ZENTRA GROUP PLC
(formerly ONE HERITAGE GROUP PLC)

Unaudited interim report for the six months ended 31 December 2024

27 March 2025

CHIEF EXECUTIVE'S REVIEW

This update provides an overview of our activities for the first six months ended 31 December 2024.

During this period, our principal focus has been on positioning ourselves better to take advantages of opportunities in the property development sector and to deal with the accompanying challenges, while progressing with the direct development and development management projects currently on our books.

Strategic Restructuring and Financial Position Improvement

During the period, we implemented a strategic restructuring that significantly strengthened our financial position at the same time as undertaking a comprehensive review of our operations to enhance efficiency and focus solely on core activities and our listing status.

Key outcomes of this restructuring include:

- Streamlining operations by reducing non-core activities, particularly in property services, to concentrate on residential development and land acquisition. We have decided to exit the co-living market, as it no longer aligns with our long-term objectives. This shift allows us to focus on family homes and residential apartment developments, which offer greater returns and reduced operational complexity. We now have two brands Zentra Living, which offers city centre apartments, and Zentra Homes, which provides family housing.

- Debt Reduction and Restructuring: Writing off £2 million in shareholder debt (as well as securing a lower interest rate) has strengthened our balance sheet, reducing financial risk, and increasing investment capacity for future developments.

- Expanding our development pipeline with the £3 million investment in One Victoria, Manchester, a high-profile development project.

- Transitioning to the Access Segment of the Aquis Stock Exchange. This move provides us with greater flexibility in capital markets and is a market more aligned with the entrepreneurial spirit within our organisation.

Delivering Our Existing Projects

We have made notable progress on key developments:

- One Meadow, Eccleshill: In October 2024, we completed this development, marking the successful delivery of 24 high-specification family homes under the Zentra Homes brand.

- One Victoria, Manchester: 129 apartments. In view of some construction delays, completion is now expected in Q3 2025. Key milestones include the completion of Steel Framing Systems (SFS) installation, façade works, glazing, and significant progress on interior partitions, joinery, and mechanical, electrical, and plumbing (MEP) installations. The show apartment marketing suite is now complete and available for viewings.

- New Islington, Manchester: Post the end of December 2024 reporting period, in March 2025, after months of negotiation, we entered into a conditional contract to acquire a parcel of land on Old Mill Street, Manchester, M4 6BX. Legal completion is subject to planning approval and reliance documentation, expected in April 2025. The development will contain 40 residential apartments and 1 commercial unit with construction targeted to commence in Q4 2025 lasting 18-months. This is the first acquisition under our newly launched Zentra Living brand, focused on delivering design-led residential apartments for urban professionals.

Sales of Property and Land

Generating cash flow through sales is a key priority. Our recent sales activity includes:

- One Meadow, Eccleshill: Again, post reporting period, in February 2025, we completed the sale of 19 out of 24 units to a registered housing provider, allowing full repayment of the development finance facility. Of the remaining 5 units, 2 are reserved and 3 are being marketed for private sale.

- Seaton House, Stockport: The building was sold in July 2024 for £600,000, and contracts have been exchanged for the sale of the rear land (an existing car park) for £400,000, with completion expected in Q2 2025.

- Churchgate, Leicester: A recently resolved rights-of-light dispute allowed us to bring this land back to market and it sold at auction in March 2025 (see Note 17 to the financial statements).

- One Victoria, Manchester: 59 units have been reserved or exchanged, with 70 units remaining unsold. We aim to secure pre-sales for all remaining units before practical completion of the project in Q3 2025.

Strengthening the Leadership Team

During the period under review, we made key senior hires to enhance our strategic capabilities:

- Nick Courtney joined as Finance Director, bringing 25 years' expertise in real estate, construction, and corporate advisory services.

- Scott Nicol was appointed as Group Head of Investment, bringing 20 years' experience in the UK real estate market including direct involvement in the origination and execution of over £3 billion in investment and development projects

- Ben Scandrett took on the role of Group Development Director, leading our development activities. Ben has over 25 years' experience in both residential and commercial property markets managing complex, multi-stakeholder projects across the UK.

Market Environment and Outlook

Despite macroeconomic challenges such as rising interest rates and inflationary pressures, we remain confident in the long-term prospects of residential development, particularly in the northern cities where we operate. Demand for high-quality homes remains strong, and we believe our strategic focus on the right markets will yield positive results in the second half of FY25.

Our key priorities moving forward include:

- Delivering key projects, including completing One Victoria, Manchester (Q3 2025) and commencing construction at New Islington, Manchester (Q4 2025).

- Maximising sales, including selling the remaining 70 units at One Victoria, Manchester and 5 unsold units at One Meadow, Eccleshill.

- Expanding our development pipeline through strategic land acquisitions and partnerships.

Conclusion

We have made significant progress during the period under review, overcoming challenges with decisive action and a clear strategic direction. As we move forward, our focus remains on delivering value to shareholders, employees, and the communities we serve. With a strengthened leadership team and a streamlined business model, we are well positioned for continued success.

