17 February 2025

Springfield Properties plc

("Springfield", the "Company", the "Group" or the "Springfield Group")

Interim Results

Springfield Properties (AIM: SPR), a leading housebuilder in Scotland focused on delivering private and affordable housing, announces its interim results for the six months ended 30 November 2024.

Financial Summary

	H1 2025 £m	H1 2024 £m	Change
Revenue	105.6	121.7	(13)%
Private housing revenue	*72.1*	*87.7*	(18)%
Affordable housing revenue	*20.4*	*25.4*	(20)%
Contract housing revenue	*6.0*	*1.9*	216%
Land sales	*5.1*	*5.6*	(9)%
Other revenue	*2.0*	*1.1*	82%
Gross margin (%)	17.7%	14.7%	300bps
Administrative expenses*	12.4	12.6	(2)%
Operating profit	6.1	4.8	27%
Adj. operating profit*	6.4	5.6	14%
Profit before tax	3.5	1.2	192%
Adj. profit before tax*	3.8	2.0	90%
Basic EPS (p)	2.27	1.00	127%
Adj. basic EPS* (p)	2.46	1.59	55%
Net bank debt	62.9	93.4	(33)%

** Adjusted to exclude exceptional costs of £0.3m (H1 2024: £0.9m) (See the Financial Review for further detail)*

Highlights

- Total completions of 361 (H1 2024: 432), in line with management expectations, reflecting market conditions
- Gross margin increased by 300 bps to 17.7% (H1 2024: 14.7%), due to profitable land sales and completion of legacy affordable contracts at the end of the prior financial year
- Adjusted profit before tax increased by 90% to £3.8m (H1 2024: £2.0m), primarily reflecting the improvement in affordable housing gross margin, sustained focus on cost control and land sales
- Substantial reduction in net bank debt to £62.9m (30 November 2024: £93.4m) as a result of the strategic action taken in FY 2024, including profitable land sales and a sustained focus on cost control
- Slight increase in private housing reservations in H1 2025 over H1 2024
- Commencement of delivery of certain affordable housing contracts was delayed due to uncertainty around availability of Scottish Government funding, however activity has increased following the Scottish Budget in December 2024
- Total owned land bank of 5,797 plots, 90% with planning permission, and 6,305 plots under contract
    - A large, high quality land bank, including significant holdings in the Highlands and Moray where the Group will benefit from the expected sharp increase in demand for housing to support the delivery of the Inverness and Cromarty Firth Green Freeport and substantial upgrades to the power network
- Long-term fundamentals of the Scottish housing market remain strong with the undersupply of

housing across all tenures becoming more acute and greater private housing affordability than the UK as a whole
- The Board has not declared an interim dividend (interim dividend 2024: nil) and remains committed to declaring a final dividend for FY 2025

Current Trading and Outlook for FY 2025

- Private housing reservation rate reduced from mid-December reflecting the subdued economy, but is currently experiencing signs of increased confidence following interest rate cuts
- Since the Scottish Budget in December 2024, affordable housing providers' confidence has improved and two new contracts have been signed that will commence in the current year
- The Group entered an agreement, post period, with BDW Trading Limited ("Barratt"), the principal operating subsidiary of Barratt Redrow plc, for the profitable sale of 2,480 plots of undeveloped land primarily in Central Scotland for £64.2m in cash
    - In addition, the parties are in non-binding discussions regarding the sale by the Group of further future land holdings on a number of sites
    - The proceeds of the land sale, which will be received over four years, will be used to accelerate the removal of the Group's bank debt and to capitalise on the significant opportunities in the North of Scotland
- The Group expects to:
    - report profit for FY 2025 significantly ahead of market expectations
    - achieve a net cash position, with no bank debt, by the end of FY 2027

Innes Smith, Chief Executive Officer of Springfield Properties, said:

"Trading for the first half of the year was in line with our expectations. The strategic action taken in the previous year to reduce our debt, along with sustained cost control in the period and further profitable land sales, delivered a substantial reduction in our net bank debt compared with the prior year. We also significantly improved our gross margin and achieved a strong increase in profit.

"While we are disappointed that some of our affordable housing projects were delayed due to uncertainty over availability of public funding, we are encouraged by the increase in activity in this area following the Scottish Budget in December. The housing market continues to be influenced by the wider economy and subdued confidence resulted in a dip in reservation rates from mid-December. However, we are currently seeing an increase in visitor levels, bolstered by the reduction in interest rates earlier this month, giving us optimism that reservation rates will recover in the near term.

"We are pleased to have signed this profitable land sale agreement with Barratt, which demonstrates the value of our large, high quality land bank. The proceeds will accelerate the removal of our debt and support our strategic focus of capitalising on the unprecedented growth opportunity in the North of Scotland. The requirement for new housing in the Highlands and Moray is substantial, driven by the need to house the increased population resulting from the incoming green infrastructure and the economic growth in the region. With significant land holdings across the Highlands and Moray and an established presence, Springfield is uniquely placed to deliver on this increased demand for homes."

