departments, and frequent changes to government policy. Proposed reforms are, on the whole, but not exclusively, positive for Harworth: they aim to streamline processes, bolster local authority resources, restore housing targets, and boost sustainable development, with goals including the delivery of 1.5 m new homes over the next five years and critical infrastructure projects. However, significant impacts are unlikely until later in the parliamentary term. Industry engagement and stability are essential for progress, while private sector projects remain constrained by economic uncertainty and the cost of debt. Added complexities come in the form of land value capture, Greater Manchester's carbon tax, greenbelt and Biodiversity Net Gain ('BNG') policies, with uncertainties around how these will be implemented in practice (these also inform the profile of Risk 6: statutory costs of development).

Harworth employs a comprehensive approach to project underwriting, incorporating detailed planning permission strategies, stakeholder mapping, and market analysis to guide investment decisions and optimise outcomes. This includes monitoring greenbelt exposure, local planning applications, and market trends, engaging with political advisers and industry peers, and actively participating in consultations to influence planning policies.

Mitigation	Additional measures planned for 2025
• Project underwriting proposals include detailed planning permission strategies (including competing sites analysis and BNG considerations), informed by project stakeholder mapping, which continue to be monitored via site project plans. • At every Investment Committee and Board meeting, we review greenbelt exposure at a portfolio level. • Awareness and monitoring of local authority planning resources and outcomes guide our long-term decisions on where Harworth should invest. • We have developed regional political engagement strategies with support from local political advisers. • The Investment Committee's decision-making process is informed by representation at key planning forums, engagement with industry peers, and an in-house and selected panel of external planning promotion experts.	• Developing strategic plans to foster relationships with senior political stakeholders, positioning Harworth as a trusted partner with planning authorities.

<table>
<tr><td>planning promotion experts.
• We undertake horizon scanning for planning policy changes and respond to consultations on emerging planning policy in our own capacity and via representative groups, such as the British Property Federation.</td><td></td></tr>
</table>

<table>
<tr><td colspan="3">Risk 3: Development supply chain
Exposure to development supply chain leading to greater exposure to pricing pressures and labour constraints, and risk of disputes with and/or default by and/or insolvency of supply chain partners.</td></tr>
<tr><td>Inherent risk
(before mitigating actions)</td><td>Residual risk
(after mitigating actions)</td><td>Change in residual risk since reformulation at the half-year</td></tr>
<tr><td>High</td><td>Medium</td><td>No change</td></tr>
<tr><td colspan="3">Commentary
Following a sustained period of materials cost inflation and constrained capacity across the construction sector, the cost of materials has stabilised, and pricing is further benefiting from increased competition between contractors. That said, labour costs remain high and set against a subdued and unstable macroeconomic backdrop; the UK construction industry is experiencing a significant increase in insolvencies. In the year to June 2024, 4,303 construction firms became insolvent, accounting for 17% of all insolvencies in England and Wales. (source: DLA Piper). This rise in insolvencies heightens the risk of disputes, defaults, and project delays. Harworth continues to focus on robust and efficient procurement, rigorous due diligence and management of contractors, and fostering resilient supplier relationships.</td></tr>
</table>

<table>
<tr><td>Mitigation</td><td>Additional measures planned for 2025</td></tr>
<tr><td>• Rigorous tender processes (extensive financial checks and interviews with contractors' Financial Directors where necessary).
• Due diligence on contractors - screening contractors before the appointment and ongoing Group-wide review of contractor 'concentration risk' and financial health. To this end, we utilise market intelligence regarding contractors' commitments and workload.
• We have established a suite of legal precedents to promote consistency in land remediation and direct development procurement and have improved the protections in those precedents to increase our speed of intervention in the event of insolvency.
• Performance bonds sought to support all major contracts.
• External review of contractor insurance packages for every direct development project.</td><td>• We are looking to enhance our control of geotechnical validation data in real-time should the unforeseen occur with a contractor.
• We are exploring the prospect of procuring our own performance bond insurance, further mitigating the risk of delay in gaining access to performance bonds in the event of contractor insolvency.
• We are also exploring step-in rights on sub-contracting packages should a principal contractor become insolvent.</td></tr>
</table>

<table>
<tr><td colspan="3">Risk 4: Counterparties: investment partners and service providers
Increase in exposure to investment partners and critical dependencies on certain service providers, leading to increased risk from disputes with and/or default by and/or insolvency of these counterparties.</td></tr>
<tr><td>Inherent risk
(before mitigating actions)</td><td>Residual risk
(after mitigating actions)</td><td>Change in residual risk since formulation at the half-year</td></tr>
<tr><td>High</td><td>Medium</td><td>No change</td></tr>
<tr><td colspan="3">Commentary
We face increased exposure to investment partners (JVs, forward funders, strategic investors) as we continue to grow and develop our sites, seeking opportunities with partners in connection with land assembly, direct development and delivery of alternative Residential products. Our governance and ways of working continue to mature to counter this increased exposure. As our activity levels increase, we are also carefully monitoring critical dependencies amongst our service providers (beyond those in our project delivery supply chain), which could increase our vulnerability to disputes with and/or defaults by and/or insolvencies of those providers. To mitigate these risks, Harworth conducts thorough due diligence and diversifies its partnerships. As we grow and work with investment partners, our governance and management system evolve to address increased exposure. Continuous improvements in our supply chain management system also mitigate our dependency on strategic service providers.</td></tr>
</table>

<table>
<tr><td>Mitigation</td><td>Additional measures planned for 2025</td></tr>
<tr><td>• A consistent process is followed for selecting and 'onboarding' counterparties.
• Project underwriting proposals include detailed consideration of counterparty risk, where appropriate.
• Due diligence to support the appraisal of credit counterparty risk and counterparties' ability to meet their financial commitments is particularly rigorous for new investment partners.
• Development of relationships with counterparties and ongoing assessment of their delivery of obligations.</td><td>• Transition to a new supply chain management and procurement target operating model.
• Implementation of an enhanced relationship management regime for existing JV partners.</td></tr>
</table>

Risk 5: Power infrastructure capacity Challenges in securing power for our sites resulting in potential for adverse impact and uncertainty as to cost and programme for development.		
Inherent risk (before mitigating actions)	**Residual risk (after mitigating actions)**	**Change in residual risk since formulation at the half-year**
High	Medium	No change

Commentary

Securing power for development sites in the UK has become increasingly challenging, leading to uncertainties, potential cost increases, and project delays. The rising demand for renewable energy has strained grid infrastructure, resulting in longer connection timelines. In response, National Energy System Operator (NESO) is undertaking the Great Grid Upgrade comprising 17 major infrastructure projects to upgrade existing networks.

In December 2023, the National Grid Electricity System Operator (NGESO), now NESO, published fina recommendations to reform the grid connection application process. These changes aim to streamline connections but also introduce new challenges.

The 'first ready, first connected' approach with regard to transmission and generation applications is now in place. The next phase of the connection reform is a pause in connection applications, which began in January 2025 to allow NESO to implement the new application process. Harworth is actively monitoring the situation as it progresses. We are in regular communications with the relevant Distribution Network Operators (DNOs) whose feedback has been that demand projects will continue to be processed as normal to support economic growth and development. We are hopeful the NESO reforms will help mitigate risks associated with connection delays, ultimately lowering this risk.

Mitigation	**Additional measures planned for 2025**
• We are actively engaging with NESO with regard to the progress of the Great Grid Upgrade to monitor the effect on our development sites with a view to seizing opportunities that may arise from these upgrades. • Analysis of power capacity and upgrade potential and timing as part of acquisition analysis. • Early engagement with DNOs and NESO to identify the availability of power capacity, formulate procurement strategy, and seek earlier connection offers and 'reservation of capacity' for long-term projects. • Alignment with broader energy system plans via monitoring publicly available information on DNO Geographic Information Systems. • Entry into reservation commitments to secure Harworth's position, where appropriate.	• Continuing to monitor the proposed changes to, and implementation of, the reformed connections system and future application requirements.

Risk 6: Statutory costs of development Legislative reforms which do, or may, impose a tax or levy on development, or have the effect of levying an additional cost on development.		
Inherent risk (before mitigating actions)	**Residual risk (after mitigating actions)**	**Change in residual risk in the year**
High	Medium	No change

Commentary

There persists an upward trend in statutory costs of development in the UK, including the cumulative impact of land value capture via Section 106 obligations and the Community Infrastructure Levy (CIL), with the prospect of greater capture via the government's planning reforms, the Residential Property Development Tax, the Building Safety Levy, the costs of meeting increasing sustainability requirements including BNG obligations and emerging carbon tax regimes within local planning policy.

Despite these challenges, the government's commitment to reform the planning system and improve infrastructure delivery offers a potential counterbalance. Proposed adjustments to housing targets and enhanced collaboration between developers and local authorities could also help manage statutory obligations more effectively.

In response, we undertake horizon scanning, model statutory cost sensitivities during acquisitions, and engage proactively on emerging policies both directly and through strategic collaboration with stakeholders. This approach positions us to navigate these complexities while maintaining a focus on sustainable and profitable development.

Mitigation	**Additional measures planned for 2025**

• Enhanced horizon scanning regime. • Sensitivity to additional statutory costs modelled when assessing acquisitions. • Responding to emerging policy both on a solus basis and through key stakeholder groups.	• None planned.

