Pyne Gould Corporation Limited

INTERIM REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2024

PYNE GOULD CORPORATION LIMITED

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For the period ended 31 December 2024

PYNE GOULD CORPORATION LIMITED

COMPANY REPORT

Directors' Report

The half year to 31 December 2024 continued to remain challenging for Pyne Gould Corporation ("PGC" or "the Company") and its subsidiaries (together "the Group"), with ongoing inflationary pressure on costs and the impact higher interest rates has had on retail demand. Notwithstanding this, delivery of stock within the RCL business continued to be successfully achieved with nominal purchaser defaults.

Revenue for the half year was GBP 32.68 million, slightly lower than the GBP 33.62 million in the half year to 31 December 2023. Gross profit deteriorated in both percentage and absolute dollar terms reflecting the impact of ongoing cost pressure associated with delivering pre-sales from prior periods where the underlying cost increases cannot be passed on. Gross profit (in both percentage and absolute dollar terms) will also continue to fluctuate based on the sales mix with considerable margin difference in lower value residential land stages (small lot product) and turn key product.

Despite the challenging environment PGC delivered a 68% improvement in net operating cashflow to GBP 19.2 million for the half year to 31 December 2024. This was an increase of GBP 7.8M over the GBP 11.4 million net operating cashflow in the same period last year. The net operating cashflow was all applied to debt reduction, with a total debt reduction of GBP 22.1 million during the half year. The balance of the debt reduction came from surplus cash reserves.

Overall the business remains in a very strong position with new pre-sales exceeding the settlements that occurred during the half year. Incremental sales releases have continued to be absorbed with price uplifts being achieved, reflecting the strong underlying market demand notwithstanding the impact of higher interest rates.

As at 31 December 2024, RCL had pre-sales of approximately AUD 168 million in respect of the RCL portfolio, a net increase (after settlements during the half year) of AUD 8 million from the position as 30 June 2024.

Residential property market conditions have remained soft in Australia reflecting the ongoing cost of living pressure and sustained higher interest rates. Notwithstanding this, sales continue to be achieved albeit sales are taking longer to close and achieving price escalation in the current market has become more difficult.

The strong ongoing underlying retail demand and forward pre-sale book continues to see the RCL business robustly positioned against market volatility over the next couple of years. Existing pre-sales are also expected to underpin Group revenues for the balance of the 2025 financial year and also the 2026 financial year.

RCL continues to be actively focused on delivering existing pre-sales as expediently as possible and will continue to release stock subject to market conditions. Retail debt markets remain tight and settlements continue to take longer to complete, however purchaser defaults remain negligible reflecting the lack of speculative investor purchasers in the sales mix.

The inclusion of the Homestead Bay project in the fast-track process by the New Zealand Government reflects the strategic importance of this project. Planning continues to be progressed for this site and are optimistic of being able to secure planning approvals in the coming months. We remain excited about this project and the potential for substantial value to be delivered to the Group as planning is progressed.

Operating Performance

PGC recorded an unaudited Net Loss attributable to security holders of £4.05 million for the half year to 31 December 2024 (compared with a Net Loss attributable to security holders of £1.98 million in the half year to 31 December 2023).

PGC recorded a Total Comprehensive Loss for the half year to 31 December 2024 of £5.18 million (compared to Total Comprehensive Loss of £1.96 million in the half year to 31 December 2023).

Total Comprehensive Loss attributable to PGC shareholders was £4.66 million (compared with Total Comprehensive Loss of £1.78 million for the half year to 31 December 2023).

Loss for the half year was driven by a combination of the impact of cost increases associated with delivery of stock on gross profit, increased financing charges following the acquisition of the Homestead Bay and Sunbury sites and a non-cash foreign currency loss on translation to GBP for financial reporting purposes.

Directors' Report (continued)

Statement of Financial Position
After allowing for non-controlling interests of £11.02 million (30 June 2024: £11.02 million), Net Assets attributable to PGC shareholders decreased to £12.95 million in the half year to 31 December 2024 (down from £17.61 million at 30 June 2024). Net assets per share decreased to 6.82 pence per share at 31 December 2024 (down from 9.27 pence per share at 30 June 2024).

On a consolidated basis, PGC held Total Assets of £170.18 million at 31 December 2024 (down from £198.31 million at 30 June 2024). This was made up of current assets of £54.12 million (30 June 2024: £73.61 million) and long-term assets of £116.06 million (30 June 2024: £124.71 million). PGC had Total Liabilities of £150.51 million at 31 December 2024 (30 June 2024: £173.46 million).

Commentary
As outlined above, the operating environment during the half year remained challenging, with ongoing cost pressure across all aspects of the supply chain.

Pleasingly, underlying market activity has remained strong, which continues to see the Group continue to be very well placed to withstand any unexpected market shocks.

Progress continues to be made to progress an outcome for Torchlight Fund LP ("TFLP") which remains the most significant Group asset.

RCL
TFLP's largest investment is 100% of land developer and home builder RCL. RCL has a series of substantial residential land development projects located across Australia (Victoria, New South Wales and Queensland) and New Zealand (Queenstown). RCL's approach is to effectively manage its portfolio through the successful, timely and efficient re-zoning, construction, development and sale of each project.

RCL's largest project is Hanley's Farm in Queenstown, where it is developing in excess of 1,700 sites. This project is nearing completion and we expect the project will be fully pre-sold by the end of this financial year. As at 31 December 2024, approximately 1,625 sites had been sold in a series of progressive releases, with approximately 1,400 sites completed and settled.