Enquiries

Springfield Properties	
Sandy Adam, Chairman Innes Smith, Chief Executive Officer Iain Logan, Chief Financial Officer	+44 1343 552550

Singer Capital Markets	
Shaun Dobson, James Moat, Oliver Platts	+44 20 7496 3000
Gracechurch Group	
Harry Chathli, Claire Norbury, Henry Gamble	+44 20 4582 3500

Analyst Research

Equity Development and Progressive Equity produce freely available research on Springfield Properties plc, including financial forecasts. This is available to view and download here: https://www.thespringfieldgroup.co.uk/news/updates-and-analyst-reports

Results Investor Webinar

Innes Smith, Chief Executive Officer, and Iain Logan, Chief Financial Officer, will be presenting to investors, via a webinar hosted by Equity Development, at 9.00am GMT on 19 February 2025. Investors can register their attendance for the webinar here: https://www.equitydevelopment.co.uk/news-and-events/spr-investor-presentation-19feb2025

Operational Review

In line with management expectations, the Group completed a total of 361 homes in the six months to 30 November 2024 (H1 2024: 432), generating revenue of £105.6m (H1 2024: £121.7m). This was due to the Group having entered the period with a lower private housing forward orderbook than at the same point in the previous year. The number of private housing reservations secured in H1 2025 increased over H1 2024 as homebuyer confidence grew, albeit against a backdrop of a continued subdued economy. In affordable housing, while the Group experienced some short-term delays ahead of the Scottish Budget, completion of low margin legacy contracts in prior year supported a significant improvement in gross margin, as expected. This, combined with sustained cost control, enabled growth in operating profit to £6.1m (H1 2024: £4.8m).

Following the Group's land sale agreement with Barratt, as also announced today, the Group's strategic focus will be on the North of Scotland where the Group is uniquely placed to capitalise on the substantial need for new housing driven by the high population and economic growth expectations in the region. The proceeds of the sale will accelerate the removal of the Group's bank debt, with the Group achieving a cash positive position by FY 2027, and enable the Group to capitalise on these opportunities.

The Group continues to engage with key stakeholders regarding the creation of the Inverness and Cromarty Firth Green Freeport and upgraded powerlines in the North of Scotland to supply the UK with renewable energy. With significant land holdings across the Highlands and Moray and an established presence, the Group is extremely well-placed to deliver the new housing required for the development of this green infrastructure.

Existing live private and affordable sites in Central Scotland will be completed as planned, and the Group will continue to operate in Central Scotland over the longer term, primarily focused on its existing large developments, including Dykes of Gray and Bertha Park.

Land Bank

The majority of Springfield's high-quality land bank has been secured off market without planning, resulting in a very low average cost per plot that enables the Group to maximise the long-term value of its sites. With one of the largest land banks in Scotland, in key locations across the country, the Group has been focused in recent periods on realising the value of its existing sites.

During the period, the Group completed profitable land sales of £5.1m.

As at 30 November 2024, the Group had 5,797 owned plots (31 May 2024: 5,593), of which 90% had planning permission (31 May 2024: 88%), and 6,305 contracted plots (31 May 2024: 6,866), of which 55% had planning permission. The owned and contracted land bank equated to 14 years of activity and had a gross development value at 30 November 2024 of £3.2bn (31 May 2024: £3.1bn).

At period end, the Group was active on 40 developments (31 May 2024: 42) and during the period seven developments were completed and five new developments became active.

Agreement with Barratt

The Group has entered an agreement to sell to Barratt undeveloped land equating to 2,480 plots across six sites (the "Land Sale"). The Land Sale will complete in the current financial year, with the Group receiving the cash payment of £64.2m in four instalments over four years, with approximately 50% being received in the Group's current financial year. The land is from the Group's future pipeline and is primarily located across Central Scotland. In addition, the Group and Barratt are in non-binding discussions regarding the sale by the Group of a number of further future land holdings on a number of sites across Central Scotland.

The land is being sold at a c. 1.3x book value. The proceeds of the profitable Land Sale will be used to accelerate the removal of the Group's bank debt – becoming net cash positive by FY 2027 – and to capitalise on the significant opportunities that are emerging in the North of Scotland where the Group is uniquely placed to benefit.

Following the completion of the Land Sale, the Group will continue to have a large, high quality land bank, comprising approximately 3,498 owned plots and 4,324 contracted plots. The owned and contracted land – of which c. 83% and c. 39% respectively will have planning permission – will provide nine years of activity at current sales rates. The gross development value of the owned and contracted land will be £1.9bn.

Strategic focus on the North of Scotland

The Group's strategic focus going forward will be on the North of Scotland where the Board believes the greater growth opportunities exist. The Group will continue to build out and sell its existing live private and affordable housing sites in Central Scotland, which is expected to complete in c. 2-3 years, and will maintain a long-term presence in the region through its village developments in Dundee and Perth. New projects and land purchasing will be focused on the North of Scotland.

Following the Land Sale, the Group's land bank in Central Scotland will consist of 3,162 plots across 42 sites, comprising 19 current sites and 23 future sites. The Group will potentially sell further future sites to Barratt.

Ahead of the completion of the existing sites in Central Scotland, there will not be any changes in the Group's service provision, with its private and affordable housing customers receiving the same high level of service they are accustomed to, including continuing to have access to the Group's after-sales service. In addition, all contracts with subcontractors will be fulfilled and the supply chain secured to ensure delivery.

Private Housing

The number of private home completions in the period was 230 (H1 2024: 279). The Group entered the period with a lower forward orderbook than at the same point of the prior year, reflecting market conditions. During the period, there was a slight improvement in private housing reservation rates as homebuyer confidence grew, resulting in an increased number of private housing reservations being secured in H1 2025 compared with H1 2024. This was against a subdued economic backdrop, which, post period from mid-December, resulted in a reduction in reservation rate. The housing market remains sensitive to the wider economy and mortgage rates, however recent visitor levels, together with the cut in interest rate earlier this month, give the Group optimism that the reservation rate will recover in the near term.