FINANCE REVIEW

For the six months ended 31 December 2024, revenue decreased by £7.18m (-78%) to £1.97m (H1 FY24: £9.15m). This primarily reflects reduced activity in development sales and construction services.

Revenue	H1 FY25 £m	H1 FY24 £m	Change £m	Change %
Development management fees & other income	0.27	0.29	(0.02)	(7%)
Development sales	1.31	4.99	(3.68)	(74%)
Construction *	0.23	3.70	(3.47)	(94%)
Property Services	0.10	0.11	(0.01)	(9%)
Corporate	0.06	0.06	-	-
TOTAL	**1.97**	**9.15**	**(7.18)**	**(78%)**

* Construction revenues from the refurbishment of Co-Living properties are being phased out in line with the current strategic focus.

Notwithstanding the reduction in activity compared to the prior period, developments sales revenue remained the largest contributor to Group revenue, accounting for 66% of total revenue. This revenue was driven mainly by the sale of the building at Seaton House, Stockport for £600,000, two completions at Oscar House and one completion at St Petersgate, Stockport.

Construction services delivered revenue of £0.23m in the period (H1 FY24: £3.70m), reflecting building activity supplied to related parties (predominantly Robin Hood Property Development Ltd) on Co-Living properties. The reduction in revenue reflects the Group's continued strategic move away from the provision of Co-Living and property management services.

There was a small reduction in development management fee income of £0.02m to £0.27m (H1 FY24: £0.29m), and this was delivered from three projects: related party projects at One Victoria, Manchester, at One Heritage Tower, Salford, and Bee Kitchens, Salford.

Property Services also saw a small decrease over the same period last year from £0.11m in H1 FY24 to £0.10m in H1 FY24. The £0.10m of revenue relates to property management fees.

Gross profit reduced by £0.87m to a loss of £0.71m (H1 FY24: profit £0.16m) as a result of higher impairments in the current year. The impairment charge in the period of £1.05m (H1 FY24: £0.33m) predominantly relates to the plots at One Meadow, Eccleshill following a shift in strategy to market the majority of plots as a bulk sale rather than as individual sales, as well as an impairment to the value of the plot at Churchgate, Leicester. The gross margin was also lower than targeted due to a number of schemes within the Group having previously been impaired and therefore there is no margin to be recognised on these schemes as we complete on sales in the current period.

Administrative expenses were £1.35m in the period (H1 FY24: £1.53m). This represents an overall £0.18 decrease in overheads arising from a decrease in staff costs and consultancy costs. The Group remains focused on a tight control of overheads, whilst introducing some investment in cost to benefit revenue streams.

The Group recorded an operating profit of £0.50m (H1 FY24: loss of £1.37m). Whilst this was largely due to the profit of £2.56m (H1 FY24: Nil) on disposal of four entities from the Group shown in Note 8 to the financial statements, this was offset by the increased asset impairment charges in the period. Finance costs were flat compared to last year at £0.57m (H1 FY24: £0.57m). Basic loss per share was 0.2 pence (H1 FY24: loss 5.2 pence).

There have been some significant changes to the Group balance sheet in the period to 31 December 2024.

On 28 October 2024, One Heritage Bank Street Limited and One Heritage Lincoln House Limited and the related party OH UK Holdings 2 Limited entered into a 12 month loan facility agreement with Hilco Real Estate Finance UK Ltd of £2.33m secured against the completed properties held by those companies, of which £1.6m is attributable to Bank Street, Sheffield and Lincoln House, Bolton.

On 22 November 2024, the Company completed on the acquisition of a 30% stake in the entity that owns the One Victoria project by purchasing debt and shares to the value of £3.0m from One Heritage Property Development Limited in Hong Kong ("OHPD"). The acquisition was funded by drawing down £3.0m from the then remaining shareholder loan facility ("Previous Facility"). The impact of this acquisition is shown in Note 10 to the financial statements.

Simultaneous to the investment in One Victoria, Manchester, the Company completed the sale of a portfolio of completed residential and commercial properties, valued at approximately £7.0m, to OH UK Holdings Limited ("OHUK"), a company connected with OHPD. This portfolio included residential properties at Bank Street, Sheffield, Lincoln House, Bolton and Oscar House, Manchester, as well as the commercial unit at St Petersgate, Stockport. With approximately £2.0m of debt linked to Oscar House, the net proceeds of the portfolio sale were £5.0m and those proceeds were applied to reduce the Previous Facility from £13.8m million to £8.8m.

As part of that restructuring, OHPD entered into a new loan agreement with OHUK at an interest rate of 6%. The loan has a repayment date of 31 December 2025, with an option to extend for up to 36 months. OHUK is a related party, sharing the same majority shareholders as the Company and OHPD. £6.7m of this new loan was drawn down on completion and used to partially repay the Previous Facility. The balance of £2.1m of the Previous Facility was then written off by OHPD as part of the restructuring, and the Previous Facility was settled in full at completion and terminated. At the same time, a new loan facility of £7.0m (the "New Facility") was provided to the Group by OHUK at an interest rate of 6%, lower than the previous rate of 7%, such facility to become available from the date of completion of the property transactions outlined above. The loan has a repayment date of 31 December 2025, with an option for the Group to extend for a period of up to 36 months. OHUK also agreed to provide access to an additional £1.0m of funding (on the same terms as the New Facility) for a period up to 18 months to support the Group with short-term liquidity whilst development inventory is realised.