Market conditions in Queenstown remain sound, with ongoing sales releases continuing to be quickly absorbed. Additional sales releases during the half year resulted in total pre-sales exceeding settlements for the period to 31 December 2024. Sales releases will continue to occur subject to market demand. RCL focus remains on delivering the stock which has been sold, with settlements expected to continue to occur during the course of calendar year 2025.

Planning continues to be progressed on the Homestead Bay site in Queenstown, which is expected to deliver a yield well in excess of that achieved at Hanley's Farm.

In the Australian portfolio, RCL continues to focus on delivery of its own built form product (turn-key apartments and townhouses), enhancing margins and returns from the existing medium density sites within the portfolio. RCL has also introduced a component of turn-key, free-standing houses as part of the sales mix within the existing residential estates, to both provide access to buyers looking for completed product and capture incremental development margins from construction.

RCL continues to actively look for additional re-stocking opportunities in tandem with progressing planning outcomes across a number of sites.

Directors' Report (continued)

KCR Investment
KCR operates in the private rented residential market in London and surrounds. KCR also owns and operates a portfolio of retirement living accommodation.

KCR is continuing with the transition of its business and, whilst not yet generating positive operating cashflow, good progress continues to be made.

KCR's near-term strategy is to:

- Improve the rental revenue from its existing properties;
- Progressively upgrade the overall portfolio quality;
- Explore the development opportunity within the portfolio; and
- Focus on controlling and reducing costs where possible.

For the half year to 31 December 2024 KCR -

- Revenue increased approximately 0.5% to £950k (2023: £946k), with revenue growth in core rental revenues largely offset by a reduction in transactional income within the retirement portfolio;
- Portfolio level occupancy has remained strong over the half year, with rental increases continuing to be achieved at renewals/re-letting. Under the Cristal Apartments operating model there is now more volatility in occupancy levels within the properties operated on this basis, however higher overall rental revenue and gross profit is being generated notwithstanding this; and
- Positive operating cashflow from operations was generated for the first time with net cash from operations of £32k (2023: deficiency £119k). Whilst the business remains cash negative, the focus continues to be on reducing the cash burn within the business. After allowing for financing charges, net cash used in operations reduced by 37% to £261k (2024: £412k).

The ongoing focus on improving operational performance and controlling costs continues to minimize Group cash burn. KCR expects further improvements in operational performance over the next 12 months will be offset by increased funding costs as following expiry of a component of fixed rate debt. KCR advises it expects an increase in funding costs of around £200k per annum based on the higher prevailing rates the debt will now attract.

Share buyback
As we have consistently outlined, capital management remains an ongoing focus for the Board. PGC shares continue to trade at a considerable discount to the underlying value of Group assets. Share buybacks continue to offer attractive returns for shareholders and are consistent with our valuation creation strategy.

Final comment
We are well advanced with our strategy of building a long-term, sustainable business from distressed assets and expect to reward our shareholders for their patience as this strategy reaches maturity.

Successfully achieving an outcome for TFLP enabling the Group to continue to participate in the underlying assets it holds is the primary near-term focus. We remain committed to continuing to participate in the underlying assets held by TFLP. We consider the fundamentals for the underlying principal investments remain sound and are excited about the prospects to deliver substantial growth in the coming years.

George Kerr
Managing Director

14 April 2025

PYNE GOULD CORPORATION LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2024

	Note	Unaudited 6 months to 31 December 2024 £000	Unaudited 6 months to 31 December 2023 £000
Revenue from land development and resale		32,682	33,620
Cost of land development sales		(24,938)	(22,475)
Gross profit from land development and resale		**7,744**	**11,145**
Other revenue	5	2,689	2,370
Administration expenses	6	(6,323)	(6,358)
Other investment gains/(losses)	5	785	(1,317)
Foreign exchange (losses)/gains		(70)	52
Operating Profit		**4,825**	**5,892**
Interest revenue	4	626	551
Interest expense	4	(9,994)	(8,956)
Net finance costs		**(9,368)**	**(8,405)**
Loss before income tax		**(4,543)**	**(2,513)**
Income tax credit		-	360
Loss for the period after tax		**(4,543)**	**(2,153)**
Foreign currency adjustment on translation to presentation currency		(639)	189
Total comprehensive loss for the period		**(5,182)**	**(1,964)**
Loss attributable to:			
Owners of the Company		(4,046)	(1,982)
Non-controlling interests		(497)	(171)
Loss for the period		**(4,543)**	**(2,153)**
Total comprehensive loss attributable to:			
Owners of the Company		(4,659)	(1,783)
Non-controlling interests		(523)	(181)
Total comprehensive loss for the period		**(5,182)**	**(1,964)**
Earnings per share		**Pence**	**Pence**
Basic and diluted loss per share	8	(2.13)	(1.03)
Basic and diluted loss per share - continuing operations	8	(2.13)	(1.03)

The notes on pages 11 to 28 are an integral part of these interim condensed consolidated financial statements.

PYNE GOULD CORPORATION LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2024

31 December 2024 - Unaudited	Share Capital (note 9) £000	Foreign Currency Translation Reserve £000	Accumulated Losses £000	Non-controlling interests acquisition reserve £000	Non-controlling interests £000	Total Equity £000
Balance at 1 July 2024	**149,506**	**21,394**	**(142,272)**	**(11,017)**	**7,241**	**24,852**
Total comprehensive loss for the period						
Loss for the period	-	-	(4,046)	-	(497)	(4,543)
Other comprehensive income						
Foreign currency adjustment on translation to presentation currency	-	(613)	-	-	(26)	(639)
Total comprehensive loss for the period	**-**	**(613)**	**(4,046)**	**-**	**(523)**	**(5,182)**
Balance at 31 December 2024	**149,506**	**20,781**	**(146,318)**	**(11,017)**	**6,718**	**19,670**

The notes on pages 11 to 28 are an integral part of these interim condensed consolidated financial statements.