Risk 7: Residential and commercial markets Downturn in Industrial & Logistics and/or Residential market conditions leading to falls in property values.		
Inherent risk **(before mitigating actions)**	**Residual risk** **(after mitigating actions)**	**Change in residual risk in the year**
Very high	Medium	No change
Commentary The UK residential and commercial property markets are still expected to (at least begin to) recover in 2025, but the pace of that recovery is likely to be materially slower than previously anticipated as a result of stagnating economic growth and 'higher for longer' gilt and interest rates. A recovery, even if delayed and/or slower, should still present opportunities for Harworth across both of our core sectors, supporting increases in residential property values and a rebound in commercial investment activity. In 2024, we made notable progress in progressing our short- medium- and long-term Industrial & Logistics pipeline, advancing our strategy to grow our Investment Portfolio to £0.9 bn by 2029. Key achievements included securing planning permission for 6.8m sq. ft. and allocations or draft allocations for an additional 4.2m sq. ft. With these milestones, Harworth is well-positioned to move into the development phase, supported by stabilising market conditions and a near-term pipeline capable of delivering c.£0.6bn of GDV by the end of 2027. Our strategy has evolved to prioritise growth in income-generating Industrial & Logistics assets, ensuring long-term resilience and value creation for our stakeholders. We remain confident of achieving our strategic objectives.		

Mitigation	**Additional measures planned for 2025**
• Advisers regularly supplement generic market commentary by providing feedback on the status of Residential and Industrial & Logistics markets in our core regions. • Our delivery teams and the Investment Committee regularly review site project plans, informed by prevailing market conditions. • Collaborating with a firm of architects to evolve our building specifications, which are updated every six months in line with current/future market movements and occupier demand. • Management actions to drive value and adapt to prevailing market conditions, including periodic reviews of business strategy, including funding models. • Introduction of mixed tenure products to support accelerated realisation on Residential development sites. • Available market data on tenants and proactive engagement with key/high-risk tenants, which may impact cash flow.	• We will continue to implement our strategy, informed by evolving market conditions. • Expand our network of external advisers who proactively gather and provide market insights and data on emerging opportunities and risks. This will strengthen our strategic market perspective and further enhance decision-making.

Risk 8: Organisational development and design Misalignment of workplace culture, capability, systems and/or controls with what the business requires to deliver the strategy.		
Inherent risk **(before mitigating actions)**	**Residual risk** **(after mitigating actions)**	**Change in residual risk in the year**
High	Medium	No change
Commentary As the workforce continues to grow to support strategy execution and resultant scaling up of activity volumes and pace, the Board recognises the importance of, and continues to monitor closely, a structured change management approach. This approach encompasses organisational development-focusing on culture and values-and organisational design, addressing operations and governance to ensure scalable and sustainable evolution. In 2024, we made considerable progress on our culture and values initiative, gaining valuable insights as we continue to shape our desired organisational culture. Parallel advancements were achieved in operations and governance, with key mitigation activities outlined below. While these achievements mark important milestones, we recognise that organisational development and design require persistent focus. Addressing key risks, such as recruiting and retaining critical skills, remain central to navigating the changes necessary to align with our strategic ambitions and the increasing scale and pace of our activities.		

Mitigation	**Additional measures planned for 2025**
• Through annual and pulse surveys focusing on engagement, well-being, and happiness, we continue to gain valuable insights into our organisational culture and progress toward our	• We will review our Target Operating Model to align with our evolving strategic objectives and ensure it supports growth and operational efficiency. • We will continue advancing key aspects of our

desired state. • Behavioural Competency Framework: a newly introduced framework integrated into roles, supporting excellence, learning and development, and a refined reward strategy. • Reward and Recognition: ongoing reward benchmarking, a comprehensive reward evaluation project covering pay and benefits, and the execution of transparent Pay, Bonus, and Retention Policies. • Diversity, Equity, and Inclusion (DE&I): regular measurement, reporting, and publication of DE&I metrics to ensure accountability. • Recruitment and Leadership: transparent recruitment practices and enhanced leadership development programmes to attract and retain top talent. • Organisational Improvements: streamlined communication channels, updated performance management systems, and improved cross-functional collaboration processes to enhance operational efficiency and cohesion. • Digital transformation project: we have completed the 'review' phase, which identified the improvements we need to make to our technology systems to ensure that they are 'future-proofed' to support the operational growth of the business.	Culture Project, focusing on enhancing recruitment practices, refining reward strategies, and improving the workplace environment. • Further development of the Harworth Academy will prioritise critical skills analysis, identification of skills gaps, and the delivery of targeted learning and development programmes to build a future-ready workforce. • Our Talent Management Project will progress by implementing tailored development plans, clearly defined career pathways, and robust succession planning for critical roles. • We will implement the first phase of initiatives within our digital transformation project, leveraging technology to optimise processes and drive innovation across the business.

Risk 9: Availability of appropriate capital

Inability to access appropriate equity and/or debt funding to support the strategy.

Inherent risk (before mitigating actions)	Residual risk (after mitigating actions)	Change in residual risk in the year
High	Medium	No change

Commentary

The increase in pace and scale of activity under our strategy, in turn, has the potential to require additional capital. The £200m RCF, signed in early 2022 and increased to £240m through exercising the accordion option in late 2024, supplemented by project-specific funding where appropriate, currently supports the funding needs of the business. Headroom is projected to remain compliant with all covenants, and the business could withstand a material fall in valuations without breaching covenants. Interest rates appear to have peaked but may reduce more slowly than previously expected. To leverage our growing development pipeline, we are likely to need to supplement the RCF with additional capital in future years. Any opportunity to raise additional equity to fund accelerated development, which we keep under review, would be informed by a multitude of factors, including our share price, appetite amongst existing and prospective shareholders and wider market impact on capital deployment opportunities.

Mitigation	Additional measures planned for 2025
• Regular review of financing strategy to complement our business strategy, supported by external consultants where required. • Forecasting process: covenant forecasting, short-term and medium-term cashflow forecasting accompanying longer-term Strategic Plan forecasting. • In 2022, we signed a new RCF comprising a five-year £200m revolving credit facility together with a £40m accordion facility, which was exercised during 2024, providing a £240m facility. This is supplemented by accessing project-specific funding where relevant. • Strong relationships with lenders. • We continue to pursue and unlock grant funding and review additional funding options.	• Continue to identify scheme-specific and grant funding. • Progress the review of funding options.

Risk 10: Health and safety

A health and safety incident causing injury and/ or death resulting in liability, penalties, and/or reputational damage.

Inherent risk (before mitigating actions)	Residual risk (after mitigating actions)	Change in residual risk in the year
High	Low	No change

Commentary

We prioritise the health, safety, and well-being of everyone involved in or impacted by our activities, including site visitors and workers. Above all else, we want everyone undertaking activity on our sites to be safe. This commitment extends across all our sites and operations, from horizontal and vertical development projects to our Investment Portfolio and our office environments. The risks which we proactively manage can be organised into three 'baskets': those which arise by virtue of our land and property ownership, those which arise as a result of our development activity, albeit typically via third-party contractors and consultants, and those which arise in Harworth's capacity as an employer.

Our dedicated Environment, Health & Safety (EHS) function, which operates as a 'second line of defence' as well as undertaking an advisory and support role, oversees a robust risk and compliance management framework encompassing defined roles and responsibilities, policies, systems and processes, and reporting.

During 2024, to ensure our health and safety risk management across the business is resilient to the forecast growth in volume and acceleration in the pace of our activities, we undertook a comprehensive, strategic review of our EHS function and framework, covering roles and responsibilities of both 'first line' and 'second line of defence' resourcing; policies; systems, processes and controls; governance and reporting. Reflecting our commitment to continuous improvement, we have identified some gaps in future resource needs, which we have started to fill, changes we should make, and new initiatives we plan to introduce to 'future-proof' our health and safety risk management capabilities.

Mitigation	Additional measures planned for 2025
• Policies include a Safety, Health and Environmental Management System ('SHEMS') Policy and Employee Health and Safety Policy. • Our portfolio is subject to a site inspection programme. This is currently undertaken by both operational and EHS functions. • Our construction projects are subject to desktop and physical health and safety inspections, supported by an EHS 'second line' audit programme, ensuring that we conscientiously discharge our responsibilities as Client under Construction Design and Management (CDM) regulations. • Risk registers document the risk profile of each site, reflecting hazards, operational activity and incidents. • We use a cloud-based SHEMS platform, which supports the site inspection programme and incident tracking. Proactive and reactive remedial actions are managed via this platform, which also supports reporting. • We have a panel of external EHS advisers who support our Project Delivery teams to monitor proactively the management of health and safety across all our development activities, typically in our capacity as client under CDM. • EHS Legal Register: The EHS Team keeps a log of existing, changing and upcoming legislation and organises training sessions. • EHS Committee meetings are held quarterly and attended by the Executive and senior management from all delivery functions. These are supplemented by a programme of attendance by EHS team members at delivery team operational meetings. • We host compulsory health and safety training for all employees every two years, supplemented by an annual schedule of mandatory online learning. • We have a programme of health and wellbeing initiatives for employees, including access to internal physical and mental health first aiders and an external Employee Assistance Programme. • EHS reports are made to the Executive, Board and members of the EHS Committee monthly, and the Head of EHS provides a detailed strategic and operational update to the Board annually, including proposed changes to the SHEMS Policy.	• An updated EHS strategy was approved by the Board in December 2024, which will ensure future resilience in our EHS risk management capabilities. Examples of the initiatives it identified included the following: ○ We will be recruiting additional resource into both the EHS function and our operational teams, to ensure scalable capacity to discharge 'first line' and 'second line' EHS responsibilities. ○ Updates to our EHS roles and responsibilities matrix to align with changes to our operating model. ○ Our site inspection programme will be updated to (A) implement a more traditional 'first line' and 'second line' assurance regime and (B) reflect better the risk profile of sites, supported by improvements to the formulation of our site Risk Registers. ○ Technical enhancements to, and a comprehensive awareness programme for, our SHEMS cloud-based platform. ○ Improvements to our reporting of both 'leading' and 'lagging' EHS risk indicators, with greater emphasis on the former. ○ Improvements to our contractor applications and selection process.