As a result of the above transactions, net debt at 31 December 2024 was £11.24m (30 June 2024: £16.98m), a reduction of £5.74m or 34%. Inventory reduced in the period by £7.42m to £5.85m (30 June 2024: £13.27m) reflecting the bulk disposal to OHUK outlined above as well as the continued sell-down of inventory on a property-by-property basis.

The surplus of proceeds over net assets (following the write-off of intercompany positions owed to the Group) from the disposals to OHUK described above of £2.56m has been recognised as an Exceptional Item in the Consolidated Statement of Comprehensive Income. The loan waiver of £2.1m has been recognised as a Capital Contribution Reserve in the Consolidated Statement of Financial Position. The latter is also shown in the Consolidated Statement of Changes in Equity.

RISK MANAGEMENT AND PRINCIPAL RISKS

The ability of the Group to operate effectively and achieve its strategic objectives is subject to a range of potential risks and uncertainties. The Board and the broader management team take a pro-active approach to identifying and assessing internal and external risks. The potential likelihood and impact of each risk is assessed and mitigation policies are set against them that are judged to be appropriate to the risk level. Management constantly updates plans and these are monitored by the Audit and Risk Committee and reported to the Board.

The principal risks that the Board sees as impacting the Group in the coming period are divided into six categories, and these are set out below together with how the Group mitigates such risks.

1. Strategy: Government regulation, planning policy and land availability.

2. Delivery: Inadequate controls or failures in compliance will impact the Group's operational and financial performance.

3. Operations: Availability and cost of raw materials, sub-contractors and suppliers.

4. People & Culture: Attracting and retaining high-calibre employees.

5. Finance & Liquidity: Availability of finance and working capital.

6. External Factors: Economic environment, including housing demand and mortgage availability.

1. Strategy: Government regulation, planning policy, and land availability

A risk exists that changes in the regulatory environment may affect the conditions and time taken to obtain planning approval and technical requirements including changes to Building Regulations or Environmental Regulations, increasing the challenge of providing quality homes where they are most needed. Such changes may also impact our ability to meet our margin or site return on capital employed (ROCE) hurdle rates (this ratio can help to understand how well a company is generating profits from its capital as it is put to use). An inability to secure sufficient consented land and strategic land options at appropriate cost and quality in the right locations to enhance communities, could affect our ability to grow sales volumes and/or meet our margin and site ROCE hurdle rates. The Group mitigates against these risks by liaising regularly with experts and officials to understand where and when changes may occur. In addition, the Group monitors proposals by the Government to ensure the achievement of implementable planning consents that meet local requirements and that exceed current and expected statutory requirements. The Group regularly reviews land currently owned, committed and pipeline prospects, underpinned with robust key business control where all land acquisitions are subject to formal appraisal and approved by the senior executive team.

2. Delivery: Inadequate controls or failures in compliance will impact the Group's operational and financial performance

A risk exists of failure to achieve excellence in construction, such as design and construction defects, deviation from environmental standards, or through an inability to develop and implement new and innovative construction methods. This could increase costs, expose the Group to future remediation liabilities, and result in poor product quality, reduced selling prices and sales volumes.

To mitigate this the Group liaises with technical experts to ensure compliance with all regulations around design and materials, along with external engineers through approved panels. It also has detailed build programmes supported by a robust quality assurance.

3. Operations: Availability and cost of raw materials, sub-contractors and suppliers

A risk exists that not adequately responding to shortages or increased costs of materials and skilled labour or the failure of a key supplier, may lead to increased costs and delays in construction. It may also impact our ability to achieve disciplined growth in the provision of high quality homes.

Following a strategic review, the Group has taken the opportunity to cease our participation in in-house construction of residential development projects, and this will take effect upon the completion of our current projects under construction.

4. People & Culture: Attracting and retaining high-calibre employees

A risk exists that increasing competition for skills may mean we are unable to recruit and/or retain the best people. Having sufficient skilled employees is critical to delivery of the Group's strategy, whilst maintaining excellence in all of our other strategic priorities.

To mitigate this the Group has a number of People Strategy programmes which include development, training and succession planning, remuneration benchmarking against competitors, and monitoring of employee turnover, absence statistics and feedback from exit interviews.

5. Finance & Liquidity: Availability of finance and working capital

A risk exists that lack of sufficient borrowing and surety facilities to settle liabilities and/or an ability to manage working capital, may mean that we are unable to respond to changes in the economic environment, and take advantage of appropriate land buying and operational opportunities to deliver strategic priorities.

To minimise this risk, the Group has a disciplined operating framework with an appropriate capital structure, and management have stress tested the Group's resilience to ensure the funding available is sufficient. This process has regular management and Board attention to review the most appropriate funding strategy to drive the Group's growth ambitions.

6. External Factors: Economic environment, including housing demand and mortgage availability

A risk exists that changes in the UK macroeconomic environment may lead to falling demand or tightened mortgage availability, upon which most of our customers are reliant, thus potentially reducing the affordability of our homes. This could result in reduced sales volumes and affect our ability to deliver profitable growth.