PYNE GOULD CORPORATION LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the period ended 31 December 2023

31 December 2023 - Unaudited	Share Capital (note 9)	Foreign Currency Translation Reserve	Accumulated Losses	Share Capital	Non-controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1 July 2023	**149,807**	**21,858**	**(139,308)**	**(11,017)**	**7,757**	**29,097**
Total comprehensive loss for the period						
Loss for the period	-	-	(1,982)	-	(171)	(2,153)
Other comprehensive income						
Foreign currency adjustment on translation to presentation currency	-	199	-	-	(10)	189
Total comprehensive loss for the period	**-**	**199**	**(1,982)**	**-**	**(181)**	**(1,964)**
Balance at 31 December 2023	**149,807**	**22,057**	**(141,290)**	**(11,017)**	**7,576**	**27,133**

The notes on pages 11 to 28 are an integral part of these interim condensed consolidated financial statements.

PYNE GOULD CORPORATION LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
ASSETS			
Current assets			
Cash and cash equivalents		9,298	12,697
Finance receivables	10	1,089	1,159
Trade and other receivables		1,735	2,135
Loans and receivables at amortised cost	14	926	994
Inventories	11	39,120	54,775
Prepayments		1,951	1,845
Total current assets		**54,119**	**73,605**
Non-current assets			
Inventories	11	67,151	80,397
Investment properties	12	32,147	27,318
Investments – Fair value through profit or loss	13	1,752	1,740
Advances to related parties	16	4,659	4,663
Property, plant and equipment		2,887	2,644
Deferred tax asset		7,463	7,943
Total non-current assets		**116,059**	**124,705**
Total assets		**170,178**	**198,310**
LIABILITIES			
Current liabilities			
Trade and other payables		5,868	6,691
Total current liabilities		**5,868**	**6,691**
Non-current liabilities			
Borrowings	15	144,640	166,767
Total non-current liabilities		**144,640**	**166,767**
Total liabilities		**150,508**	**173,458**
EQUITY			
Share capital	9	149,506	149,506
Foreign currency translation reserve	9	20,781	21,394
Accumulated losses		(146,318)	(142,272)
Non-controlling interests acquisition reserve	9	(11,017)	(11,017)
Total equity – attributable to the owners of the Company		**12,952**	**17,611**
Non-controlling interests	9	**6,718**	**7,241**
Total equity		**19,670**	**24,852**
Total equity and liabilities		**170,178**	**198,310**
Net assets per share (pence)		6.82	9.27

The Board of Directors of Pyne Gould Corporation Limited authorised the interim condensed consolidated financial statements set out on pages 6 to 28 for issue on 14 April 2025.

Russell Naylor – Director **George Kerr – Director**

The notes on pages 11 to 28 are an integral part of these interim condensed consolidated financial statements.

PYNE GOULD CORPORATION LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period ended 31 December 2024

	Note	Unaudited 6 months to 31 December 2024 £000	Unaudited 6 months to 31 December 2023 £000
Cash flows from operating activities			
Interest received		415	354
Rental revenue		861	949
Proceeds from sale of inventories		32,682	34,937
Fees and other revenue received		2,095	1,187
		36,053	**37,427**
Cash flows used in operating activities			
Payments to suppliers and employees		(6,766)	(4,390)
Acquisition costs of inventories		-	(4,575)
Development costs of inventories		(10,049)	(17,013)
		(16,815)	**(25,978)**
Net cash flows from operating activities	7	**19,238**	**11,449**
Cash flows from/(used in) investing activities			
Increase in finance receivables		-	(17)
Increase in investment property		(210)	-
Sale of property, plant and equipment		988	-
Acquisition of property, plant and equipment		(133)	(1,886)
Increase in advances to other related parties		-	(196)
		645	**(2,099)**
Net cash flows from/(used in) investing activities		**645**	**(2,099)**
Cash flows used in financing activities			
Decrease in borrowings		(22,305)	(4,873)
Interest and financing charges paid		(570)	(293)
Total cash flows used in financing activities		**(22,875)**	**(5,166)**
Net cash flows used in financing activities		**(22,875)**	**(5,166)**
Net (decrease)/increase in cash in bank		(2,992)	4,184
Foreign currency adjustment on translation of cash balances to presentation currency		(407)	(773)
Opening cash in bank		12,697	13,640
Closing cash in bank		**9,298**	**17,051**
Represented by:			
Cash and cash equivalents		9,298	17,051
		9,298	**17,051**

The notes on pages 11 to 28 are an integral part of these interim condensed consolidated financial statements.

1. Reporting entity

Pyne Gould Corporation Limited is a Guernsey-domiciled company. The financial statements presented are the unaudited interim condensed consolidated financial statements comprising Pyne Gould Corporation Limited ("the Company") and its subsidiaries (together "the Group").

Entities within the Group offer financial and asset management services and invest in a portfolio of financial and real estate assets.

The Company listed on the Official List of The International Stock Exchange ("TISE") on 21 November 2018. The registered office address of the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

These unaudited interim condensed consolidated financial statements (the "Interim Financial Statements") were authorised by the Directors for issue on 14 April 2025.