Risk 11: Net Zero Carbon (NZC) pathway
Failure to develop, manage and meet our NZC commitments and/or NZC regulations, resulting in financial loss, reduced availability of funding and/or reputational damage.

Inherent risk (before mitigating actions)	Residual risk (after mitigating actions)	Change in residual risk in the year
High	Medium	No change

Commentary
The NZC agenda means transformational change for all businesses. It has a wide-ranging impact on the Group, from our investment case to shareholders through to operational activity, including the need to embed NZC principles into all projects whilst remaining profitable. It also embraces external factors such as industry and stakeholder metrics and the approach taken by Local and Combined Authorities on, e.g., carbon tax, BNG and social value measures. In April 2023, we published our first NZC Pathway report and, subsequently, our first NZC Pathway Progress Report for 2023 alongside the 2023 Annual Report, as well as our Communities Framework. We consider it crucial that our approach is understandable and deliverable. A NZC Pathway Progress Report will be published alongside this Annual Report for 2024.

Mitigation	Additional measures planned for 2025
• Development of The Harworth Way and NZC Pathway with targets identified and progress	• Continue to improve the capture and analysis of environmental data.

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<td>
report published annually.
• Continued transition of our Investment Portfolio to 100% modern Grade A.
• Improvements to the capture and analysis of environmental data (including from our supply chain and tenants) with measures in place for verification of the same.
• New leases are offered to existing and new tenants on 'green' lease terms.
• Switched energy procurement for our Investment Portfolio to a new renewable energy tariff.
• Work closely with prospective occupiers of our new developments to offer tailored renewable energy provision.
• Project appraisals include detailed sustainability analysis.
• Development of Harworth's commercial and Residential building specifications.
• We are a member of the UK Green Building Council, which facilitates the sharing of knowledge and best practices.
</td>
<td>
• Continued development of a carbon accounting system, including appropriate accreditation.
• Continued development of an Energy and Natural Capital strategy.
</td>
</tr>
</table>

<table>
<tr><td colspan="3">Risk 12: Digital resilience
A successful cyber-attack and/or the mismanagement of information by an employee or supplier threatens business continuity and/or results in intellectual property loss or theft and/or gives rise to financial loss.</td></tr>
<tr><td>Inherent risk
(before mitigating actions)</td><td>Residual risk
(after mitigating actions)</td><td>Change in residual risk in the year</td></tr>
<tr><td>High</td><td>Medium</td><td>Increased</td></tr>
<tr><td colspan="3">Commentary
Cyber threats pose an ever-evolving risk to all businesses. Those operating in the real estate sector, which are often engaged in high-value transactions and project-based activities and rely on valuable information relating to land, property and projects, are particularly vulnerable to ransomware attacks, intellectual property theft, business email compromise and invoice fraud. The materialisation of any one of these threats, or self-harm via careless handling of commercially sensitive information, could prejudice business continuity and/or give rise to significant financial losses and/or serious reputational harm. As Harworth's portfolio, activities, and profile grow, so will its vulnerability to cyber threats. It is also important that digital resilience security keeps pace with the changes we are implementing as part of our digital transformation project, referred to in the context of Risk 8 above. Against that backdrop, we consider that the residual risk profile of this Risk 12 has increased from 'Low' to 'Medium'. Towards the end of 2024, we instructed an external digital resilience audit and will implement its recommendations alongside and in support of the rollout of the digital transformation project. As these improvements are made, we will reassess the risk profile to ensure that it is aligned with our risk appetite.</td></tr>
<tr><td>Mitigation</td><td colspan="2">Additional measures planned for 2025</td></tr>
<tr><td>
• Identity and data access management: ensuring secure and controlled access to sensitive data and systems.
• Data backup strategy: implementing a backup plan to safeguard critical business data.
• Network monitoring and defence: utilising network monitoring and defence systems to detect and prevent security threats.
• Malware defence systems: deploying malware defence mechanisms to protect against malicious software.
• External IT support and cybersecurity expertise: We work with an external IT support provider that stays vigilant in the evolving cyber security landscape, complemented by a retained cybersecurity specialist.
• Cyber risk insurance: we maintain cyber risk insurance to mitigate the financial impact of potential security breaches.
• Penetration testing and security simulations: we conduct biennial penetration tests, regular phishing simulations, and continuous IT system vulnerability scanning to identify and address weaknesses proactively.
• Business Continuity and Disaster Recovery Plan: Our Business Continuity Plan includes a robust Disaster Recovery Plan to ensure operational resilience during a cyber-attack or system failure.
• Audit Committee oversight: as part of our assurance process, the Audit Committee receives biannual updates on digital resilience risks and mitigation strategies.
</td><td colspan="2">
• During Q4 2024, we instructed a comprehensive external audit of digital resilience security. That audit covered all aspects of information security, comprising the framework for protecting all information at Harworth, including cyber security as a crucial subset of that framework. The audit identified opportunities to improve Harworth's overall security 'posture', which will be implemented to support the rollout of our digital transformation project.
</td></tr>
</table>

Directors' Responsibilities Statement

The Directors' Responsibilities Statement below has been prepared in connection with the full Annual Report and Financial Statements for the year ended 31 December 2024.

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards (IFRSs). 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 the Company and of the profit or loss of the Group and the Company for that period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Company Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Responsibility statements

The Directors (see the list of names and roles in the Annual Report) confirm, to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Disclosure of information to the auditor

Each of the Directors who were in office at the date of approval of this Report also confirms that:

- so far as they are aware, there is no relevant audit information of which the auditor is unaware; and

- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Group's and Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 Companies Act.

This Statement of Directors' Responsibilities was approved by the Board and signed by order of the Board:

Chris Birch
General Counsel and Company Secretary
17 March 2025

Cautionary statement and Directors' liability

This announcement and the 2024 Annual Report and Financial Statements contain certain forward-looking statements which, by their nature, involve risk, uncertainties and assumptions because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward looking statements. Any forward-looking statements made by or on behalf of the Group are made in good faith based on current expectations and beliefs and on the information available at the time the statement is made. No representation or warranty is given in relation to these forward-looking statements, including as to their completeness or accuracy or the basis on which they were prepared, and undue reliance should not be placed on them. The Group does not undertake to revise or update any forward-looking statement contained in this announcement or the 2024 Annual Report and Financial Statements to reflect any changes in its expectations with regard thereto or any new information or changes in events, conditions or circumstances on which any such statement is based, save as required by law and regulations. Nothing in this announcement or the 2024 Annual Report and Financial Statements should be construed as a profit forecast.

This announcement and the 2024 Annual Report and Financial Statements have been prepared for, and only for, the shareholders of the Company, as a body, and no other persons. Neither the Company nor the Directors accept or assume any liability to any person to whom this announcement or the 2024 Annual Report and Financial Statements is shown or into whose hands they may come except to the extent that such liability arises and may not be excluded under English law.

Financial Calendar

Annual Report and Financial Statements for the year ended 31 December 2024	Published	15 April 2025
2025 Annual General Meeting	Scheduled	19 May 2025
Final dividend for the year ended 31 December 2024	Ex-dividend date Record date Payable	24 April 2025 25 April 2025 23 May 2025
Half-year results for the six months ending 30 June 2025	Announced	September 2025

Registrars

All administrative enquiries relating to shareholdings should, in the first instance, be directed to Equiniti. Help can be found at www.shareview.co.uk. Alternatively you can contact Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA (telephone: +44 (0)371 384 2301). You should state clearly the registered shareholder's name and address.

Dividend Mandate

Any shareholder wishing dividends to be paid directly into a bank or building society should contact the Registrars for a dividend mandate form. Dividends paid in this way will be paid through the Bankers' Automated Clearing System ('BACS').

Shareview service

The Shareview service from Equiniti allows shareholders to manage their shareholding online. It gives shareholders direct access to their data held on the share register, including recent share movements and dividend details and the ability to change their address or dividend payment instructions online.

change their address or dividend payment instructions online.

To visit the Shareview website, go to www.shareview.co.uk. There is no charge to register but the 'shareholder reference number' printed on proxy forms or dividend stationery will be required.

Website

The Group's website (harworthgroup.com) gives further information on the Group. Detailed information for shareholders can be found at harworthgroup.com/investors.