To mitigate this risk, the wider Group has a significant presence in Hong Kong, China and Singapore and the majority of overseas purchasers are cash buyers. The Group continually monitors the market at Board, Executive Committee and team levels, leading to amendments in the Group's forecasts and planning, as necessary. In addition there are comprehensive sales policies, regular reviews of pricing in local markets and development of good relationships with mortgage lenders. This is underpinned by a disciplined operating framework with an appropriate capital structure and strong balance sheet.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of Zentra Group PLC are listed on the company website, www.zentragroup.co.uk

By order of the Board

Jason Upton

Chief Executive Officer

27 March 2025

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the six months ended 31 December 2024

£ unless stated	Notes	Six months to 31 December 2024	Six months to 31 December 2023
Revenue	6	1,972,209	9,153,637
Revenue – Development management fees & other income		270,307	290,411
Revenue – Development sales		1,315,573	4,998,598
Revenue – Construction		234,446	3,696,623
Revenue – Property services		95,883	112,005
Revenue – Corporate		56,000	56,000
Cost of sales	6	(2,678,931)	(8,991,637)
Cost of sales – Development management fees & other income		(107,585)	-
Cost of sales – Development sales		(1,263,356)	(5,095,322)
Cost of sales – Construction		(224,607)	(3,519,421)
Cost of sales – Property services		(37,914)	(50,781)
Cost of sales – Impairment of inventory		(1,045,469)	(326,113)
Gross profit/(loss)		(706,722)	162,000
Other income			83
Administration expenses	7	(1,348,885)	(1,534,662)
Exceptional item	8	2,558,986	-
Operating profit/(loss)		**503,379**	**(1,372,579)**
Finance expense		(569,588)	(565,495)
Profit/(loss) before taxation		**(66,209)**	**(1,938,074)**
Taxation		(26,514)	(67,301)
Profit/(loss) after taxation		**(92,723)**	**(2,005,375)**
Other comprehensive income		-	-
COMPREHENSIVE LOSS attributable to shareholders		**(92,723)**	**(2,005,375)**
Weighted average shares in issued over the period		38,678,333	38,440,561
(Loss) per share (GBp)		(0.2)	(5.2)

The accompanying notes on pages 12 to 20 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of financial position

As at 31 December 2024

£ unless stated	Notes	As at 31 December 2024	As at 30 June 2024
ASSETS			
Non-current assets			
Property, plant and equipment		137,582	177,204
Intangible asset		-	1,680
		137,582	178,884
Current assets			
Cash and cash equivalents		125,284	88,161
Inventory	9	5,854,794	13,273,743
Investment in associate	10	3,000,000	-
Trade and other receivables	11	1,117,810	1,312,476
		10,097,888	14,674,380
TOTAL ASSETS		**10,235,470**	**14,853,264**
LIABILITIES			
Non-current liabilities			
Borrowings	13	59,381	11,097,615
		59,381	11,097,615
Current liabilities			
Trade and other payables	12	941,459	1,826,470
Borrowings	13	11,183,516	5,877,673
		12,124,975	7,704,143
TOTAL LIABILITIES		12,184,356	18,801,758
EQUITY			
Share capital	14	386,783	386,783
Share premium	14	4,753,325	4,753,325
Capital contribution reserve	13	2,092,331	-
Retained earnings		(9,181,325)	(9,088,602)
TOTAL EQUITY		(1,948,886)	(3,948,494)
TOTAL LIABILITIES AND EQUITY		**10,235,470**	**14,853,264**
Shares in issue		38,678,333	38,678,333
Net asset value per share (GBp)		(5.0)	(10.2)

The accompanying notes on pages 12 to 20 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of cash flows

For the six months ended 31 December 2024

£ unless stated	Six months to 31 December 2024	Six months to 31 December 2023
Cash flows from operating activities		
Loss for the period before tax	(66,209)	(1,938,074)
Adjustments for:		
Finance expense	569,588	565,495
Profit on disposal of subsidiary	(2,558,986)	-
Profit on disposal of fixed assets	8,733	-
Amortisation of intangible asset	1,680	116
Depreciation of property, plant and equipment	32,529	52,330
Movement in working capital:		
(Increase)/Decrease in trade and other receivables*	(289,302)	(2,344,471)
Decrease/(Increase) in inventories*	874,885	3,540,306
Increase in trade and other payables*	6,981,924	548,102
Cash from operations	**5,554,842**	**423,804**
Taxation paid	(26,514)	(67,601)
Net cash generated from / (used in) operating activities	**5,528,328**	**356,203**
Cash flows from investing activities		
Investment in associate	(3,000,000)	-
Purchases of property, plant and equipment	(1,475)	(1,423)
Net cash (used in)/generated from investing activities	**(3,001,475)**	**(1,423)**
Financing cash flows		
Issue of share capital	-	-
Interest paid	(655,913)	(2,151,731)
Proceeds of third party borrowing	688,248	4,067,218
Payment of third party loans*	2,011,153	(4,118,054)
Proceeds of related party borrowing	10,700,630	1,712,654
Payment of related party loans	(15,137,225)	-
Payments made in relation to lease liabilities	(86,623)	(43,312)
Net cash (used in)/generated from financing activities	**(2,479,730)**	**(533,225)**
Net change in cash and cash equivalents	**47,123**	**(178,445)**
Opening cash and cash equivalents at 1 July*	78,161	303,816
Closing cash and cash equivalents at 31 December	**125,284**	**125,371**

* Figures have been adjusted to remove the net assets of the disposed entities at 30 June 2024 as shown in Note 8.