2. Basis of preparation

(a) Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' and with applicable legal and regulatory requirements. They do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the Group's last annual audited consolidated financial statements for the year ended 30 June 2024.

The accounting policies applied in these Interim Financial Statements are consistent with those applied in the last annual audited consolidated financial statements for the year ended 30 June 2024, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Having reassessed the principal risks, the Group's financial position as at 31 December 2024 and the factors that may impact its performance in the forthcoming year, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Interim Financial Statements.

As a Guernsey domiciled company, the Interim Financial Statements also comply with the legal and regulatory requirements of The Companies (Guernsey) Law, 2008 (as amended).

(b) Accounting judgements and major sources of estimation uncertainty

The estimates and judgements made by the Board of Directors are consistent with those made in the audited consolidated financial statements for the year ended 30 June 2024.

Going concern

During prior year, the Group successfully closed a refinancing of the facilities that matured in January 2024. The refinancing resulted in both an extension in term and an increase in funding to support the Sunbury acquisition.

As a result, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for at least 12 months from the date of approval of the Consolidated Financial Statements, and therefore these Consolidated Financial Statements are presented on a going concern basis.

In reaching this conclusion, the Directors have considered the risks that could impact the Group's liquidity over the next 12 months from the date of approval of the Consolidated Financial Statements and are of the opinion that it remains appropriate to prepare these Consolidated Financial Statements on a going concern basis. The expected realisable value of inventories is materially in excess of the current cost carrying value.

2. Basis of preparation (continued)

(b) Accounting judgements and major sources of estimation uncertainty (continued)

Torchlight Fund LP
The life of the Partnership expired 31 May 2022 and has not been further extended. TFLP's audited financial statements for the year ended 31 March 2023 and 31 March 2024 were prepared on a basis other than going concern. The General Partner has communicated with the Limited Partners on the intention to consolidate all remaining assets inside Torchlight Real Estate Group "TREG" (a wholly owned subsidiary of the Partnership) and complete an in-specie distribution of shares in this entity to the Limited Partners. In June 2022 and June 2023, the Group facilitated non-pro rata exits for a number of limited partners. All regulatory approvals required to enable the restructure (including registration of TREG with the Cayman Island Monetary Authority) have now been obtained. Kroll is in the process of completing an updated valuation in respect of the investment in RCL as at 30 June 2024. Following receipt of the updated valuation the General Partner will provide an update to Limited Partners on implementation of the proposed restructure.

3. Material accounting policies

There have been no new standards or amendments applied during the period which have had a material impact on these Interim Financial Statements. The same such policies and methods are followed in the interim financial statements as compared with the most recent annual report.

4. Segmental analysis

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The following summary describes the operations in each of the Group's reportable segments for the current period:

Torchlight Group	Provider of investment management services and a proprietary investor (both directly and in funds it manages). Torchlight has currently invested in RCL, a residential land subdivision and property development business in Australia and New Zealand, and in KCR, a business focused on the acquisition, development and management of residential property in the United Kingdom.
Property Group	Management of the Group's property assets
Parent Company	Parent Company that holds investments in and advances to/from subsidiaries

Information regarding the results of each reportable segment is shown on the following pages. Performance is measured based on segment profit/(loss) for the period, as included in the internal management reports that are reviewed by the Board, which is the Chief Operating Decision Maker ("CODM"). Segment profit is used to measure performance, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

4. Segmental analysis (continued)

Group's reportable segments

Revenue and expenditure	Continuing Operations				
For the period ended 31 December 2024 - Unaudited	Torchlight Segment	Property Group	Parent Company	Inter-segment eliminations	Total
	£000	£000	£000	£000	£000
External revenue					
Interest revenue	626	-	-	-	**626**
Other revenue	2,683	6	-	-	**2,689**
Gross revenue from land development and resale	32,682	-	-	-	**32,682**
Cost of land development sales	(24,938)	-	-	-	**(24,938)**
Net investment gains	785	-	-	-	**785**
	11,838	**6**	**-**	**-**	**11,844**
Internal loss					
Foreign exchange losses	(39)	-	(31)	-	**(70)**
Total segment revenue	**11,799**	**6**	**(31)**	**-**	**11,774**
Expenses					
Administration expenses	(5,945)	(46)	(332)	-	**(6,323)**
Total operating expenses	**(5,945)**	**(46)**	**(332)**	**-**	**(6,323)**
Interest expense	(9,994)	-	-	-	**(9,994)**
Loss before tax	**(4,140)**	**(40)**	**(363)**	**-**	**(4,543)**
Income tax	**-**	-	-		**-**
Loss after tax	**(4,140)**	**(40)**	**(363)**	**-**	**(4,543)**
Non-controlling interests	497	-	-	-	**497**
Loss for the period attributable to owners of the Company	**(3,643)**	**(40)**	**(363)**	**-**	**(4,046)**

Assets and liabilities	Continuing operations				
As at 31 December 2024 - Unaudited	Torchlight Group	Property Group	Parent Company	Inter-segment eliminations	Total
	£000	£000	£000	£000	£000
Total assets	**208,844**	**1,707**	**55,278**	**(95,651)**	**170,178**
Total liabilities	**175,458**	**10,610**	**305**	**(35,865)**	**150,508**

4. Segmental analysis (continued)

Group's reportable segments (continued)