The average selling price ("ASP") for private housing during the period was £313k (H1 2024: £314k), reflecting selling prices remaining resilient across the Group's brands.

As at 30 November 2024, the Group was active on 28 private housing developments (31 May 2024: 29), with five active developments added during the period and six developments completed. In total, as at 30 November 2024, the owned private housing land bank consisted of 4,007 plots (31 May 2024: 3,837), of which 90% had planning permission (31 May 2024: 87%).

Village Developments

Springfield Villages are large, standalone developments that will include up to 3,000 homes across tenures, infrastructure and neighbourhood amenities, and with ample greenspace. Further to the agreement with Barratt, which included the sale of the outstanding plots at Durieshill, the Group's Village developments comprise Bertha Park in Perth, Dykes of Gray in Dundee and Elgin South in Elgin. These developments are all home to growing communities with an aggregate total of 1,226 homes being completed as at 30 November 2024.

During the period, construction and sales started of a new phase at Bertha Park, with the first completions expected in February 2025.

At Dykes of Gray, the community infrastructure continued to strengthen with, post period, a local business taking ownership of a further commercial unit, which will provide the Village with its own dental practice in addition to the existing grocery store.

Affordable Housing

During the period the Group continued to deliver on the affordable housing contracts secured in the prior year, completing 95 affordable homes in the period (H1 2024: 144). This, combined with the Group having completed its legacy contracts at the end of FY 2024, enabled a significant improvement in gross margin, which returned to double-digits. The ASP in affordable housing increased to £215k (H1 2024: £177k). This aligns with increased pricing across the sector with the Scottish Government making higher levels of grant subsidy available to affordable housing providers in response to historic construction cost inflation to make such projects commercially viable.

As previously noted, ahead of the announcement of the Scottish Budget, there was some hesitancy among affordable housing providers to commence new projects due to uncertainty around availability of Scottish Government funding. With the Scottish Budget, in December 2024, allocating £768m to affordable housing supply for 2025/26 – an increase over the prior year – Springfield has experienced an increase in activity in this area, with its partners resuming discussions and two contracts having been signed that will commence in the current year. As a result, while some of the affordable housing projects in the Group's pipeline will be initiated slightly later than previously anticipated, the Group is pleased to note an increase in confidence among affordable housing providers.

The number of active affordable housing developments was nine at 30 November 2024 (31 May 2024: 10), with one development having been completed during the period.

As at 30 November 2024, the total owned affordable housing land bank consisted of 1,790 plots (31 May 2024: 1,756), of which 89% had planning permission (31 May 2024: 89%).

Contract Housing

In contract housing, the Group provides development services to third party private organisations and receives revenue based on costs incurred plus fixed mark up. To date, this has largely consisted of services provided to Bertha Park. At 30 November 2024, the contract housing land bank with planning consent consisted of 528 plots (31 May 2024: 579). The 36 homes completed during the period (H1 2024: 9) comprised 19 private homes and 17 affordable homes at Bertha Park.

Financial Review

Revenue	H1 2025 £'000	H1 2024 £'000	Change
Private housing	72,068	87,674	(17.8)%
Affordable housing	20,431	25,452	(19.7)%
Contract housing	6,012	1,862	222.9%
Land sales	5,065	5,554	(8.8)%
Other	2,064	1,143	80.6%
TOTAL	**105,640**	**121,685**	**(13.2)%**

For the six months ended 30 November 2024, revenue was £105.6m (H1 2024: £121.7m), reflecting the reduction in private and affordable housing revenue described above. Private housing remained the largest contributor to Group revenue, accounting for 68.2% of total sales (H1 2024: 72.1%), with affordable housing contributing 19.3% (H1 2024: 20.9%), contracting housing contributing 5.7% (H1 2024: 1.5%), land sales contributing 4.8% (H1 2024: 4.2%) and other revenue contributing 2.0% (H1 2024: 1.3%).

Gross margin improved to 17.7% (H1 2024: 14.7%). This primarily reflects the significant improvement in gross margin in affordable housing following the completion of low margin legacy contracts in the prior year as well as limited cost inflation during the period. Gross profit for the period increased to £18.7m (H1 2024: £17.9m) as a significant growth in gross profit in affordable housing and from land sales more than offset the reduction in private housing.

Administrative expenses, excluding exceptional items, were £12.4m (H1 2024: £12.6m). This reflects sustained focus on carefully managing costs and generating cost savings through further rationalisation across the Group.

Exceptional items were £0.3m (H1 2024: £0.9m), which mainly relates to restructuring costs.

Operating profit increased to £6.1m (H1 2024: £4.8m), primarily due to the improved gross margin and sustained focus on cost control. Excluding exceptional items, operating profit was £6.4m (H1 2024: £5.6m).

Finance costs were £2.7m (H1 2024: £3.7m), with the reduction due to the lower bank debt following actions taken in the prior year.

Statutory profit before tax increased to £3.5m (H1 2024: £1.2m) and adjusted profit before tax and exceptional items was £3.8m (H1 2024: £2.0m).

Basic earnings per share (excluding exceptional items) were 2.46 pence (H1 2024: 1.59 pence). Statutory basic earnings per share were 2.27 pence (H1 2024: 1.00 pence).