The accompanying notes on pages 12 to 20 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of changes in equity

For the six months ended to 31 December 2024

£	Share capital	Share premium	Retained earnings	Capital contribution reserve	Total Equity
Balance at 01 July 2024	386,783	4,753,325	(9,088,602)	-	(3,948,494)
Loss for the period	-	-	(92,723)	2,092,331	1,999,608
Other additions	-	-	-	-	-
Balance at 31 December 2024	**386,783**	**4,753,325**	**(9,181,325)**	**2,092,331**	**(1,948,886)**

For the six months ended 31 December 2023

£	Share Capital	Share premium	Retained earnings	Capital contribution reserve	Total Equity
Balance at 01 July 2023	386,783	4,753,325	(5,708,824)	-	(568,716)
Loss for the period	-	-	(2,005,375)	-	(2,005,375)
Other additions	-	-	-	-	-
Balance at 31 December 2023	**386,783**	**4,753,325**	**(7,714,199)**	**-**	**(2,574,091)**

For the year ended 30 June 2024

£	Share capital	Share premium	Retained earnings	Capital contribution reserve	Total equity
Balance at 01 July 2023	386,783	4,753,325	(5,708,824)	-	(568,716)
Loss for the period	-	-	(3,379,378)	-	(3,379,378)
Other comprehensive income for the period	-	-	-	-	-
Balance at 30 June 2024	**386,783**	**4,753,325**	**(9,088,602)**	**-**	**(3,948,494)**

The accompanying notes on pages 12 to 20 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Notes to the interim financial statements

For the six months ended to 31 December 2024

1. Reporting entity

Zentra Group PLC (the "Company") is a public limited company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office and its principal place of trading is 80 Mosley Street, Manchester, M2 3FX. The principal activity of the company is that of property development.

These condensed consolidated interim financial statements ("interim financial statements") as at the end of the six month period to 31 December 2024 comprise of the Company and its subsidiaries.

2. Basis of preparation

These interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2024 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 30 June 2024.

These interim financial statements were authorised for issue by the Company's board of directors on 27 March 2025.

Going concern

Notwithstanding net liabilities of £1,948,886 as at 31 December 2024 (30 June 2024: net liabilities £3,948,494) and a loss for the interim period then ended of £92,723 (H1 FY24: £2,005,375), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast on a consolidated basis for the period to 30 June 2026 which indicates that, taking account of reasonably possible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period using the proceeds from:

- existing resources held by the Group
- the forecast continued sale of development property inventory; and
- in the event of need, an additional £1m increase to the debt facility provided by OH UK Holdings Limited which can be drawn down as required.

As with any company placing reliance on other group/related entities for financial support, the Directors acknowledge that although there can be no absolute certainty that this support will continue, at the date of approval of these financial statements, they have substantive reasons to believe that it will do so.

Consequently, the directors are confident that the Company and its subsidiaries will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

FINANCIAL STATEMENTS
Notes to the interim financial statements *continued*
For the six months ended to 31 December 2024

3. Use of judgements and estimation uncertainty

In preparing these Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts in the financial statements. The management continually evaluate these judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses based upon historical experience and on other factors that they believe to be reasonable under the circumstances. Actual results may differ from the judgements, estimates and assumptions.

The key areas of judgement and estimation are:

- *The carrying value of inventory*: Under IAS 2: Inventories the Group must hold developments at the lower of cost and net realisable value. The Group applies judgement to determine the net realisable value of developments at a point in time that the property is partly developed and compares that to the carrying value. The Group has undertaken an impairment review of all of the Inventory and determined that an impairment is appropriate on two of the developments.

- *Going concern:* The Directors have prepared forecast financial information for the period to June 2026. This forecast requires management to make judgements and assumptions with regard to future performance, such as the timing of completion of development projects, and subsequent sales of inventory as well as the availability of resources to meet liabilities as they fall due.

- *Recognition of investment in associate*: The Group applies judgement to determine how to recognise the equity investment acquired in Zentra Great Ducie Street Limited. The Directors have assessed that the level of influence over that entity is insufficient to recognise it as a subsidiary of the Group. Accordingly the investee has been treated as an associate and recognised using equity accounting.

4. Accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2024. The accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2025.

No new accounting standards were adopted in the year that had a significant impact on these financial statements.

5. Operating segments

The Group operates four segments: Developments, Construction, Property Services and Corporate.

All the revenues generated by the Group were generated within the United Kingdom. Segment operating profit or loss is used as a measure of performance as management believe this is the most relevant information when evaluating the performance of a segment.