Revenue and expenditure For the period ended 31 December 2023 - Unaudited	Continuing Operations Torchlight Group	Property Group	Parent Company	Inter-segment eliminations	Total
	£000	£000	£000	£000	£000
Interest revenue	550	1	-	-	**551**
Other revenue	2,365	5	-	-	**2,370**
Gross revenue from land development and resale	33,620	-	-	-	**33,620**
Cost of land development sales	(22,475)	-	-	-	**(22,475)**
Net investment losses	(1,317)	-	-	-	**(1,317)**
	12,743	**6**	**-**	**-**	**12,749**
Internal revenue					
Foreign exchange gains/(losses)	56	-	(4)	-	**52**
Total segment revenue	**12,799**	**6**	**(4)**	**-**	**12,801**
Expenses					
Administration expenses	(6,002)	(69)	(287)	-	**(6,358)**
Total operating expenses	**(6,002)**	(69)	(287)	-	**(6,358)**
Interest expense	(8,956)	-	-	-	**(8,956)**
Loss before tax	**(2,159)**	**(63)**	**(291)**	**-**	**(2,513)**
Income tax	360	-	-		**360**
Loss after tax	**(1,799)**	**(63)**	**(291)**	**-**	**(2,153)**
Non-controlling interests	171	-	-	-	**171**
Loss for the period attributable to owners of the Company	**(1,628)**	**(63)**	**(291)**	**-**	**(1,982)**

Assets and liabilities As at 30 June 2024 - Audited	Continuing operations Torchlight Group	Property Group	Parent Company	Inter-segment eliminations	Total
	£000	£000	£000	£000	£000
Total assets	**239,813**	**1,817**	**58,748**	**(102,068)**	**198,310**
Total liabilities	**199,918**	**11,306**	**123**	**(37,888)**	**173,458**

5. Investment and other revenue

	Unaudited 6 months to 31 December 2024	Unaudited 6 months to 31 December 2023
	£000	**£000**
Investment gain/(loss)		
Movement in fair value of unlisted investments at fair value through profit or loss	-	(1,317)
Gain on revaluation of investment properties	785	-
Net investment gain/(loss)	**785**	**(1,317)**
Other revenue		
Golf revenue	1,393	1,309
Rental revenue	861	948
Miscellaneous revenue	435	113
Total other revenue	**2,689**	**2,370**

Golf revenue and expenses have been generated from the operations of a golf course within the Group's subsidiary RCL Pacific Dunes Golf Operations Pty Ltd.

6. Selling and administration expenses

	Unaudited 6 months to 31 December 2024	Unaudited 6 months to 31 December 2023
	£000	**£000**
Directors' fees	60	60
Personnel expenses *	1,924	1,753
Legal and consultancy fees	1,164	1,338
Other operating expenses **	3,175	3,207
Selling and administration expenses	**6,323**	**6,358**

** Personnel expenses have been generated from within the RCL Group and from KCR.*
*** Other operating expenses include property expenses, golf expenses, listing and regulatory costs, audit fees and other overhead expenditure. There are no other individual (or aggregated) significant expenses for further disaggregation.*

7. Reconciliation of profit after tax to net cash flows from operating activities

	Unaudited 6 months to 31 December 2024 £000	Unaudited 6 months to 31 December 2023 £000
Loss for the period	**(4,543)**	**(2,153)**
Adjustments for non-cash items:		
Foreign exchange losses/(gains)	650	(119)
Depreciation and amortisation of non-current assets	395	330
Unrealised (gains)/losses on investments	(785)	1,317
Interest revenue	(211)	(196)
Interest expense	9,701	8,663
Other non-cash items	67	385
Total non-cash items	**9,817**	**10,380**
Adjustments for movements in working capital:		
Trade and other receivables	302	(2,391)
Trade and other payables	(1,227)	3,020
Movement in development costs	14,889	2,593
Total movements in working capital	**13,964**	**3,222**
Net cash flows from operating activities	**19,238**	**11,449**

8. Loss per share

Basic and diluted loss per share is calculated by dividing the net profit after tax by the weighted average number of ordinary shares in issue during the period.

	Unaudited 6 months to 31 December 2024	Unaudited 6 months to 31 December 2023
Loss after tax attributable to owners of the Company (£000)	(4,046)	(1,982)
Weighted average number of ordinary shares in issue (000)	189,923	192,100
Basic and diluted loss (pence per share)	**(2.13p)**	**(1.03p)**
Basic and diluted loss per share - continuing operations	**(2.13p)**	**(1.03p)**

	Unaudited 31 December 2024	Audited 30 June 2024
Net tangible assets per share (pence per share)*	**6.82p**	**9.27p**

** Net tangible assets per share are calculated by dividing the net tangible assets by the shares in issue at period/year end.*

9. Share capital and reserves

Authorised capital
The Company has the power to issue an unlimited number of shares of no par value which may be issued as Redeemable Shares or otherwise. The Company only has NZ Dollar non-redeemable Ordinary Shares in issue at the date of this report.

	Unaudited 31 December 2024 Shares	Audited 30 June 2024 Shares
	000s	000s
Number of issued shares		
Opening balance	**189,923**	**192,100**
Share buy-backs	-	(2,177)
Closing balance	**189,923**	**189,923**

The shares have equal voting rights and rights to dividends and distributions and do not have a par value.

	Unaudited 31 December 2024	Audited 30 June 2024
	£000	£000
Share capital		
Opening balance	149,506	**149,807**
Share buy-backs	-	(301)
Closing balance	**149,506**	**149,506**

Foreign currency translation reserve
The foreign currency translation reserve comprises accumulated exchange differences arising on the conversion of the Group's operations denominated in New Zealand Dollars and Australian Dollars to British Pound Sterling.

Non-controlling interests ("NCI") reserve
NCI reserve represents the accumulated losses attributable to the NCIs.