Consolidated income statement

	Note	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Revenue	3	**181,585**	72,427
Cost of sales	3	**(150,508)**	(60,077)
Gross profit	3	**31,077**	12,350
Administrative expenses	3	**(33,185)**	(27,435)
Other gains	3	**78,113**	69,426
Other operating expenses	3	**(1,371)**	(112)
Operating profit	3	**74,634**	54,229
Finance costs	4	**(9,900)**	(6,421)
Finance income	4	**3,166**	445
Share of profit of joint ventures (including impairment)	9	**1,487**	1,554
Profit before tax		**69,387**	49,807
Tax charge	5	**(12,150)**	(11,851)
Profit for the year		**57,237**	37,956

Earnings per share from operations		**pence**	pence
Basic	7	**17.7**	11.8
Diluted	7	**17.3**	11.5

The notes 1 to 16 are an integral part of these condensed consolidated financial statements.

All activities are derived from continuing operations.

Consolidated statement of comprehensive income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Profit for the year	**57,237**	37,956
Other comprehensive (expense)/income - items that will not be reclassified to profit or loss:		
Net actuarial loss in Blenkinsopp Pension scheme	**(239)**	(10)
Revaluation of Group occupied property	**(515)**	(167)
Deferred tax on other comprehensive income items	**-**	3
Total other comprehensive expense	**(754)**	(174)
Total comprehensive income for the year	**56,483**	37,782

Consolidated balance sheet

ASSETS	Note	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Non-current assets			
Property, plant and equipment		**1,529**	1,670
Right of use assets		**1,443**	512
Trade and other receivables		**25,638**	11,296
Investment properties	8	**585,489**	433,942
Investments in joint ventures	9	**33,553**	30,722
		647,652	478,142
Current assets			
Inventories	10	**205,985**	263,073
Trade and other receivables		**72,580**	37,289
Assets held for sale	11	**8,910**	18,752
Cash	12	**117,382**	27,182
		404,857	346,296
Total assets		**1,052,509**	824,438
LIABILITIES			
Current liabilities			
Borrowings	13	**-**	(29,744)
Trade and other payables		**(135,998)**	(88,087)
Lease liabilities		**(271)**	(158)
Current tax liabilities		**(8,130)**	(2,643)
		(144,399)	(120,632)
Net current assets		**260,458**	225,664
Non-current liabilities			
Borrowings	13	**(164,125)**	(33,830)
Trade and other payables		**(15,226)**	(1,757)
Lease liabilities		**(1,196)**	(397)
Net deferred tax liabilities		**(35,853)**	(30,089)
Retirement benefit obligations		**(45)**	(11)
		(216,445)	(66,084)
Total liabilities		**(360,844)**	(186,716)
Net assets		**691,665**	637,722
SHAREHOLDERS' EQUITY			
Called up share capital	14	**32,495**	32,408
Share premium account		**25,157**	25,034
Fair value reserve		**216,704**	225,177
Capital redemption reserve		**257**	257
Merger reserve		**45,667**	45,667
Investment in own shares		**(138)**	(99)
Retained earnings		**314,286**	271,322
Current year profit		**57,237**	37,956
Total shareholders' equity		**691,665**	637,722

Condensed consolidated statement of changes in shareholders' equity

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Fair value reserve £'000	Capital redemption reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	**32,305**	**24,688**	**45,667**	**174,520**	**257**	**(50)**	**325,277**	**602,664**
Profit for the financial year	-	-	-	-	-	-	37,956	37,956
Fair value gains	-	-	-	76,744	-	-	(76,744)	-
Transfer of unrealised gains on disposal of investment property	-	-	-	(25,920)	-	-	25,920	-
Other comprehensive (expense)/income:								
Actuarial loss in Blenkinsopp pension scheme	-	-	-	-	-	-	(10)	(10)
Revaluation of group occupied property	-	-	-	(167)	-	-	-	(167)
Deferred tax on other comprehensive (expense)/income items	-	-	-	-	-	-	3	3
	-	**-**	**-**	**50,657**	**-**	**-**	**(12,875)**	**37,782**
Transactions with owners:								
Purchase of own shares	-	-	-	-	-	(49)	-	(49)
Share-based payments	-	-	-	-	-	-	1,314	1,314
Dividends paid	-	-	-	-	-	-	(4,438)	(4,438)
Share issue	103	346	-	-	-	-	-	449
Balance at 31 December 2023	**32,408**	**25,034**	**45,667**	**225,177**	**257**	**(99)**	**309,278**	**637,722**

Profit for the year to 31 December 2024	-	-	-	-	-	-	57,237	57,237
Fair value gains	-	-	-	63,334	-	-	(63,334)	-
Transfer of unrealised gains on disposal of investment property	-	-	-	(71,292)	-	-	71,292	-
Other comprehensive (expense)/income:								
Actuarial loss in Blenkinsopp pension scheme	-	-	-	-	-	-	(239)	(239)
Revaluation of group occupied property	-	-	-	(515)	-	-	-	(515)
	-	**-**	**-**	**(8,473)**	**-**	**-**	**64,956**	**56,483**
Transactions with owners:								
Purchase of own shares	-	-	-	-	-	(39)	-	(39)
Share-based payments	-	-	-	-	-	-	2,188	2,188
Dividends paid	-	-	-	-	-	-	(4,899)	(4,899)
Share issue	87	123	-	-	-	-	-	210
Balance at 31 December 2024	**32,495**	**25,157**	**45,667**	**216,704**	**257**	**(138)**	**371,523**	**691,665**

Consolidated statement of cash flows

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flows from operating activities		
Profit before tax for the year	**69,387**	49,807
Net finance costs	**6,734**	5,976
Other gains	**(78,113)**	(69,426)
Share of profit of joint ventures (including impairment)	**(1,487)**	(1,554)
Share-based transactions(1)	**2,287**	1,404
Depreciation of property, plant and equipment and right of use assets	**406**	282
Pension contributions in excess of charge	**(205)**	(113)
Operating cash inflow before movements in working capital	**(991)**	(13,624)
Decrease in inventories	**57,088**	5,186
(Increase)/decrease in receivables	**(52,774)**	18,868
Increase in payables	**39,297**	6,937
Cash generated from operations	**42,620**	17,367
Interest paid	**(7,568)**	(4,302)
Corporation tax paid	**(516)**	(10,212)
Cash generated from operating activities	**34,536**	2,853
Cash flows from investing activities		
Interest received	**810**	445
Investment in joint ventures	**(3,048)**	(250)
Distribution from joint ventures	**1,704**	911
Net proceeds from disposal of investment properties, AHFS and overages	**80,028**	69,568
Property acquisitions	**(69,478)**	(19,046)
Expenditure on investment properties and AHFS	**(47,009)**	(35,808)
Expenditure on property, plant and equipment	**(600)**	(396)
Cash generated from/(used in) investing activities	**(37,593)**	15,424
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	**137**	400
Proceeds from other loans	**5,510**	5,939
Repayment of other loans	**(37,134)**	(3,299)
Proceeds from bank loans	**205,000**	45,000
Repayment of bank loans	**(75,000)**	(46,000)
Loan arrangement fees	**(151)**	(162)

Payment in respect of leases	**(206)**	(118)
Dividends paid	**(4,899)**	(4,438)
Cash generated from/(used in) financing activities	**93,257**	(2,678)
Increase in cash	**90,200**	15,599
Cash as at beginning of year	**27,182**	11,583
Increase in cash	**90,200**	15,599
Cash as at end of year	**117,382**	27,182

(1) Share-based transactions reflect the non-cash expenses relating to share-based payments included within the income statement

Notes to the financial information for the year ended 31 December 2024

1. Accounting policies

The principal accounting policies adopted in the preparation of this audited consolidated financial information are set out below. These policies have been consistently applied to all of the periods presented, unless otherwise stated.

General information

Harworth Group plc (the "Company") is a company limited by shares, incorporated and domiciled in the UK (England). The address of its registered office is Advantage House, Poplar Way, Catcliffe, Rotherham, South Yorkshire, S60 5TR.

The Company is a public company listed on the London Stock Exchange.

The consolidated financial statements for the year ended 31 December 2024 comprise the accounts of the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK adopted International Accounting Standards ("IFRS").

The financial information set out herein does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023 but is derived from those accounts. The financial information has been prepared using accounting policies consistent with those set out in the annual report and accounts for the year ended 31 December 2023. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditors have reported on those accounts; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain any statements under Section 498(2) or (3) of the Companies Act 2006.

Going-concern basis

These financial statements are prepared on the basis that the Group is a going concern. In forming its opinion as to going concern, the Company prepares cash flow forecasts based upon assumptions, with particular consideration to key risks and uncertainties and the macro-economic environment as well as taking into account available borrowing facilities, including compliance with financial covenants therein. The going concern period assessed is until June 2026 which is selected as it can be projected with a reasonable degree of accuracy and covers a complete period of reporting under the Group's RCF.

A key focus of the assessment of going concern is the management of liquidity and compliance with borrowing facilities for the period to June 2026. A £240m RCF facility is available to the group and is aligned to the Group's strategy and provides significant liquidity and flexibility to enable it to pursue its strategic objectives. The facility is subject to financial covenants, including minimum interest cover, maximum infrastructure debt as a percentage of property value and gearing, all of which are tested through the going concern assessment undertaken. Available liquidity, including cash and cash equivalents and bank facility headroom, was £192.4m as at 31 December 2024.

The Group benefits from diversification across its Capital Growth and Income Generation businesses including its industrial and renewable energy property portfolios. Taking into account the independent valuation carried out by BNP Paribas, JLL and Savills as at 31 December 2024, the Group LTV remains low at 5.4%, within the Board's target range and with sufficient headroom to allow for any falls in property values. Rent collection remained strong, with 98% collected to date for 2024.