For the period ended 31 December 2024:

£ unless stated	Developments	Construction	Property Services	Corporate	Total
Revenue	1,585,880	234,446	95,883	56,000	1,972,209
Cost of sales	(1,364,136)	(224,607)	(44,719)	-	(1,633,462)
Impairment of inventory	(1,045,469)	-	-	-	(1,045,469)
Gross (loss)/profit	(823,725)	9,839	51,164	56,000	(706,722)
Depreciation	-	-	-	(32,606)	(32,606)
Administration expenses	(353,295)	-	(54,981)	(908,003)	(1,316,279)
Exceptional item	-	-	-	2,558,986	2,558,986
Operating (loss)/profit	**(1,177,020)**	**9,839**	**(3,817)**	**1,674,377**	**503,379**
Finance expense	(202,192)	-	-	(367,396)	(569,588)
Taxation	-	-	-	(26,514)	(26,514)
(Loss)/profit for the year	**(1,379,212)**	**9,839**	**(3,817)**	**1,280,467**	**(92,723)**

FINANCIAL STATEMENTS
Notes to the interim financial statements *continued*
For the six months ended to 31 December 2024

5. Operating segments *continued*

For the period ended 31 December 2023:

£ unless stated	Developments	Construction	Property Services	Corporate	Total
Revenue	5,289,009	3,696,623	112,005	56,000	9,153,637
Cost of sales	(5,095,322)	(3,519,421)	(50,781)	-	(8,665,524)
Impairment of inventory	(326,113)	-	-	-	(326,113)
Gross (loss)/profit	(132,426)	177,202	61,224	56,000	162,000
Depreciation	-	-	-	(52,446)	(52,446)
Administration expenses	(416,790)	-	(243,354)	(821,989)	(1,482,133)
Operating (loss)/profit	**(549,216)**	**177,202**	**(182,130)**	**(818,435)**	**(1,372,579)**
Finance expense	(169,493)	-	-	(396,002)	(565,495)
Taxation	-	-	(400)	(66,901)	(67,301)
(Loss)/profit for the year	**(718,709)**	**177,202**	**(182,530)**	**(1,281,338)**	**(2,005,375)**

Segment operating profit or loss is used as a measure of performance as management believe this is the most relevant information when evaluating the performance of a segment.

6. Revenue

The Group generates its revenue primarily from development management agreements, development sales and construction services.

£ unless stated	Six months to 31 December 2024	Six months to 31 December 2023
Revenue		
Development sales	1,315,573	4,998,598
Development management	270,307	290,411
Construction	234,446	3,696,623
Property services	95,883	112,005
Corporate	56,000	56,000
	1,972,209	9,153,637
Cost of sales		
Development sales	(1,364,136)	(5,095,322)
Impairment of inventory (see note 8)	(1,045,469)	(326,113)
Construction	(224,607)	(3,519,421)
Property services	(44,719)	(50,781)
Corporate	-	-
	(2,678,931)	(8,991,637)
Gross (loss)/profit	**(706,722)**	**162,000**

FINANCIAL STATEMENTS
Notes to the interim financial statements *continued*
For the six months ended to 31 December 2024

6. Revenue *continued*

Developments consist of sales of properties owned and developed by the Group and three development management agreements with One Heritage Tower Limited, One Heritage Great Ducie Street Limited and Bee Kitchens Limited:

- One Heritage Tower Limited: The Group earns a management fee of 0.75% of costs incurred to date per month, being £80,178 (31 December 2023: £70,530) and a 10% share of net profit generated by the development through the agreement with One Heritage Tower Limited. The Group is also entitled to 1% of any external debt or equity funding raised on behalf of the development.
- One Heritage Great Ducie Street Limited: The Group earned a management fee of £103,080 (31 December 2023: £103,080) through the agreement with One Heritage Great Ducie Street.
- Bee Kitchens Limited: The Group earned a management fee of £87,050 (31 December 2023: Nil) as well as a transaction fee and finance procurement fee.

The Group has not recognised any revenue linked to the profit share element of these agreements as the transaction price is variable and the amount cannot be reliably determined at this time. This is because the developments are either yet to commence construction or have reached practical build completion but sales values are not yet fully committed, and as such there is too much uncertainty to reliably estimate expected revenue.

During the period £1,215,000 development sales revenue was generated from external parties through the sale of 3 units in completed developments and the sale of Seaton House (2023: £4,998,598). In the Oscar House development, 2 units were sold during the period generating revenue of £470,000. The St Petersgate development sold 1 units generating £145,000 in revenue. The Seaton House development generated revenue of £600,000.

Construction generates the majority of revenue from two entities: Robin Hood Property Development Limited and One Heritage North Church Limited. The Group receives a cost plus 5.0% margin on all works undertaken for Robin Hood Property Development Limited, recognising £222,355 (31 December 2023: £458,902) of revenue in the year. The Group has also generated revenue from work for One Heritage North Church Limited in the period on a cost plus 5.0% margin basis, as well as revenue for work for One Heritage St Petersgate Limited and One Heritage Bank Street Limited following their sale from the Group.

The development management and construction revenues have been generated through related parties.