Net bank debt at 30 November 2024 was £62.9m (30 November 2023: £93.4m; 31 May 2024: £39.9m). This primarily reflects the strategic action undertaken in FY 2024 to reduce the debt position, but also a sustained focus on carefully managing costs and generating cost savings in H1 2025 through further rationalisation across the Group. The increase in net bank debt over the six-month period reflects the usual seasonal working capital cycle, with work-in-progress at the end of the first half that will unwind as houses complete and are sold in the second half of the year.

During the period, the Group's revolving credit facility of £87.5m that was initially due to expire in January 2025 was extended for a further 12 months to January 2026 and a £7.5m overdraft facility has also been put in place for 12 months until September 2025.

Customer Satisfaction

The Group achieved 97% customer satisfaction from customers surveyed during the first half of the year – up from 96% for H1 2024. The Group remains committed to an aspirational target of 100% customer satisfaction to demonstrate the Group's focus on looking after customers and is pleased to be reporting sustained progress towards this. In addition, during the period, the Group was successfully re-certified for ISO 9001 (Quality Management).

Build Quality and Efficiencies

During the period, the Group submitted its first planning application utilising its new house type range. The new portfolio of house types includes a selection of the most popular homes that are most efficient to build and capable of accommodating future building standards to maximise energy efficiency. The entire new range can be built with greater efficiency from timber kits at the Group's own factories and maximise the use of modern methods of construction on site. The consistent build approaches will enable the Group to increase the quality of its housing delivery.

Environment & People – ESG

The Group continues to be a leader in the industry on the delivery of homes without fossil fuels. The Group first began utilising air source technology in 2009 and, during the period, a milestone was reached with over half of the homes completed utilising air source technology for heating as a successful alternative to gas. With its two kit factories in Elgin and outside Glasgow, Springfield also holds decades of experience in off-site construction. All of the Group's highly insulated, quality homes are constructed from timber frame. During the period, the Group was successfully re-certified for ISO 14001 (Environmental Management).

The Group's efforts have continued in Community Engagement during the period with support provided to local groups and charities as new communities are created. Looking after employees continues to be a priority, with uptake in free gym memberships and private healthcare encouraging wellbeing and provisions for mental health support and assistance being extended in various forms. The Group's targets for training and apprenticeships continue to be on track to support commitments to developing future skills. In addition, during the period, the Group became certified for ISO 45001 (Occupational Health & Safety Management).

The Group's ESG Committee, chaired by Springfield's Chief Executive Innes Smith, is overseeing the delivery of objectives for the year, including projects on further understanding customer experience, measuring biodiversity and reducing waste.

Markets

The requirement for new housing in Scotland is at an all-time high and drops in housing supply across the industry further compound housing needs. The Scottish Government declared a national housing emergency in May 2024. This has created impetus for the Government to address barriers to new housing delivery, including a review of private rented sector ("PRS") regulation. The Scottish Government has recently announced that the temporary rent cap, which has been in place since 2022, will be lifted on 31 March 2025. This has reinforced the commitments made by the Housing Minister that new long-term rent cap legislation, coming forward in 2027, will take into account the needs of investors to allow them to reinvest in PRS in Scotland and thereby enable growth in the supply of new homes in the sector. This will create an opportunity for the Group in the medium term. The scale of unmet demand continues to underpin the fundamentals of the Group's business.

In private housing, the Group is encouraged by an improvement in the forward orderbook. While homebuyer confidence remains sensitive to macroeconomic developments, aspirations for the type of homes that the Group offers remain high. Across each of Springfield's brands, the Group builds quality, spacious, energy efficient homes in highly desirable areas with generous private gardens and plenty of surrounding greenspace. Mortgage lenders are keen to lend to buyers of energy efficient new build homes. There continues to be greater affordability in Scotland compared with the UK as a whole based on the ratio of average house price to annual income. The Scottish missive system continues to give the Group confidence in its sales, with the Group's customers contracted into the purchase earlier in the build programme than in other parts of the UK.

In affordable housing, the Scottish Budget, announced in December 2024, allocated £768m to affordable housing supply for 2025/26, which is substantially higher the amount allocated for the current year. With housing receiving political focus across the UK, there has been an increased urgency in response from public and private sectors and an appetite for collaboration to provide more homes across tenures and meet the Scottish Government's long-standing commitment to deliver 110,000 affordable homes by 2032. As a member of the Scottish Government's Housing Investment Task Force established in April 2024, the Group is working closely with the Housing Minister and key stakeholders from housing and finance to identify ways of attracting additional investment into housing, including the unlocking of PRS investment in Scotland.

Opportunities in the North

The Group is particularly excited by the opportunities offered by the incoming UK Government-financed green infrastructure development in the North of Scotland, which is expected to drive unprecedented growth in the region over the next 10-15 years. This will require new housing for the thousands of additional workers that are needed to deliver and operate the green infrastructure projects as well as the long-term growth in population as a result of the economic stimulus to the region.

The decarbonisation of the UK energy supply involves a programme of investment in renewable generation in the North of Scotland that requires transmission projects of a significant scale. Scottish and Southern Electricity Networks (“SSEN”) will be investing £31bn into upgrading the electricity network in the region. This project will have one of the largest construction workforces of all major infrastructure projects in the UK and the remote nature and scale of the projects mean bringing in a new workforce. SSEN estimates that their workforce will peak in 2027 at around 5,000 workers.