In addition to the Company's base cashflow forecast, sensitised forecasts were produced that included severe but plausible downside scenarios. This downside included: 1) a severe reduction in sales to the housebuilding sector as well as lower investment property sales; 2) notwithstanding strong rent collection, a prudent material increase in bad debts across the portfolio over the majority of the going concern assessment period; 3) a material decline in the value of land and investment property values and 4) increases in interest rates, impacting the cost of the Group's borrowings.

A scenario was also run which demonstrated that very severe loss of revenue, valuation reductions and interest cost increases would be required to breach cashflow and banking covenants. The Directors consider this very severe scenario to be remote. A scenario with consideration of potential climate change and related transition impacts was also examined as part of the Group's focus on climate-related risks and opportunities.

Under each of the plausible downside scenario, for the going concern period to June 2026, the Group expects to continue to have sufficient cash reserves to continue to operate with headroom on lending facilities and associated covenants and has additional mitigation measures within management's control, for example reducing development and acquisition expenditure and reducing operating costs, that could be deployed to create further cash and covenant headroom.

Based on these considerations, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors considered it appropriate to adopt a going concern basis of accounting in the preparation of the Group's and Company's financial statements.

Accounting policies

Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations

A number of new standards and amendments to standards and interpretations were effective for annual periods beginning on or after 1 January 2024. None of these have had a significant effect on the financial statements of the Group.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations were effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. None of these are expected to have had a significant effect on the financial statements of the Group.

Estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated financial statements for the year ended 31 December 2023.

2. Alternative Performance Measures ("APMs")

Introduction

The Group has applied the December 2019 European Securities and Markets Authority ("ESMA") guidance on APMs and the November 2017 Financial Reporting Council ("FRC") corporate thematic review of APMs in these results. An APM is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified under IFRS.

Overview of use of APMs

The Directors believe that APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs assist stakeholder users of the accounts, particularly equity and debt investors, through the comparability of information. APMs are used by the Directors and management, both internally and externally, for performance analysis, strategic planning, reporting and incentive-setting purposes.

APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including peers in the real estate industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The derivations of our APMs and their purpose

The primary differences between IFRS statutory amounts and the APMs that are used by Harworth are as follows:

1. Capturing all sources of value creation - Under IFRS, the revaluation movement in development properties which are held in inventory is not included in the balance sheet. Also, overages are not recognised in the balance sheet until they are highly probable. These movements, which are verified by our independent valuers BNP Paribas and Savills, are included within our APMs;
2. Re-categorising income statement amounts - Under IFRS, the grouping of amounts, particularly within gross profit and other gains, does not clearly allow Harworth to demonstrate the value creation through its business model. In particular, the statutory grouping does not distinguish value gains (being realised profits from the sales of properties and unrealised profits from property value movements) from the ongoing profitability of the business which is less susceptible to movements in the property cycle. Finally, the Group includes profits from joint ventures within its APMs as its joint ventures conduct similar operations to Harworth, albeit in different ownership structures; and
3. Comparability with industry peers - Harworth discloses some APMs which are EPRA measures as these are a set of standard disclosures for the property industry and thus aid comparability for our stakeholder users.

Our key APMs

The key APMs that the Group focuses on are as follows:

- Total Accounting Return - The movement in EPRA NDV plus dividends per share paid in the year expressed as a percentage of opening EPRA NDV per share
- EPRA NDV per share - EPRA NDV aims to represent shareholder value under an orderly sale of the business, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability net of any resulting tax. EPRA NDV per share is EPRA NDV divided by the number of shares in issue at the end of the period, less shares held by the Employee Benefit Trust or Equiniti Share Plan Trustees Limited to satisfy Long Term Incentive Plan and Share Incentive Plan awards
- Value gains - These are the realised profits from the sales of properties and unrealised profits from property value movements including joint ventures and the mark to market movement on development properties, AHFS and overages
- Net LTV - Group debt net of cash and cash equivalents held expressed as a percentage of portfolio value

3. Segment information

Segmental Income Statement — **Year ended 31 December 2024**

	Capital Growth		
	Sale of development	Other property	Income

	properties £'000	activities £'000	Generation £'000	Central £'000	Total £'000
Revenue (1)	140,253	19,841	21,491	-	181,585
Cost of sales	(126,320)	(19,534)	(4,654)	-	(150,508)
Gross profit (2)	**13,933**	**307**	**16,837**	**-**	**31,077**
Administrative expenses (4)	-	(6,367)	(1,107)	(25,711)	(33,185)
Other gains (3)	-	59,722	18,391	-	78,113
Other operating expense	-	-	-	(1,371)	(1,371)
Operating profit/(loss)	**13,933**	**53,662**	**34,121**	**(27,082)**	**74,634**
Finance costs	-	(119)	-	(9,781)	(9,900)
Finance income	-	2,974	125	67	3,166
Share of (loss)/profit of joint ventures	-	(717)	2,204	-	1,487
Profit/(loss) before tax	**13,933**	**55,800**	**36,450**	**(36,796)**	**69,387**

(1) **Revenue**					
Revenue is analysed as follows:					
Sale of development properties	140,253	-	-	-	140,253
Revenue from PPAs	-	593	-	-	593
Build-to-suit development revenue	-	18,690	-	-	18,690
Rent, service charge and royalties revenue	-	412	21,358	-	21,770
Other revenue	-	146	133	-	279
	140,253	**19,841**	**21,491**	**-**	**181,585**

(2) **Gross profit**					
Gross profit is analysed as follows:					
Gross profit excluding sales of development properties	-	307	16,837	-	17,144
Gross profit on sale of development properties*	8,248	-	-	-	8,248
Net realisable value provision on development properties	(5,664)	-	-	-	(5,664)
Reversal of previous net realisable value provision on development properties	6,950	-	-	-	6,950
Release of previous net realisable value provision on disposal of development properties	4,399	-	-	-	4,399
	13,933	**307**	**16,837**	**-**	**31,077**

*Gross profit on sale of development properties includes a reduction of £4.3m (2023: £2.0m) relating to the discounting of deferred consideration receivable.

(3) **Other gains/(losses)**					
Other gains/(losses) are analysed as follows:					
Increase in fair value of investment Properties	-	43,004	17,813	-	60,817
Decrease in the fair value of AHFS	-	(201)	(165)	-	(366)
Profit on sale of investment properties	-	12,476	826	-	13,302
Profit/(loss) on sale of AHFS	-	97	(83)	-	14
Profit on sale of overages	-	4,346	-	-	4,346
	-	**59,722**	**18,391**	**-**	**78,113**

(4) **Administrative expenses**					
Administrative expenses are analysed as follows:					
Wages and salaries	-	(5,255)	(902)	(16,398)	(22,555)
Legal and professional	-	(531)	(408)	(3,683)	(4,622)
Other administrative expenses	-	(581)	203	(5,630)	(6,008)
	-	**(6,367)**	**(1,107)**	**(25,711)**	**(33,185)**

Segmental Balance Sheet **As at 31 December 2024**

	Capital Growth £'000	Income Generation £'000	Central £'000	Total £'000
Non-current assets				
Property, plant and equipment	-	-	1,529	**1,529**
Right of use assets	-	-	1,443	**1,443**

Trade and other receivables	25,638	-	-	**25,638**
Investment properties	281,635	303,854	-	**585,489**
Investments in joint ventures	18,935	14,618	-	**33,553**
	326,208	**318,472**	**2,972**	**647,652**
Current assets				
Inventories	205,985	-	-	**205,985**
Trade and other receivables	61,404	10,948	228	**72,580**
AHFS	2,450	6,460	-	**8,910**
Cash and cash equivalents	-	-	117,382	**117,382**
	269,839	**17,408**	**117,610**	**404,857**
Total assets	**596,047**	**335,880**	**120,582**	**1,052,509**

Financial liabilities and derivative financial instruments are not allocated to the reporting segments as they are managed and measured at a Group level.

Segmental Income Statement — **Year ended 31 December 2023**

	Capital Growth				
	Sale of development properties £'000	**Other property activities £'000**	**Income Generation £'000**	**Central £'000**	**Total £'000**
Revenue (1)	46,731	2,286	23,410	-	72,427
Cost of sales	(51,709)	(2,340)	(6,028)	-	(60,077)
Gross (loss)/profit (2)	**(4,978)**	**(54)**	**17,382**	**-**	**12,350**
Administrative expenses (4)	-	(5,062)	(3,147)	(19,226)	(27,435)
Other gains (3)	-	65,066	4,360	-	69,426
Other operating expenses	-	-	-	(112)	(112)
Operating (loss)/profit	**(4,978)**	**59,950**	**18,595**	**(19,338)**	**54,229**
Finance costs	-	-	-	(6,421)	(6,421)
Finance income	-	438	7	-	445
Share of profit of joint ventures	-	892	662	-	1,554
(Loss)/profit before tax	**(4,978)**	**61,280**	**19,264**	**(25,759)**	**49,807**

(1) **Revenue**

Revenue is analysed as follows:

Sale of development properties	46,731	-	-	-	46,731
Revenue from PPAs	-	776	-	-	776
Build-to-suit development revenue	-	956	-	-	956
Rent, service charge and royalties revenue	-	340	22,657	-	22,997
Other revenue	-	214	753	-	967
	46,731	**2,286**	**23,410**	**-**	**72,427**

(2) **Gross profit**

Gross profit is analysed as follows:

Gross (loss)/profit excluding sales of development properties	-	(54)	17,382	-	17,328
Gross loss on sale of development properties	(618)	-	-	-	(618)
Net realisable value provision on development properties	(7,442)	-	-	-	(7,442)
Reversal of previous net realisable value provision on development properties	1,213	-	-	-	1,213
Release of net realisable value provision on disposal of development properties	1,869	-	-	-	1,869
	(4,978)	**(54)**	**17,382**	**-**	**12,350**

(3) **Other gains/(losses)**

Other gains/(losses) are analysed as follows:

Increase in fair value of investment properties	-	65,584	5,788	-	71,372
Decrease in the fair value of AHFS	-	(114)	(158)	-	(272)
Loss on sale of investment properties	-	(588)	(365)	-	(953)
Loss on sale of AHFS	-	(134)	(1,006)	-	(1,140)
Profit on sale of overages	-	318	101	-	419
	-	**65,066**	**4,360**	**-**	**69,426**

(4) **Administrative expenses**

Administrative expenses are analysed as follows:					
Wages and salaries	-	(4,174)	(1,083)	(12,413)	(17,670)
Legal and professional	-	(310)	(840)	(2,062)	(3,212)
Other administrative expenses	-	(578)	(1,224)	(4,751)	(6,553)
	-	**(5,062)**	**(3,147)**	**(19,226)**	**(27,435)**

Segmental Balance Sheet	**As at 31 December 2023**			
	Capital Growth £'000	**Income Generation £'000**	**Central £'000**	**Total £'000**
Non-current assets				
Property, plant and equipment	-	-	1,670	**1,670**
Right of use assets	-	-	512	**512**
Other receivables	11,296	-	-	**11,296**
Investment properties	199,216	234,726	-	**433,942**
Investments in joint ventures	17,604	13,118	-	**30,722**
	228,116	**247,844**	**2,182**	**478,142**
Current assets				
Inventories	263,073	-	-	**263,073**
Trade and other receivables	23,967	11,300	2,022	**37,289**
AHFS	3,764	14,988	-	**18,752**
Cash and cash equivalents	-	-	27,182	**27,182**
	290,804	**26,288**	**29,204**	**346,296**
Total assets	**518,920**	**274,132**	**31,386**	**824,438**

Financial liabilities and derivative financial instruments are not allocated to the reporting segments as they are managed and measured at a Group level.

4. Finance costs and finance income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Finance costs		
- Bank interest	**(6,201)**	(2,778)
- Facility fees	**(1,235)**	(1,524)
- Amortisation of up-front fees	**(727)**	(671)
- Other interest	**(1,737)**	(1,448)
	(9,900)	(6,421)
- Bank interest	**810**	42
- Unwind of discounting on deferred consideration	**2,356**	403
Finance income	**3,166**	445
Net finance costs	**(6,734)**	(5,976)

5. Tax

Analysis of tax charge in the year	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Current tax		
Current year	**(7,931)**	(6,749)
Adjustment in respect of prior periods	**1,925**	907
Total current tax charge	**(6,006)**	(5,842)

Total current tax charge	(6,006)	(5,842)
Deferred tax		
Current year	**(5,807)**	(4,779)
Adjustment in respect of prior periods	**(337)**	(987)
Difference between current tax rate and rate of deferred tax	**-**	(243)
Total deferred tax charge	**(6,144)**	(6,009)
Tax charge	**(12,150)**	(11,851)

Other comprehensive income items		
Deferred tax - current year	-	3
Total	-	3

The tax charge for the year is lower (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Profit before tax	**69,387**	30,859
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2023: 23.5%)	**(17,347)**	(11,705)
Effects of:		
Adjustments in respect of prior periods - deferred taxation	**337**	(987)
Adjustments in respect of prior periods - current taxation	**1,925**	907
Defined benefits pension scheme	**(342)**	-
Non-taxable income	**107**	-
Expenses not deducted for tax purposes	**(327)**	(542)
Revaluation gains	**2,734**	252
Share of profit of joint ventures	**372**	365
Difference between current tax rate and rate of deferred tax	**-**	(243)
Share options	**94**	102
Utilisation of unrecognised deferred tax assets	**176**	-
Other adjustments	**121**	-
Total tax charge	**(12,150)**	(11,851)

The difference between current tax rate and rate of deferred tax of £nil (2023: £0.2m) relates to the unwinding of balances previously recognised at 25% and the reduction of the deferred tax liabilities recognised at 25% as a result of in year movements.

At 31 December 2024, the Group had a current tax liability of £8.1m (2023: £2.6m).

The Company has recognised a current tax asset in 2024 of £0.4m (2023: liability £0.8m).

Deferred tax

The following is the analysis of deferred tax liabilities presented in the consolidated balance sheet:

	As at 31 December 2024 £'000	**As at 31 December 2023 £'000**
Deferred tax assets	**1,520**	503
Deferred tax liabilities	**(37,373)**	(30,592)
	(35,853)	(30,089)

The movements on the deferred income tax account were as follows:

	Investment Properties £'000	Tax Losses £'000	Other Temporary Differences £'000	Total £'000
At 1 January 2023	(25,980)	-	1,839	**(24,141)**
Recognised in the consolidated income statement	(4,612)	-	(1,397)	**(6,009)**
Recognised in the consolidated statement of comprehensive income	-	-	3	**3**
Recognised in the consolidated statement of equity	-	-	58	**58**
At 31 December 2023 and 1 January 2024	(30,592)	-	503	**(30,089)**
Recognised in the consolidated income statement	(6,781)	-	637	**(6,144)**
Recognised in the consolidated statement of equity	-	-	380	**380**
At 31 December 2024	**(37,373)**	**-**	**1,520**	**(35,853)**

In the Spring Budget 2021, the Government announced an increase in the corporation tax rate from 19% to 25% from 1 April 2023. The rate was enacted at the balance sheet date and as such the deferred tax balances have been calculated in full on temporary differences under the liability method using the rate expected to apply at the time of the reversal of the balance. As such, the deferred tax assets and liabilities as at 31 December 2024 have been reflected at 25%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Deferred tax assets of £5.4m at 31 December 2024 (2023: £7.7m) have not been recognised owing to the uncertainty as to their recoverability.

The Company has recognised a deferred tax asset in 2024 of £0.6m (2023: £0.1m).

6. Dividends

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Interim dividend of 0.489p per share for the year ended 31 December 2024	**1,589**	
Full year dividend of 1.022p per share for the year ended 31 December 2023	**3,310**	-
Interim dividend of 0.444p per share for the year ended 31 December 2023	**-**	1,437
Full year dividend of 0.929p per share for the year ended 31 December 2022	**-**	3,001
	4,899	4,438

The Board has declared a final dividend to be paid of 1.125p (2023: 1.022p) per share to be paid in May 2025, bringing the total dividend for the year to 1.614p (2023: 1.466p). The recommended 2024 final dividend and 2024 total dividend represent a 10% increase.

There is no change to the current dividend policy to continue to grow the dividends by 10% each year.

7. Earnings per share

Earnings per share has been calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of shares in issue and ranking for dividend during the year.

	Year ended 31 December 2024	Year ended 31 December 2023
Profit from continuing operations attributable to ordinary shareholders (£'000)	**57,237**	37,956
Weighted average number of shares used for basic earnings per share calculation	**323,497,275**	322,767,356
Basic earnings per share (pence)	**17.7**	11.8
Weighted average number of shares used for diluted earnings per share calculation	**331,274,223**	328,653,655
Diluted earnings per share (pence)	**17.3**	11.5

The difference between the weighted average number of shares used for the basic and diluted earnings per share calculation is due to the effect of employee share schemes that are dilutive.

8. Investment properties

The Group holds five categories of investment property being Agricultural Land, Natural Resources, the Investment Portfolio, Major Developments and Strategic Land in the UK, which sit within the operating segments of Income Generation and Capital Growth.

	Income Generation			**Capital Growth**		
	Agricultural Land £'000	**Natural Resources £'000**	**Investment Portfolio £'000**	**Major Developments £'000**	**Strategic Land £'000**	**Total £'000**
At 1 January 2023	**5,694**	**19,726**	**210,407**	**44,244**	**120,292**	**400,363**

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Direct acquisitions	655	-	-	-	15,829	16,484
Subsequent expenditure	45	1,350	677	22,104	11,558	35,734
Disposals	-	-	(11,136)	(788)	(7,041)	(18,965)
Increase in fair value	116	89	5,583	3,196	62,388	71,372
Transfers between operating segments	-	-	18,551	(10,416)	(8,135)	-
Transfers to development properties	-	-	-	-	(51,865)	(51,865)
Transfers to property, plant and equipment	-	-	(967)	-	-	(967)
Transfer to AHFS	-	(1,264)	(14,800)	-	(2,150)	(18,214)
At 31 December 2023	**6,510**	**19,901**	**208,315**	**58,340**	**140,876**	**433,942**
Direct acquisitions	-	-	44,833	30,494	15,462	90,789
Subsequent expenditure	36	624	1,494	41,733	3,111	46,998
Disposals	-	-	(648)	-	(40,022)	(40,670)
(Decrease)/increase in fair value	(278)	688	17,402	3,656	39,349	60,817
Transfers between divisions	-	(1,285)	11,149	(8,119)	(1,745)	-
Transfer to AHFS	-	(2,167)	(2,720)	-	(1,500)	(6,387)
At 31 December 2024	**6,268**	**17,761**	**279,825**	**126,104**	**155,531**	**585,489**

Subsequent expenditure is recorded net of government grants of £nil (2023: £1.6m).