Property Services generated revenue from management fees that are based on a percentage of gross rental collected for clients and through transaction fees for each Co-Living property bought and sold, including that for Robin Hood Property Development Limited, a related party. These activities generated revenue in the period of £95,883 (31 December 2023: £112,005).

The Corporate revenue is from contracts signed with related parties Robin Hood Property Development Limited, generating revenue of £50,000 (2023: £50,000) and One Heritage Property Rental Limited, recognising revenue of £6,000 (2023: £6,000) and is in consideration for a range of administration services and use of the Group's office.

7. Administration expenses

£ unless stated	Six months to 31 December 2024	Six months to 31 December 2023
The aggregate remuneration comprised:		
- Wages and salaries	615,886	690,185
- National insurance	64,664	76,603
- Pension costs	8,399	10,667
Staff costs	688,949	777,455
Other administration expenses	659,936	757,207
	1,348,885	1,534,662
Average number of employees	22	28

FINANCIAL STATEMENTS

Notes to the interim financial statements *continued*

For the six months ended to 31 December 2024

8. Exceptional Item

£ unless stated	OH Oscar House	OH Lincoln House	OH Bank Street	OH St Petersgate	Total
Net assets at 30 June 2024	(899,936)	801,450	(1,984,069)	(1,132,926)	(3,215,481)
Trading movement	(216,650)	30,213	(34,419)	(46,498)	(267,354)
Total	(1,116,586)	831,663	(2,018,488)	(1,179,424)	(3,482,835)
Intercompany write-off	3,083,093	-	1,671,702	1,169,054	5,923,849
Net assets at 22 November 2024	1,966,507	831,663	(346,786)	(10,370)	2,441,014

Consideration received	5,000,000
Net assets at 22 November 2024	(2,441,014)
Profit on disposal	2,558,986

There was no Exceptional Item recognised in the six months to 31 December 2023.

9. Inventory

£ unless stated	31 December 2024	30 June 2024
Residential developments		
- Land	1,617,426	3,427,634
- Construction and development costs	3,667,984	8,406,730
- Capitalised interest	569,384	1,439,379
	5,854,794	13,273,743

Due to further expenditures as well as the decision to market the development through bulk sales, the Group has taken the decision to further impair the value of its One Meadow development at Eccleshill. The plot at Churchgate, Leicester was also impaired during the period. The impairment totalled £1,006,865 at 31 December 2024 and the charge for the period ended 31 December 2024 was £1,045,469 (31 December 2023: £326,113).

10. Investment in Associate

£ unless stated	31 December 2024	30 June 2024
Opening	-	-
Additions – cost of debt acquired	2,999,970	-
Additions – cost of equity acquired	30	-
Closing	3,000,000	-

On 22 November 2024 the Group invested £3,000,000 to acquire £2,999,970 of debt, and £30 for a 30% stake, in Zentra Great Ducie Street Limited (the 70% controlling interest is owned by One Heritage Property Development Limited incorporated in Hong Kong). This has been recognised using the equity method of accounting.

Zentra Great Ducie Street Limited is undertaking the development of the One Victoria project in Manchester, where the Group also serves as Development Manager. Scheduled for completion in H1 FY26, One Victoria comprises 129 apartments and 2 commercial units.

FINANCIAL STATEMENTS
Notes to the interim financial statements *continued*
For the six months ended to 31 December 2024

11. Trade and other receivables

£ unless stated	31 December 2024	30 June 2024
Trade receivables	43,454	25,407
Other debtors	388,298	392,827
Prepaid sales fees and commissions	-	55,200
Other prepayments and other income	61,473	385,219
Tax receivable	59,800	35,206
Related party receivable	564,785	418,617
	1,117,810	1,312,476

Related party receivables include £301,757 (30 June 2024: £248,564) due from Robin Hood Property Development Limited, £113,121 due from One Heritage Tower Limited (30 June 2024: £48,163) and £99,746 due from Bee Kitchens Limited (30 June 2024: nil) all of whom are related parties.

Other debtors includes a Construction Industry Scheme tax receivable from HMRC of £252,980 (30 June 2024: £252,980) and utility costs receivable from the management of client properties.

Management consider that the credit quality of the various receivables is good in respect of the amounts outstanding, there have been no increases in credit risk and therefore credit risk is considered to be low. Therefore, no expected credit loss provision has been recognised.

12. Trade and other payables

£ unless stated	31 December 2024	30 June 2024
Trade payables	115,208	653,156
Accruals	213,079	918,264
Customer deposits	1,000	67,950
Related party payable	476,634	79,915
Other payable	-	19,891
Tax payable	49,337	(440)
PAYE payable	86,201	87,734
	941,459	1,826,470

Trade payables and accruals relate to amounts payable at the reporting date for services received during the period.

Related party payables includes £232,365 (30 June 2024: £2,280) due to Robin Hood Property Development Limited.

The company has financial risk management policies in place to ensure that all payables are paid within agreed payment terms.