The Inverness and Cromarty Firth Green Freeport is placing the Highlands and Moray at the heart of the drive towards net-zero, and is expected to create more than 10,000 jobs locally with new investment of over £3bn. Sumitomo Electric has commenced construction of a manufacturing facility to supply high voltage cables to the growing offshore wind energy sector. Located adjacent to the Port of Nigg in the Cromarty Firth, the project has an estimated investment value of £350m, including up to £24.5m in public sector support. Similarly, Cerulean Winds has selected the under-construction Ardersier Energy Transition Facility as its chosen port for the deployment of its offshore wind projects. Cerulean’s commitment to using the facility marks a major step toward realising the UK and Scottish governments’ vision of creating a world-leading floating offshore wind industrial base.

The Group is in discussions with key stakeholders about how to meet the demand for the new housing required. The Highland Council is demonstrating its desire to increase housing numbers to realise the potential from these substantial investment opportunities. It has set a target of doubling housing output over the next ten years to 24,000 homes, made a call for new sites to be adopted in the Local Plan for residential development and is the first council in Scotland to commit to utilising new powers through Masterplan Consent Areas to streamline the consents process for designated sites. With land holdings across the North of Scotland, the Group is extremely well-placed to assist and help realise the potential for economic stimulus to these regions, with its ability to capitalise on the opportunity having been strengthened following the agreement with Barratt.

Outlook

The Group continues to navigate through challenging macro conditions and position itself to deliver positive momentum in H2 2025 and beyond.

Following a period of delay amongst affordable housing providers due to uncertainties concerning public funding, there has been an increase in activity since the Scottish Budget in December 2024. The renewed confidence has enabled affordable housing projects in the Group's pipeline to move forward, albeit with a revised timeline for some initiatives that were anticipated to begin in FY 2025, and which are now scheduled for the next financial year.

In private housing, there has been a reduction in reservation rate from mid-December, and a number of completions that the Group had expected to occur in FY 2025 are now anticipated to take place in FY 2026. However, the Group is encouraged by a recent increase in visitor levels and mortgage rate reductions and is optimistic that reservation rates will recover in the near term.

The Group is particularly encouraged by the unprecedented requirement for new housing in the North of Scotland, a region that presents a significant opportunity for Springfield. The proceeds from the Group's recent agreement with Barratt, signed post period, will be strategically utilised to capitalise on this opportunity and accelerate the removal of bank debt, with the Group expecting to become net cash positive by FY 2027.

Overall, the Group anticipates reporting profit that significantly exceeds market expectations for FY 2025. Looking further ahead, with reaching a net cash position by FY 2027 and the significant growth opportunity in the North of Scotland, the Board remains confident of delivering sustainable shareholder value.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 30 NOVEMBER 2024

	Note	Unaudited Period to 30 November 2024	Unaudited Period to 30 November 2023	Audited Year to 31 May 2024
		£000	£000	£000
Revenue	4	105,640	121,685	266,527
Cost of sales		(86,902)	(103,745)	(223,155)
Gross profit	4	**18,738**	**17,940**	**43,372**
Administrative expenses before exceptional items		(12,437)	(12,618)	(26,485)
Exceptional items	5	(307)	(852)	(898)
Total administrative expenses		(12,744)	(13,470)	(27,383)
Other operating income		122	302	1,021
Operating profit		**6,116**	**4,772**	**17,010**
Finance income		67	63	159
Finance costs		(2,655)	(3,665)	(7,501)
Profit before taxation		**3,528**	**1,170**	**9,668**
Taxation	6	(832)	21	(2,120)
Profit for the period and total comprehensive income	4	**2,696**	**1,191**	**7,548**
Profit for the period and total comprehensive income is attributable to:				
- Owners of the parent company		2,696	1,191	7,548
Earnings per share				
Basic earnings per share	7	2.27p	1.00p	6.36p
Diluted earnings per share	7	2.17p	0.97p	6.12p

The Group has no items of other comprehensive income.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET - AS AT 30 NOVEMBER 2024

		Unaudited 30 November 2024	Unaudited 30 November 2023	Audited 31 May 2024
Non-current assets	**Note**	**£000**	**£000**	**£000**
Property, plant and equipment		6,659	7,010	7,184
Intangible assets		5,565	5,824	5,698
Deferred taxation		1,787	1,784	1,787
Trae and other receivables		5,000	5,000	5,000
		19,011	**19,618**	**19,669**
Current assets				
Inventories		260,368	276,783	244,297
Trade and other receivables		29,227	20,774	26,352
Cash and cash equivalents		9,409	10,097	14,935
		299,004	**307,654**	**285,584**
Total assets		**318,015**	**327,272**	**305,253**
Current liabilities				
Trade and other payables		48,635	33,797	49,632
Short-term bank borrowings		72,262	-	54,839
Deferred consideration	**10**	7,404	3,752	7,339
Short-term obligations under lease liabilities		1,317	1,776	1,567
Provisions	**12**	1,390	721	2,018
Corporation tax		775	89	1,342
Bank overdraft		-	3,816	-
		131,783	**43,951**	**116,737**
Non-current liabilities				
Long-term bank borrowings		-	99,696	-
Long-term obligations under lease liabilities		3,861	3,490	3,971
Deferred taxation		2,932	3,004	2,958
Deferred consideration	**10**	14,881	21,680	17,123
Contingent consideration	**11**	2,000	2,000	2,000
Provisions	**12**	2,894	2,206	4,257
		26,568	**132,076**	**30,309**
Total liabilities		**158,351**	**176,027**	**147,046**
Net assets		**159,664**	**151,245**	**158,207**
Equity				
Share capital	**9**	148	148	148
Share premium	**9**	78,744	78,744	78,744
Retained earnings		80,772	72,353	79,315
Equity attributable to owners of the parent company		**159,664**	**151,245**	**158,207**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
1 June 2023		**148**	**78,744**	**71,741**	**150,633**
Total comprehensive income for the period		-	-	1,191	1,191
Share-based payments		-	-	(579)	(579)
30 November 2023		**148**	**78,744**	**72,353**	**151,245**
Total comprehensive income for the period		-	-	6,357	6,357
Share-based payments		-	-	605	605
31 May 2024		**148**	**78,744**	**79,315**	**158,207**
Total comprehensive income for the period		-	-	2,696	2,696
Share-based payments		-	-	(51)	(51)
Dividends	**8**	-	-	(1,188)	(1,188)
30 November 2024		**148**	**78,744**	**80,772**	**159,664**