NCI acquisition reserve
NCI acquisition reserve represents the accumulated net losses recognised by the Group in transactions between the Group and NCIs.

10. Finance receivables

	Unaudited 31 December 2024	Audited 30 June 2024
	£000	£000
Current		
Gross finance receivables	1,089	1,159
Total finance receivables	**1,089**	**1,159**

Finance receivables are loans with various terms and interest rates.

11. Inventories

	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
Land held for resale		
Current assets		
Cost of acquisition	21,932	32,018
Development costs	17,766	23,378
Less: impairment	(578)	(621)
	39,120	**54,775**
Non-current assets		
Cost of acquisition	61,129	69,089
Development costs	6,022	10,283
Reclassification from property, plant and equipment	-	1,025
	67,151	**80,397**
Total inventories	**106,271**	**135,172**

The majority of the Group's inventories are held in the Torchlight Group segment of the business, principally through the RCL Australian and New Zealand registered subsidiaries, with a small amount held through the Real Estate Southern Holdings Limited ("RESHL") subsidiary. These inventories consist of residential land subdivisions and property development in the geographical areas of Australia and New Zealand. In accordance with the Group's accounting policy, inventories are held at the lower of cost and net realisable value. All inventories are held at cost. At 31 December 2024, the RCL inventories are pledged as security to a third party corporate debt facility as detailed further in note 15.

The remaining inventories were held in the Property Group segment of the business through Land House Limited ("LHL"). There is no security held over these properties.

During the period, £24.93 million (31 December 2023: £22.5 million) of inventories in respect of the RCL subsidiaries were recognised in cost of land development sales in the condensed interim Statement of Comprehensive Income. No impairment of inventories was recognised as an expense during the period (31 December 2023: £Nil).

12. Investment properties

	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
Brought forward	27,318	27,952
Additions	210	-
Revaluation	785	(679)
Reclassification from inventories	3,982	-
Foreign exchange on translation	(148)	45
Total investment properties	**32,147**	**27,318**

12. Investment properties (continued)

Investment properties were valued by the Directors with reference to professionally qualified independent external valuers at or within three months of 30 June 2024, and at acquisition were recorded at the values that were attributed to the properties at the acquisition date. The Directors have further considered the values as at 30 June 2024 and concluded that the valuations determined as at 30 June 2024 remain appropriate.

For further details of the methods and assumptions used to estimate the fair value of the investment properties see note 17.

13. Investments – Fair value through profit or loss

	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
Non-current assets		
4B Mining Corp – Royalty	1,354	1,345
4B Mining Corp – Equity	398	395
Total Investments – Fair value through profit or loss	**1,752**	**1,740**

4B Mining Corp

On 21 October 2021, the Group, through its subsidiary Torchlight Group Limited, acquired an investment in 4B Mining Corp ("4B"), a company incorporated in Canada, for a total consideration of US$2.35 million (£1.8 million).

The investment comprises a holding in the common shares of 4B and a 1% royalty interest in the gross revenue of a project to be pursued by Mineracao Piramide Participacoes Ltda, a Brazilian subsidiary of 4B. The investment is classified as an investment at fair value through profit or loss. The equity component of the investment has been valued by the Directors at 30 June 2024 with reference to expected pricing of an additional capital raising, reflecting the dilutive impact of additional capital raising and the risks associated with an unlisted investment, liquidity and the Group's minority position. Given the range of outcomes for existing equity and the uncertainty around pricing, timing and quantum of potential additional capital raises, the Directors have written down the equity value to reflect these uncertainties. The royalty interest was valued by Directors with reference to a third party valuation provided by Leadenhall Valuation Services Pty Limited, which was prepared using the discounted cash flow methodology. Carrying value for the 1% royalty maintained in line with prior year at the midpoint of the 30 June 2023 independent valuation provided by Leadenhall of US$1.7 million (£1.3 million). The current Group holdings is 4.9%.

For further details of the methods and assumptions used to estimate the fair value of the above assets see note 17.

14. Investments – Loans and receivables at amortised cost

	Unaudited 31 December 2024	Audited 30 June 2024
	£000	**£000**
Current assets		
Loans receivable – gross	2,017	2,166
Impairment of loans receivable	(2,017)	(2,166)
Other Receivables	926	994
Total current loans and receivables at amortised cost	**926**	**994**
Non-current assets		
Loans receivable – gross	31,255	33,275
Impairment of loans receivable	(31,255)	(33,275)
Total non-current loans at amortised cost	-	**-**
Total loans and receivables at amortised cost	**926**	**994**

Loans receivable
Loans receivable have been impaired based on expected recoveries from underlying projects. These loans have been valued and assessed for impairment based on discount cash flow (DCF) analysis of the underlying projects. The discount rates applied within these DCF analyses range from 9% to 20% (30 June 2024: 9% to 20%).

Other receivables
Other receivables comprises an amount of NZD 2.1 million (£0.9 million) paid as a deposit towards 50% of development costs on an initial exercise of a call option in respect of 34 residential lots (30 June 2024: NZD2.1 million (£1.0 million) on an initial exercise of a call option in respect of 34 residential lots).