During the year no (2023: £nil) development property was re-categorised as investment property to reflect a change in use. During the year none (2023: £51.9m) of the investment property was re-categorised to development properties. During the year no investment property was re-categorised as land and buildings (2023: £1.0m).

Investment property is transferred between divisions to reflect a change in the activity relating to the asset.

Valuation process

The properties were valued in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards (the 'Red Book') by BNP Paribas Real Estate, Jones Land Lasalle and Savills at 31 December 2024 and by BNP Paribas and Savills at 31 December 2023. All three are independent firms acting in the capacity of external valuers with relevant experience of valuations of this nature.

The valuations are on the basis of Market Value as defined by the Red Book, which RICS considers meets the criteria for assessing Fair Value under IFRS. The valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property by property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and the likelihood of achieving and implementing this change in arriving at its valuation.

At each financial year end, management:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers.

The Directors determine the applicable hierarchy that each investment property falls into by assessing the level of unobservable inputs used in the valuation technique. As a result of the specific nature of each investment property, valuation inputs are not based on directly observable market data and therefore all investment properties were determined to fall into Level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstance that caused the transfer. There were no transfers between hierarchy levels in the year ended 31 December 2024 (2023: none).

Valuation techniques underlying management's estimation of fair value are as follows:

Agricultural land

Most of the agricultural land is valued using the market comparison basis, with an adjustment made for the length of the remaining term on any tenancy and the estimated cost to bring the land to its highest and best use. Where the asset is subject to a secure letting, it is valued on a yield basis, based upon sales of similar types of investment.

Natural resources

Natural resource sites in the portfolio are valued based on discounted cash flow for the operating life of the asset with regard to the residual land value.

Investment Portfolio

The Industrial & Logistics investment properties are valued on the basis of market comparison with direct reference to observable market evidence including current rent and estimated rental value (ERV), yields and capital values and adjusted where required for the estimated cost to bring the property to its highest and best use. The evidence is adjusted to reflect the quality of the property assets, the quality of the covenant profile of the tenants and the reliability/volatility of cash flows. The Group's portfolio has a spread of yields. In the past, income acquisitions have been made at high yields where value can be added. As assets are enhanced and improved, these would also be expected to be valued at lower yields. Subject to market backdrop, properties that are built by Harworth will be modern Grade A with typically lower yields.

Major Developments

Major Development sites are generally valued using residual development appraisals, a form of discounted cash flow which estimates the current site value from future cash flows measured by current land and/or completed built development values, observable or estimated development costs, and observable or estimated development returns. Where possible development sites are valued by direct comparison to observable market evidence with appropriate adjustment for the quality and location of the property asset, although this is generally only a reliable method of measurement for smaller development sites.

Strategic Land

Strategic Land is valued on the basis of discounted cash flow, with future cash flows measured by current land values adjusted to reflect the quality of the development opportunity, the potential development costs estimated by reference to observable development costs on comparable sites, and the likelihood of securing planning consent. The valuations are then benchmarked against observable land values reflecting the current existing use of the land, which is generally agricultural and, where available, observable strategic land values. The discounted cash flows across the different property categories utilise value per acre, which takes account of the future expectations of sales over time discounted back to a current value, and cost report totals, which take account of the cost, as at today's value, to complete remediation and provide the necessary site infrastructure to bring the site forward.

9. Investment in joint ventures

	As at 31 December 2024	As at 31 December 2023
At 1 January	**30,722**	29,828
Investment in joint ventures	**3,048**	250
Distributions from joint ventures	**(1,704)**	(910)
Share of profits of joint ventures	**1,487**	1,554
At end of year	**33,553**	30,722

10. Inventories

	As at 31 December 2024	As at 31 December 2023
Development properties	**190,888**	250,024
Planning promotion agreements	**4,655**	3,805
Option agreements	**10,442**	9,244
Total inventories	**205,985**	263,073

The movement in development properties is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023

	£'000	£'000
At start of year	**250,024**	204,952
Acquisitions	**1,419**	-
Subsequent expenditure	**38,919**	32,417
Disposals	**(105,159)**	(34,850)
Net realisable value provision release/(charge)	**5,685**	(4,360)
Net transfer from investment properties	**-**	51,865
Total development properties	**190,888**	250,024

The movement in net realisable value provision was as follows:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
At start of period	**14,136**	9,776
Charge for the period	**5,664**	7,442
Reversal of previous net realisable value provision	**(6,950)**	(1,213)
Released on disposals	**(4,399)**	(1,869)
At end of year	**8,451**	14,136

11. Assets held for sale

AHFS relate to investment properties identified as being for sale within 12 months, where a sale is considered highly probable and the property is immediately available for sale.

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
At start of year	**18,752**	59,790
Net transfer from investment properties	**6,387**	18,214
Subsequent expenditure	**163**	74
Decrease in fair value	**(366)**	(272)
Disposals	**(16,026)**	(59,054)
At end of year	**8,910**	18,752

12. Cash

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Cash	**117,382**	27,182

13. Borrowings

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Current:		
Secured - infrastructure and direct development loans	-	(29,744)
	-	(29,744)
Non-current:		
Secured - bank loan	**(164,125)**	(33,830)
Total non-current borrowings	**(164,125)**	(33,830)
Total borrowings	**(164,125)**	(63,574)

Loans are stated after deduction of unamortised fees of £0.9 million (2023: £1.5 million).

		As at 31 December 2024 £'000	As at 31 December 2023 £'000
Infrastructure and direct development loans			
South Yorkshire Pension Fund/ Scrudf Limited Partnership	AMP, Rotherham	-	(584)
Scrudf Limited Partnership	Gateway 36	-	(6,850)
Merseyside Pension Fund	Bardon Hill	-	(22,310)
Total infrastructure and direct development loans		**-**	(29,744)
Bank loan		**(164,125)**	(33,830)
Total borrowings		**(164,125)**	(63,574)

The Group's Revolving Credit Facility (RCF) was increased to £240 million (31 December 2023: £200 million) in December through activation of an accordion option. The facility is provided by Natwest, Santander and HSBC. The RCF is repayable in February 2027 (five year term) on a non-amortising basis.

The RCF is subject to financial and other covenants. The bank borrowings are secured by way of a floating debenture over assets not otherwise used as security under specific infrastructure or direct development loans. Proceeds from and repayments of bank loans are reflected gross in the Consolidated Statement of Cash Flows and reflect timing of utilisation of the RCF.

The infrastructure and direct development loans are provided by public and private bodies in order to promote the development of major sites or assist with vertical direct development. The loans are drawn as work on the respective sites is progressed and they are repaid on agreed dates or when disposals are made from the sites.

14. Share capital

Issued, authorised and fully paid	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
At start of year	**32,408**	32,305
Shares issued	**87**	103
At end of year	**32,495**	32,408

Issued, authorised and fully paid - number of shares	Year ended 31 December 2024	Year ended 31 December 2023
At start of year	**324,084,072**	323,051,124
Shares issued	**871,342**	1,032,948
At end of year	**324,955,414**	324,084,072
Own shares held	**(1,314,562)**	(929,699)
At end of year	**323,640,852**	323,154,373

15. Related party transactions

The Group carried out the following transactions with related parties. The following entities are related parties as a consequence of shareholdings, joint venture arrangements and partners of such and/or common Directorships. All related party transactions are clearly justified and beneficial to the Group, are undertaken on an arm's-length basis on fully commercial terms and in the normal course of business.

	Year ended/ As at 31 December 2024 £000	Year ended/ As at 31 December 2023 £000
MULTIPLY LOGISTICS NORTH HOLDINGS LIMITED & MULTIPLY LOGISTICS NORTH LP		
Sales		
Recharges of costs	**176**	281
Asset management fee	**107**	100
Water charges	**132**	146
Purchases		
Recharge of costs	**3**	1
Receivables		
Other receivables	**-**	5
Trade receivables	**39**	281
Payables		
Other payables	**(66)**	-
GENUIT GROUP (FORMERLY POLYPIPE)		
Sales		
Rent	**-**	10
Development property disposal	**-**	1,680
Receivables		
Trade receivables	**-**	-
THE AIRE VALLEY LAND LLP		
Receivable	**-**	26
CRIMEA LAND MANSFIELD LLP		
Receivable	**-**	9
Investment made during the year	**25**	-
NORTHERN GATEWAY DEVELOPMENT VEHICLE LLP		
Purchases		
Recharge of costs	**5**	-
Investment made during the year	**3,023**	250
INVESTMENT PROPERTY FORUM		
Purchases	**3**	5
BRITISH PROPERTY FEDERATION		
Purchases	**20**	-

16. Post balance sheet events

There are no post balance sheet events to disclose that have not been disclosed publicly by a regulatory news announcement.

Appendix

EPRA Net Asset Measures

EPRA introduced a new set of Net Asset Value metrics in 2020: EPRA Net Reinstatement Value ("NRV"), EPRA Net Tangible Assets ("NTA") and EPRA NDV. While the Group uses only EPRA NDV as a key APM, the EPRA Best Practices Recommendations guidelines require companies to report all three EPRA NAV metrics and reconcile them to IFRS. These disclosures are provided below.