The share capital accounts record the nominal value of shares issued.

The share premium account records the amount above the nominal value for shares issued, less share issue costs.

Retained earnings represents accumulated profits less losses and distributions. Retained earnings also includes share-based payments.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
PERIOD TO 30 NOVEMBER 2024

	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Cash flows generated from operations			
Profit for the period	2,696	1,191	7,548
Adjusted for:			
Exceptional items	307	852	898
Taxation charged	832	(21)	2,120
Finance costs	2,655	3,665	7,501
Finance income	(67)	(63)	(159)
Adjusted operating profit before working capital movement	**6,423**	**5,624**	**17,908**
Exceptional items	(307)	(852)	(898)
Gain on disposal of tangible fixed assets	(147)	(103)	(215)
Share-based payments	(51)	(579)	26
Amortisation of intangible fixed assets	133	130	259
Depreciation of tangible fixed assets	1,120	1,210	2,332
Operating cash flows before movements in working capital	**7,171**	**5,430**	**19,412**
(Increase)/decrease in inventory	(16,071)	850	32,086
(Increase)/decrease in trade and other receivables	(2,831)	1,858	(2,497)
Decrease in trade and other payables	(4,171)	(23,633)	(4,496)
Net cash (used in)/generated from operations	**(15,902)**	**(15,495)**	**44,505**
Taxation paid	(1,425)	(863)	(1,818)
Net cash (outflow)/inflow from operating activities	**(17,327)**	**(16,358)**	**42,687**
Investing activities			
Purchase of property, plant and equipment	(35)	(91)	(177)
Proceeds on disposal of property, plant and equipment	184	133	270
Purchase of intangible assets	-	-	(4)
Interest received	4	1	155
Net cash generated from investing activities	**153**	**43**	**244**
Financing activities			
Proceeds from bank loans	17,422	29,023	-
Repayment of bank loans	-	-	(15,834)
Deferred consideration paid on acquisition of subsidiary	(2,177)	(10,692)	(12,141)
Payment of lease liabilities	(1,111)	(1,185)	(2,234)
Interest paid	(2,486)	(3,459)	(6,696)
Net cash inflow/(outflow) from financing activities	**11,648**	**13,687**	**(36,905)**
Net (decrease)/increase in cash and cash equivalents	(5,526)	(2,628)	6,026
Cash and cash equivalents at beginning of period	14,935	8,909	8,909
Cash and cash equivalents at end of period	**9,409**	**6,281**	**14,935**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2024

1. Organisation and trading activities

Springfield Properties PLC ("the Company") is incorporated and domiciled in Scotland as a public limited company and operates from its registered office in Alexander Fleming House, 8 Southfield Drive, Elgin, IV30 6GR.

The consolidated interim financial statements for the Group for the six month period ended 30 November 2024 comprises the Company and its subsidiaries and jointly controlled entities (the "Group"). The basis of preparation of the consolidated interim financial statements is set out in Note 2 below.

The financial information for six month period ended 30 November 2024 is unaudited. It does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. The consolidated interim financial statements should be read in conjunction with the financial information for the year ended 31 May 2024, which has been prepared in accordance with International Accounting Standards in conformity with the requirements of the UK adopted international accounting standards. The statutory financial statements for year ended 31 May 2024 have been delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and in accordance with UK adopted international accounting standards.

The interim financial statements have been prepared on a going concern basis and under the historical cost convention, except for contingent consideration.

The preparation of financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These are also disclosed in the 31 May 2024 year-end financial statements and there have not been any changes. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual events may ultimately differ from those estimates.

The interim financial statements do not include all financial risk information and disclosures required in the annual financial statements and they should be read in conjunction with the financial information that is presented in the Group's audited financial statements for the year ended 31 May 2024. There has been no significant change in any risk management polices since the date of the last audited financial statements.

Going concern

The Group's performance in the six months to 30 November 2024 is in line with management expectations and, as noted, following the agreement signed post period with Barratt, the Group is on track to report results for the year to 31 May 2025 ahead of market expectations.

Net bank debt at 30 November 2024 was £62.9m (30 November 2023: £93.4m; 31 May 2024: £39.9m) and reducing the debt position remains an area of focus.

The revolving credit facility of £87.5m has an expiry date in January 2026 and the Group also has a £7.5m overdraft facility in place until September 2025.

The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these interim financial statements.

3. Accounting policies

The accounting policies used in preparing these interim financial statements are the same as those set out and used in preparing the Group's audited financial statements for the year ended 31 May 2024.

Principal risks and uncertainties

As with any business, Springfield Properties PLC faces a number of risks and uncertainties in the course of its day-to-day operations.