The ageing analysis of the loans and receivables is as follows:

	Unaudited 31 December 2024			
	£000	**£000**	**£000**	**£000**
	Not yet due	Past due and impaired	Past due and not impaired	Total
Not yet due	926	-	-	926
Total	**926**	**-**	**-**	**926**

	Audited 30 June 2024			
	£000	**£000**	**£000**	**£000**
	Not yet due	Past due and impaired	Past due and not impaired	Total
Not yet due	994	-	-	994
Total	**994**	**-**	**-**	**994**

15. Borrowings

	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
Non-current		
Bank and third party corporate debt facilities – secured	144,640	166,767
Total borrowings	**144,640**	**166,767**

RCL borrowing
The AUD borrowing facility within the RCL Group was refinanced in January 2024, when the facility was increased to AUD 159.5 million (£84.1 million) and extended to June 2026. Interest is payable on the facility at 13.75%.

The NZD borrowing facility was refinanced at the same time, with the facility being decreased to NZD 53.7 million (£25.8 million) and extended to June 2026.

A further NZD borrowing facility was entered into in May 2023 to support the acquisition of the Homestead Bay project. The facility has an initial term of 5 years. Interest is payable on the facility at 14%.

These facilities are cross-collateralised, secured on the RCL Group's inventories (see note 11).

During the period, the Group repaid £22.13 million of the RCL borrowings and interest of £9.7 million was capitalised.

KCR borrowing

The KCR borrowings comprise four separate facilities with three separate lenders (two banks and one third party corporate lender). The expiries of the facilities range between June 2029 and February 2045, and interest is chargeable at rates between 3.5% and 6.15% per annum, payable monthly.

Each facility is secured on a specific investment property within the KCR portfolio.

During the period, there were no drawdowns or repayments of the KCR borrowings and all interest was paid in cash.

16. Related party transactions

(a) Transactions with related parties

Parent and its associated entity

Chase Nominees Limited ("Chase")
Chase is the parent of PGC, holding 54.37% of the Company's shares as at 31 December 2024 (30 June 2024: 54.99%). Entities associated with George Kerr are the ultimate beneficial owners of the shares held by Chase, which is acting as custodian.

Australasian Equity Partners (GP) No. 1 Limited ("AEP GP")
AEP GP is the general partner of Australasian Equity Partners Fund No.1 LP ("AEP LP"), of which George Kerr is the ultimate controlling party.

During the period ended 31 December 2024, the Group made additional unsecured loan advances of £Nil (year ended 30 June 2024: £106,000) to AEP GP. As at 31 December 2024, the amount receivable from AEP GP was £4.7 million (30 June 2024: £4.7 million). The amount is repayable by AEP GP on demand, or by the loan expiry date of 30 November 2026, whichever is the earlier. General advances accrue interest at 9%. Total interest recognised during the period was £279,000 (31 December 2023: £196,000).

16. Related party transactions (continued)

(b) Transactions with key management personnel

Key management personnel, being Directors of the Group and staff reporting directly to the Managing Director transacted with the Group during the period as follows:

	Unaudited 31 December 2024 £000	Unaudited 31 December 2023 £000
Key management personnel compensation from the Parent Company is as follows:		
Directors' fees payable to non-executive Directors	60	60
Consultancy fees payable to executive Directors	463	470
Total	**523**	**530**

£15,000 Directors' fees were outstanding at 31 December 2024 (30 June 2024: £10,000). Consultancy fees of £61,000 were outstanding at 31 December 2024 (30 June 2024: £29,000).

Personnel compensation within the Group is as follows:

	Unaudited 31 December 2024 £000	Unaudited 31 December 2023 £000
RCL Group short-term employee benefits	1,705	1,533
KCR short-term employee benefits	219	220
Total	**1,924**	**1,753**

There were no employee benefits outstanding at 31 December 2024 or 30 June 2024.

17. Fair value

The following methods and assumptions were used to estimate the fair value of each class of asset and financial liability.

Fair value measurement of financial instruments

Finance receivables
The fair values of the Group's finance receivables are considered equivalent to their carrying value due to their short-term nature.

Investments - Fair value through profit or loss
Unlisted investments
On 21 October 2021, the Group, through its subsidiary Torchlight Group Limited, acquired an investment in 4B Mining Corp ("4B"), a company incorporated in Canada. The investment comprises a holding in the common shares of 4B and a 1% royalty interest in the gross revenue of a project to be pursued by Mineracao Piramide Participacoes Ltda, a Brazilian subsidiary of 4B. The investment is classified as an investment at fair value through profit or loss.

As at 31 December 2024, the equity component of the investment has been valued by the Directors at 30 June 2024 with reference to expected pricing of an additional capital raising, reflecting the dilutive impact of additional capital raising and the risks associated with an unlisted investment, liquidity and the Group's minority position. Given the range of outcomes for existing equity and the uncertainty around pricing, timing and quantum of potential additional capital raises, the Directors have written down the equity value to reflect these uncertainties. The royalty interest was valued by Directors with reference to a third party valuation provided by Leadenhall Valuation Services Pty Limited, which was prepared using the discounted cash flow methodology. Carrying value for the 1% royalty maintained in line with prior year at the midpoint of the 30 June 2023 independent valuation provided by Leadenhall of US$1.7 million (£1.3 million).The Directors have further considered the value of the royalty as at 31 December 2024 and concluded that the valuation determined as at 30 June 2024 remains appropriate.

Loans and receivables
Loans and receivables measured at fair value are valued on the basis of the future discounted cash flows expected to be received from the assets, which the Directors consider to be the best estimate of fair value for the assets at the reporting date.

Fair value measurement of investment properties
Investment properties are valued by the directors of KCR with reference to valuations carried out by professionally qualified independent external valuers in accordance with the Royal Institution of Chartered Surveyors' Valuation - Global Standards, 2020 (Red Book). Fair value is based on current prices in an active market for similar properties in the same location and condition. The current price is the estimated amount for which a property could be exchanged between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Valuations are based on a market approach which provides an indicative value by comparing the property with other similar properties for which price information is available. Comparisons have been adjusted to reflect differences in age, size, condition, location and any other relevant factors.