	31 December 2024		
	EPRA NDV £'000	**EPRA NTA £'000**	**EPRA NRV £'000**
Net assets	691,665	691,665	691,665
Cumulative unrealised gains on development properties	31,026	31,026	31,026
Cumulative unrealised gains on overages	6,100	6,100	6,100
Deferred tax liabilities (IFRS)	-	30,089	30,089
Notional deferred tax on unrealised gains	(9,253)	-	-
Deferred tax liabilities @ 50%	-	(19,671)	-
Purchaser costs	-	-	58,718
	719,538	739,209	817,598
Number of shares used for per share calculations	323,640,852	323,640,852	323,640,852
Per share (pence)	222.3	228.4	252.6

	31 December 2023		
	EPRA NDV £'000	EPRA NTA £'000	EPRA NRV £'000
Net assets	637,722	637,722	637,722
Cumulative unrealised gains on development properties	24,083	24,083	24,083
Cumulative unrealised gains on overages	9,400	9,400	9,400
Deferred tax liabilities (IFRS)	-	30,089	30,089
Notional deferred tax on unrealised gains	(8,342)	-	-
Deferred tax liabilities @ 50%	-	(19,216)	-
Purchaser costs	-	-	52,528
	662,863	682,078	753,822
Number of shares used for per share calculations	323,154,373	323,154,373	323,154,373
Per share (pence)	205.1	211.1	233.3

1) Reconciliation to statutory measures

a. Revaluation gains/(losses)

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Increase in fair value of investment properties	**60,817**	71,372
Decrease in fair value of AHFS	**(366)**	(272)
Share of profit of joint ventures	**1,487**	1,554
Net realisable value provision on development properties	**(5,664)**	(7,442)
Reversal of previous net realisable value provision on development properties	**6,950**	1,213
Amounts derived from statutory reporting	**63,224**	66,425
Unrealised gains/(losses) on development properties	**21,874**	(3,708)
Unrealised gains on overages	**854**	2,209
Revaluation gains	**85,952**	64,926

b. Profit/(loss) on sale

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Profit/(loss) on sale of investment properties	**13,302**	(953)
Profit/(loss) on sale of AHFS	**14**	(1,140)
Profit/(loss) on sale of development properties	**8,249**	(618)
Release of net realisable value provision on disposal of development properties	**4,399**	1,869

Profit on sale of overages	**4,346**	419
Amounts derived from statutory reporting	**30,310**	(423)
Less previously unrealised gains on development properties released on sale	**(14,932)**	(6,061)
Less previously unrealised gains on overages	**(4,154)**	(309)
Profit/(loss) on sale contributing to growth in EPRA NDV	**11,224**	(6,793)

c. Value gains	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Revaluation gains	**85,952**	64,926
Profit/(loss) on sale	**11,224**	(6,793)
Value gains	**97,176**	58,133

d. Total property sales	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Revenue	**181,585**	72,427
Less revenue from other property activities	**(19,841)**	(2,286)
Less revenue from income generation activities	**(21,491)**	(23,410)
Add proceeds from sales of investment properties, AHFS and overages	**75,541**	79,166
Total property sales	**215,794**	125,897

e. Operating profit contributing to growth in EPRA NDV	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Operating profit	**74,634**	54,229
Share of profit of joint ventures	**1,487**	1,554
Unrealised gains/(losses) on development properties	**21,874**	(3,708)
Unrealised gains on overages	**854**	2,209
Less previously unrealised gains on development properties released on sale	**(14,932)**	(6,061)
Less previously unrealised gains on overages released on sale	**(4,154)**	(309)
Operating profit contributing to growth in EPRA NDV	**79,763**	47,914

f. Portfolio value	**As at 31 December 2024 £'000**	As at 31 December 2023 £'000
Land and buildings (included within Property, plant and equipment)	**1,188**	1,300
Investment properties	**585,489**	433,942
Investments in joint ventures	**33,553**	30,722

Investments in joint ventures	**[illegible]**	[illegible]
AHFS	**8,910**	18,752
Development properties (included within inventories)	**190,888**	250,024
Amounts recoverable on contracts (included within receivables)	**1,604**	-
Amounts derived from statutory reporting	**821,632**	734,740
Cumulative unrealised gains on development properties as at period/year end	**31,026**	24,083
Cumulative unrealised gains on overages as at period/year end	**6,100**	9,400
Portfolio value	**858,758**	768,223

g. Net debt	**As at 31 December 2024 £'000**	As at 31 December 2023 £'000
Gross borrowings	**(164,125)**	(63,574)
Cash and cash equivalents	**117,382**	27,182
Net debt	**(46,743)**	(36,392)

h. Net loan to portfolio value (%)	**As at 31 December 2024 £'000**	As at 31 December 2023 £'000
Net debt	**(46,743)**	(36,392)
Portfolio value	**858,758**	768,223
Net loan to portfolio value (%)	**5.4%**	4.7%

i. Net loan to core income generation portfolio value (%)	**As at 31 December 2024 £'000**	As at 31 December 2023 £'000
Net debt	**(46,743)**	(36,392)
Core income generation portfolio value (Investment Portfolio and Natural Resources)	**297,587**	228,216
Net loan to core income generation portfolio value (%)	**15.7%**	15.9%

j. Gross loan to portfolio value (%)

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Gross borrowings	**(164,125)**	(63,574)
Portfolio value	**858,758**	768,223
Gross loan to portfolio value (%)	**19.1%**	8.3%

k. Gross loan to core income generation portfolio value (%)

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Gross borrowings	**(164,125)**	(63,574)
Core income generation portfolio value (Investment Portfolio and Natural Resources)	**297,587**	228,216
Gross loan to core income generation portfolio value (%)	**55.2%**	27.9%

l. Number of shares used for per share calculations (number)

	As at 31 December 2024	As at 31 December 2023
Number of shares in issue at end of period/year	**324,955,414**	324,084,072
Less Employee Benefit Trust and Equiniti Share Plan Trustees Limited held shares (own shares) at end of period/year	**(1,314,562)**	(929,699)
Number of shares used for per share calculations	**323,640,852**	323,154,373

m. Net Asset Value (NAV) per share

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
NAV (£'000)	**691,665**	637,722
Number of shares used for per share calculations	**323,640,852**	323,154,373
NAV per share (p)	**213.7**	197.3

n. Total underlying revenue

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Total property sales	**215,794**	125,897
Income generation portfolio revenue (Investment Portfolio, Natural Resources and Agriculture)	**21,491**	23,410
Development revenues	**18,690**	956
Other revenue	**1,151**	1,330
Total underlying revenue	**257,126**	151,593
Less proceeds from sale of investment properties, AHFS and overages	**(75,541)**	(79,166)
Statutory revenue	**181,585**	72,427

2) Reconciliation to EPRA measures

a) EPRA NDV

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Net assets	**691,665**	637,722
Cumulative unrealised gains on development properties	**31,026**	24,083
Cumulative unrealised gains on overages	**6,100**	9,400
Notional deferred tax on unrealised gains	**(9,253)**	(8,342)
EPRA NDV	**719,538**	662,863

b) EPRA NDV per share (p)

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
EPRA NDV £'000	**719,538**	662,863
Number of shares used for per share calculations	**323,640,852**	323,154,373
EPRA NDV per share (p)	**222.3**	205.1

EPRA NDV growth and total accounting return

Opening EPRA NDV/share (p)	**205.1**	196.5
Closing EPRA NDV/share (p)	**222.3**	205.1
Movement in the year (p)	**17.2**	8.6
EPRA NDV growth	**8.4%**	4.4%
Dividends paid per share (p)	**1.5**	1.4
Total accounting return per share (p)	**18.7**	10.0
Total accounting return as a percentage of opening EPRA NDV	**9.1%**	5.1%

To help retain and incentivise a management team with the requisite skills, knowledge and experience to deliver strong, long-term, sustainable growth for shareholders Harworth runs a number of share schemes for employees. The dilutive impact of these on the number of shares at 31 December is set out below:

	As at 31 December 2024	As at 31 December 2023
Number of shares used for per share calculations	**323,640,852**	323,154,373
Outstanding share options and shares held in trust under employee share schemes	**7,135,161**	5,223,777
Number of diluted shares used for per share calculations	**330,776,013**	328,378,150

Diluted EPRA NDV per share, Diluted NDV Growth and Total Accounting Return as a percentage of opening diluted EPRA NDV per share are set out below:

c. Diluted EPRA NDV per share (p)	**As at 31 December 2024**	As at 31 December 2023
EPRA NDV (£'000)	**719,538**	662,863
Number of diluted shares used for per share calculations	**330,776,013**	328,378,150
Diluted EPRA NDV per share (p)	**217.5**	201.9

Diluted EPRA NDV growth and total accounting return		
Opening EPRA NDV/share (p)	**201.9**	194.5
Closing EPRA NDV/share (p)	**217.5**	201.9
Movement in the period/year (p)	**15.6**	7.4
Diluted EPRA NDV per share growth	**7.7%**	3.8%
Dividends paid per share (p)	**1.5**	1.4
Total return per share (p)	**17.2**	8.8
Total return as a percentage of opening diluted EPRA NDV	**8.5%**	4.5%

d) Net loan to EPRA NDV	**As at 31 December 2023 £'000**	As at 31 December 2022 £'000
Net debt	**(46,743)**	(36,392)
EPRA NDV	**719,538**	662,863
Net loan to EPRA NDV	**6.5%**	5.5%

END

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