The principal risks and uncertainties facing the Group are outlined within its latest annual financial statements for the year ended 31 May 2024. The Directors have reviewed these risks and uncertainties, which remain relevant for both the six months to 30 November 2024 and the full financial year to 31 May 2025. The Group continues to manage and mitigate these where relevant.

Exceptional items

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the consolidated profit and loss account to enable a full understanding of the Group's financial performance. Transactions that may give rise to exceptional items include transactions relating to acquisitions, costs relating to changes in share capital structure and restructuring costs.

Restructuring costs relate to a review of our business to identify areas for greater efficiency and rationalisation.

4. Segmental analysis

A segment is a distinguishable component of the Group's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operational decision makers to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

In identifying its operating segments, management generally follows the Group's service lines that represent the main products and services provided by the Group. The Directors believe that the Group operates in one segment:

- Housing building activity

As the Group operates solely in the United Kingdom, segment reporting by geographical region is not required.

	Unaudited Period to 30 November 2024	Unaudited Period to 30 November 2023	Audited Year to 31 May 2024
Revenue	**£000**	**£000**	**£000**
Private residential properties	72,068	87,674	184,734
Affordable housing	20,431	25,452	46,975
Contracting	6,012	1,862	4,995
Land sales	5,065	5,554	28,055
Other	2,064	1,143	1,768
Total Revenue	**105,640**	**121,685**	**266,527**
Gross Profit	**18,738**	**17,940**	**43,372**
Administrative expenses	(12,437)	(12,618)	(26,485)
Exceptional items	(307)	(852)	(898)
Other operating income	122	302	1,021
Finance income	67	63	159
Finance expense	(2,655)	(3,665)	(7,501)
Profit before tax	**3,528**	**1,170**	**9,668**
Taxation	(832)	21	(2,120)
Profit for the period	**2,696**	**1,191**	**7,548**

5. Exceptional items

	Unaudited Period to 30 November 2024	Unaudited Period to 30 November 2023	Audited Year to 31 May 2024
	£000	**£000**	**£000**
Restructuring costs	307	852	898
Exceptional items	**307**	**852**	**898**

6. Taxation

The results for the six months to 30 November 2024 include a tax charge of 23.6% on profit before tax (30 November 2023: tax credit of 1.8%; 31 May 2024: tax charge of 21.9%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six-month period.

7. Earnings per share

The calculation of the basic (and diluted) earnings per share is based on the following data:

Earnings	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Profit for the period attributable to owners of the company	2,696	1,191	7,548

Adjusted for the impact of tax adjusted exceptional costs in the year	230	689	811
Adjusted earnings	**2,926**	**1,880**	**8,359**

Number of Shares	Unaudited Period to 30 November 2024	Unaudited Period to 30 November 2023	Audited Year to 31 May 2024
Weighted average number of ordinary shares for the purpose of basic earnings per share	118,753,540	118,508,946	118,572,439
Effect of dilutive potential ordinary shares: share options	5,301,265	4,148,351	4,830,426
Weighted average number of ordinary shares for the purpose of diluted earnings per share	124,054,805	122,657,297	123,402,865

	Unaudited Period to 30 November 2024	Unaudited Period to 30 November 2023	Audited Year to 31 May 2024
Earnings per ordinary share			
Basic earnings per share	2.27p	1.00p	6.36p
Diluted earnings per share	2.17p	0.97p	6.12p
Adjusted earnings per ordinary share [(1)]			
Basic earnings per share	2.46p	1.59p	7.05p
Diluted earnings per share	2.36p	1.53p	6.77p

(1) Adjusted earnings is presented as an additional performance measure and it stated before exceptional items and is used in adjusted EPS calculation.

8. Dividends

	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Final dividend – y/e 31 May 2024	1,188	-	-
	1,188	**-**	**-**

The final dividend declared for the year to 31 May 2024 was 1p per share amounting to £1,188,304. This dividend was declared before 30 November 2024 and is included within current liabilities at 30 November 2024. The dividend was paid in December 2024.

9. Share capital

The Company has one class of ordinary share which carries full voting rights but no right to fixed income or repayment of capital. The share capital account records the nominal value of shares issued. The share premium account records the amount above the nominal value received for shares sold, less share issue costs.

Ordinary shares of 0.125p - allotted, called up and fully paid	Number of shares	Share capital £000	Share Premium £000
At 1 December 2023	118,583,309	148	78,744
Share issue	85,815	-	-
At 31 May 2024	**118,669,124**	**148**	**78,744**
Share issue	161,272	-	-
At 30 November 2024	**118,830,396**	**148**	**78,744**

During the period, 161,272 (30 November 2023: 87,308; 31 May 2024: 173,123) shares were issued in satisfaction of share options exercised for a consideration of £202 (30 November 2023: £109; 31 May 2024: £26).

10. Deferred consideration

As part of acquiring the business of Mactaggart & Mickel Group Limited, there is a further £30,781,108 of deferred consideration payable. This is payable quarterly in arrears as homes are sold over 5 years, commencing from September 2023. The outstanding discounted amount payable at the period end is £22,284,727 (30 November 2023: £25,431,557; 31 May 2024: £24,462,203).