13. Borrowing

£ unless stated	As at 31 December 2024	As at 30 June 2024
Non - current		
Lease liability	59,381	116,131
Related party borrowings	-	10,981,484
	59,381	11,097,615
Current		
Lease liability	86,623	86,623
Related party borrowings	6,911,241	-
Loan	4,185,652	5,791,050
	11,183,516	5,877,673
	11,242,897	16,975,288

Related party borrowings

On 22 November 2024, the previous loan facility with One Heritage Property Development Limited (the controlling shareholder incorporated in Hong Kong) was repaid (including a waiver of £2,092,331) and refinanced by OH UK Holdings Limited (a related party). The new loan has a facility of £7.0m at an interest rate of 6%. The loan is repayable on 31 December 2025, with an option for the Group to extend for a period of up to 36 months. OH UK Holdings Limited has agreed to provide access to an additional £1.0m of funding (on the same terms) for a period of 18 months to support short-term liquidity.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				As at 31 December 2024		As at 30 June 2024	
£ unless stated	Currency	Nominal interest rate	Maturity Date	Face value	Carrying amount	Face value	Carrying amount
Hampshire Trust Bank Limited	GBP	10.8%	Mar-25	3,685,652	3,685,652	2,819,956	2,819,956
Funding 365 Limited	GBP	9.6%	Jun-25	-	-	2,471,094	2,471,094
One Heritage Property Development	GBP	7.0%	Dec-25	-	-	10,981,484	10,981,484
OH UK Holdings Limited	GBP	6.0%	Dec-25	6,911,241	6,911,241	-	-
Loan Note	GBP	8.0%	Mar-25	500,000	500,000	500,000	500,000
				11,096,893	11,096,893	16,772,534	16,772,534

14. Share capital

£ unless stated	As at 31 December 2024	As at 30 June 2024
Share capital (1p per share)	386,783	386,783
Share premium	4,753,325	4,753,325
	5,140,108	5,140,108

All shares issued by the Company are ordinary shares and have equal voting and distribution rights.

15. Financial instruments and fair value disclosures

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts of financial assets and liabilities, including their levels in the fair value hierarchy:

As at 31 December 2024

	Carrying value			Fair value			
£ unless stated	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade and other receivables	1,117,810	-	1,117,810	-	-	1,117,810	1,117,810
Cash and cash equivalents	137,582	-	137,582	137,582	-	-	137,582
	1,255,392	-	1,255,392	137,582		1,117,810	1,255,392
Financial liabilities not measured at fair value							
Secured bank loans		3,685,652	3,685,652			3,685,652	3,685,652
Other borrowings		7,411,241	7,411,241			7,411,241	7,411,241
Lease liability		86,623	86,623			86,623	86,623
Trade and other payables		941,459	941,459			941,459	941,459
		12,124,975	12,124,975			12,124,975	12,124,975

As at 30 June 2024

	Carrying value			Fair value			
£ unless stated	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade and other receivables	1,312,476	-	1,312,476	-	-	1,312,476	1,312,476
Cash and cash equivalents	88,161	-	88,161	88,161	-	-	88,161
	1,400,637	-	1,400,637	88,161	-	1,312,476	1,400,637
Financial liabilities not measured at fair value							
Secured bank loans	-	5,291,050	5,291,050	-	-	5,291,050	5,291,050
Other borrowings	-	11,481,484	11,481,484	-	-	11,481,484	11,481,484
Lease liability	-	202,754	202,754	-	-	202,754	202,754
Trade and other payables	-	1,826,470	1,826,470	-	-	1,826,470	1,826,470
	-	18,801,758	18,801,758	-	-	18,801,758	18,801,758

16. Related party

Parent and ultimate controlling party

At the reporting date 65.15% of the shares are held by One Heritage Property Development Limited, which is incorporated in Hong Kong. One Heritage Holding Group Limited, incorporated in the British Virgin Islands, is considered the ultimate controlling party through its 100% ownership of One Heritage Property Development Limited.

Compensation of the Group's key management personnel is short term employee benefits.

Transactions with key management

Key management personnel compensation comprised the following:

£ unless stated	31 December 2024	30 June 2024
Short term employee benefits	342,630	490,045

17. Events after the reporting date

We have announced via RNS announcement the following:

On 11 February 2025, One Heritage Property Development Limited (the parent and ultimate controlling party incorporated in Hong Kong) disposed of 11.31% of its equity, reducing its holding to 53.84%.

On 28 February 2025, the Group completed a sale of 19 of the 24 plots at Eccleshill to Manningham Homes for £3,959,313. The proceeds disposal from Zentra Victoria Road Limited have been applied in the first instance to repay the external debt facility on the development.

On 3 March 2025, Zentra exchanged contracts to acquire a parcel of land at Old Mill St, Manchester for £1.43m, subject to formal planning permission. The proposed development on the site will consist of a six-storey apartment block, delivering 40 residential units (20 two-bedroom and 20 one-bedroom apartments) and a ground-floor commercial unit The acquisition will be partly funded by existing Group cash resources and external debt. Completion of the purchase is expected in April 2025.

On 5 March 2025, Zentra extended a 12 month unsecured loan of £500,000 at a revised interest rate of 6% (down from 8% in the previous twelve month period), effective from 15 March 2025.

The Group is today announcing that on 19 March 2025, the plot of land at Churchgate, Leicester, sold at auction for £0.25m. The disposal is expected to complete in April 2025.