17. Fair value (continued)

Fair Value Hierarchy

The following tables provide an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value grouped as follows:

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

	Note	Unaudited 31 December 2024			
		Level 1	**Level 2**	**Level 3**	**Total**
Assets		**£000**	**£000**	**£000**	**£000**
Investment properties	12	-	-	32,147	32,147
4B Mining Corp – Royalty	13	-	-	1,354	1,354
4B Mining Corp – Equity	13	-	-	398	398
Total Assets		**-**	**-**	**33,899**	**33,899**

There were no transfers between Levels 1, 2 and 3 in the period (31 December 2023: no transfers).

	Note	Audited 30 June 2024			
		Level 1	**Level 2**	**Level 3**	**Total**
Assets		**£000**	**£000**	**£000**	**£000**
Investment properties	12	-	-	27,318	27,318
4B Mining Corp – Royalty	13	-	-	1,345	1,345
4B Mining Corp – Equity	13	-	-	395	395
Total Assets		**-**	**-**	**29,058**	**29,058**

There were no transfers between Levels 1, 2 and 3 in the year.

Reconciliation of Level 3 fair value measurements of assets

Foreign exchange translation movements are recognised in other comprehensive income.

	Unaudited 31 December 2024		
	Investment properties	**Unlisted investments**	**Total**
	£000	**£000**	**£000**
Investments held at fair value			
Balance at the beginning of the period	27,318	1,740	29,058
Additions	210	-	210
Movement in fair value	785	-	785
Reclassification from inventories	3,982	-	3,982
Foreign exchange on translation	(148)	12	(136)
Balance at the end of the period	**32,147**	**1,752**	**33,899**

17. Fair value (continued)

Reconciliation of Level 3 fair value measurements of assets (continued)

	Audited 30 June 2024		
	Investment properties £000	Unlisted investments £000	Total £000
Investments held at fair value			
Balance at the beginning of the year	27,952	4,545	32,497
Movement in fair value	(679)	(2,811)	(3,490)
Foreign exchange on translation	45	6	51
Balance at the end of the year	**27,318**	**1,740**	**29,058**

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

17. Fair value (continued)

Valuation process (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Unaudited Fair value at 31 December 2024 £000	Audited Fair value at 30 June 2024 £000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted investments - 4B Mining Corp – Royalty	1,354	1,345	31 December 2024: Director valuation 30 June 2024: Director valuation	Adopted gross yield Projected price of iron ore Projected total volume of lump iron ore produced Discount rate	USD78-USD155 19.5 million tonnes - 25.1 million tonnes 12.5%-14.5%	The fair value would increase/decrease if price of iron ore was higher/lower, and/or total volume of lump iron ore produced was higher/lower, and/or the discount rate was lower/higher.
Unlisted investments - 4B Mining Corp – Equity	398	395	31 December 2024: Director valuation 30 June 2024: Director valuation	Discount applied to price of last capital raise	31 December 2024: theoretical post capital raising discounted equity price 30 June 2024: theoretical post capital raising discounted equity price	If the discount applied was 10% higher/lower, the fair value would decrease/increase by £0.1 million
Investment properties - KCR	26,151	25,156	31 December 2024: Based on NPV of future cash flows and cash balance 30 June 2024: Based on NPV of future cash flows and cash balance	Adopted gross yield Adopted rate per square foot	31 December 2024: 4.40% to 7.37% £319 to £1,313 30 June 2024: 4.40% to 7.37% £319 to £1,313	The fair value would increase/decrease if market rents were higher/lower, and/or rates per square foot were higher/lower, and/or capitalisation rates were lower/higher.

Fair value (continued)

Valuation process (continued)

Description	Unaudited Fair value at 31 December 2024 £000	Audited Fair value at 30 June 2024 £000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties – RCL	5,996	2,162	31 December 2024: Director valuation 30 June 2024: Director valuation	Hypothetical development model Direct sales comparisons Discounted cashflows	31 December 2024: 2.33% - 3.13% rental yields 30 June 2024: 2.33% - 3.13% rental yields	The fair value would increase/decrease if market rents were higher/lower, and/or comparable sales amounts were higher/lower, and/or the discount rate was lower/higher.
	33,899	**29,058**				

18. Contingent liabilities and commitments

Torchlight Fund LP and its subsidiaries
The Group had the following commitments within the RCL group:

	Unaudited 31 December 2024 £000	Audited 30 June 2024 £000
Contracted work to complete		
Expenditure contracted for at the reporting date but not recognised as liabilities		
Within one year	10,341	3,884

Torchlight Fund LP and its subsidiaries – Contingent assets
The Group has financial guarantees in respect of completion of development works and maintenance bonds to relevant authorities. The value of these guarantees at 31 December 2024 was £0.3 million (30 June 2024: £0.3 million).

19. Subsequent events

The following material events occurred subsequent to 31 December 2024 to the date when these interim condensed consolidated financial statements were authorised for issue:

Sale of Bethlehem site in Tauranga, New Zealand

On 14 February 2025 the sale contract for the Bethlehem site in Tauranga, New Zealand became unconditional with settlement due 14 August 2026. Property has been sold for NZD4 million (plus GST if any) plus a deferred consideration component of the greater of 12 completed lots or 10% of the lots produced from the subdivision over the period to 14 August 2036.