	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Deferred consideration < 1 year	7,404	3,752	7,339
Deferred consideration > 1 year	14,881	21,680	17,123
	22,285	**25,432**	**24,462**

11. Contingent consideration and contingent liabilities

As part of the purchase agreement of Dawn Homes Holdings Limited there is a further £2,500,000 payable for an area of land if (i) the Group makes a planning application when it reasonably believes the council will recommend approval; or (ii) it is zoned by the council. The Directors have assessed the likelihood of the land being zoned and have included provision of £2,000,000 based on 80% probability. The outstanding amount payable at the period end included within Provisions is £2,000,000 (30 November 2023: £2,000,000; 31 May 2024: £2,000,000).

The remaining £500,000 has been treated as a contingent liability due to the uncertainty over the future payment.

Contingent consideration	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Dawn Homes Holdings Limited	2,000	2,000	2,000
	2,000	**2,000**	**2,000**

Contingent liabilities	**Unaudited Period to 30 November 2024 £000**	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Dawn Homes Holdings Limited	500	500	500
	500	**500**	**500**

12. Provisions

Dilapidation provisions are included for all rented buildings within the Group. Maintenance provisions relate to costs to come on developments where the final homes have been handed over. In the prior period, an onerous lease provision had been created due to the closure of the Walker Group office in Livingston.

	Unaudited Period to 30 November 2024 £000	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Dilapidation provision	115	179	113
Onerous contracts provision	-	585	-
Maintenance provision	4,169	2,163	6,162
	4,284	**2,927**	**6,275**

	Unaudited Period to 30 November 2024 £000	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Provisions < 1 year	1,390	721	2,018
Provisions > 1 year	2,894	2,206	4,257
	4,284	**2,927**	**6,275**

13. Transactions with related parties

Other related parties include transactions with a retirement scheme in which the Directors are beneficiaries, and close family members of key management personnel. During the period, dividends totalling £nil (30 November 2023: £nil; 31 May 2024: £nil) were paid to key management personnel.

During the period the Group entered into the following transactions with related parties:

Sale of goods	**Unaudited Period to 30 November 2024 £000**	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Bertha Park Limited [1]	6,131	1,907	4,906
Other entities which key management personnel have control, significant influence or hold a material interest in	27	19	41
Key management personnel	2	27	46
Other related parties	2	46	156
	6,162	**1,999**	**5,149**

Sales to related parties represent those undertaken in the ordinary course of business.

Purchase of goods	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Bertha Park Limited (1)	-	-	319
Entities which key management personnel have control, significant influence or hold a material interest in	10	10	20
Other related parties	2,506	314	2,016
	2,516	**324**	**2,355**

Rent paid to	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Entities which key management personnel have control, significant influence or hold a material interest in	93	81	80
Key management personnel	-	-	-
Other related parties	55	50	64
	148	**131**	**144**

Interest received from	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Bertha Park Limited (1)			
	63	63	125
	63	**63**	**125**

The following amounts were outstanding at the reporting end date:

Amounts receivable	Unaudited Period to 30 November 2024 £000	Unaudited Period to 30 November 2023 £000	Audited Year to 31 May 2024 £000
Bertha Park Limited (1)	9,566	6,804	7,259
Entities which key management personnel have control, significant influence or hold a material interest in	9	10	-
Key management personnel	1	18	1
Other related parties	-	15	36

	9,576	**6,847**	**7,296**

Amounts payable	**Unaudited Period to 30 November 2024 £000**	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Entities which key management personnel have control, significant influence or hold a material interest in	37	18	-
Other related parties	2,377	643	2,343
	2,414	**661**	**2,343**

Amounts owed to/from related parties are included within creditors and debtors respectively at the period-end. No security has been provided on any balances.

Transactions between Group companies, which is a related party, have been eliminated on consolidation and are not disclosed in this note.

(1) Bertha Park Limited, a company in which Sandy Adam and Innes Smith are shareholders and directors

14. Analysis of net debt

	Unaudited Period to 30 November 2024 £000	**Unaudited Period to 30 November 2023 £000**	**Audited Year to 31 May 2024 £000**
Cash in hand and bank	9,409	10,097	14,935
Bank borrowings	(72,262)	(103,512)	(54,839)
Net bank debt	**(62,853)**	**(93,415)**	**(39,904)**
Lease	(5,178)	(5,266)	(5,538)
Net debt	**(68,031)**	**(98,681)**	**(45,442)**
Deferred consideration	(22,285)	(25,432)	(24,462)
	(90,316)	**(124,113)**	**(69,904)**

Reconciliation of net cashflow to movement in net debt is as follows:

	At 1 June 2024	**New Leases**	**Cashflow**	**Fair Value**	**At 30 November 2024**
	£000	**£000**	**£000**	**£000**	**£000**
Cash in hand and bank	14,935	-	(5,526)	-	9,409
Bank borrowings	(54,839)	-	(17,423)	-	(72,262)
Net bank debt	**(39,904)**	**-**	**(22,949)**	**-**	**(62,853)**
Lease	(5,538)	(563)	1,111	(188)	(5,178)
Net debt	**(45,442)**	**(563)**	**(21,838)**	**(188)**	**(68,031)**
Deferred consideration	(24,462)	-	2,177	-	(22,285)
	(69,904)	**(563)**	**(19,661)**	**(188)**	**(90,316)**

The Group has a revolving credit facility of £87.5m with an expiry date of 31 January 2026. The facility attracts an interest rate of 2.75% per annum above Bank of England SONIA (Sterling overnight index average response rate).

An overdraft facility of £7.5m is in place until 30 September 2025 and attracts an interest rate of 3.0% per annum above Bank of England SONIA (Sterling overnight index average response rate).