

**MUSE PLACES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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# MUSE PLACES LIMITED

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# MUSE PLACES LIMITED

## COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

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<b>Directors</b>	M J Auger (resigned 31 January 2025) A M Deutsch C K K Gangotra P A Mayall J C Morgan C Slinger
<b>Company Secretary</b>	H M Mason (resigned 22 April 2025) L A K Minns (appointed 3 June 2025)
<b>Head Office</b>	Riverside House Irwell Street Salford M3 5EN
<b>Registered Office</b>	Kent House 14 - 17 Market Place London W1W 8AJ
<b>Independent Auditor</b>	Ernst & Young LLP Statutory Auditor 2 St Peter's Square Manchester M2 3DF

# MUSE PLACES LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

### Principal activities

Muse Places Limited (hereafter referred to as the "Company") and its subsidiary and joint venture undertakings (together "the Group") form a UK-wide business specialising in the delivery of complex mixed-use development projects, predominantly in town and city centre locations. The Group has a significant portfolio of projects, the majority of which are delivered in partnership with public or private sector landowners. The Group has established a track record of successful regeneration projects over the last 30 years. The Group is a member of Morgan Sindall Group plc and its subsidiaries (hereafter referred to as "the MS Group") and its activities are included in those of the MS Group's Mixed Use Partnerships division.

### Business review

The Group works with landowners and public sector partners to unlock value from under-developed assets to bring about sustainable regeneration and urban renewal through the delivery of mixed-use projects across the UK.

Key performance indicators are disclosed below in £ millions, unless otherwise stated.

	2025	2024
Revenue	51.6	90.5
Operating (loss)/profit – adjusted <sup>1</sup>	(5.3)	1.5
Operating (loss)/profit – reported	(4.7)	7.4
(Loss)/profit before tax – adjusted <sup>1</sup>	(5.0)	3.3
(Loss)/profit before tax – reported	(4.4)	9.2
Capital employed <sup>2</sup> at year-end	151.6	94.4
Average capital employed <sup>3</sup>	125.1	86.9
Return on capital employed <sup>4</sup> (%)	(4%)	2%
Net (overdraft)/cash	(16.7)	9.6
Regeneration and development pipeline and order book	4,614.6	4,085.0

As expected, in the year the Group reported a loss, which included increased investment expenditure in schemes yet to start on site and in schemes which represent future opportunities for the Group. Notwithstanding this, the Group generated profits from a land sale at Basford in Crewe, as well as profits from schemes on site including offices for the Ministry of Defence in Blackpool, the Willohaus and C2 buildings in Salford, Stroudley Walk, and a travel hub in Prestwich.

Importantly, the Group continued to build on its prior year successes over the year by converting eight schemes previously at preferred bidder stage to signed development agreements, with six sizeable schemes at preferred bidder stage at the end of 2025.

Capital invested in a London scheme which launched its apartment products during 2025 into a weak London market impacted returns for the Group due to low consumer sentiment affected by ongoing affordability constraints. Reflective of this and the trading performance during the year, the ROCE<sup>4</sup> for the last 12 months was significantly down on the prior year, based on average capital employed<sup>3</sup> of £125.1m.

<sup>1</sup> Adjusted – in all cases the term 'adjusted' excludes the impact of exceptional building safety credit/charge to improve comparability between reporting periods.

<sup>2</sup> Capital employed is calculated as total assets (excluding goodwill, intangibles, and cash), less total liabilities (excluding corporation tax, deferred tax, inter-company financing, and overdrafts).

<sup>3</sup> Average capital employed is the 12-month average of total assets (excluding goodwill, intangibles, and cash), less total liabilities (excluding corporation tax, deferred tax, inter-company financing, and overdrafts).

<sup>4</sup> Return on capital employed = adjusted operating profit divided by average capital employed.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Business review (continued)

At the end of the year, the Group's order book amounted to £4,615m, 13% ahead of the prior year end (FY 2024: £4,085m), reflecting the success the Group has had in converting a number of preferred bidder schemes into new and secured long-term partnership agreements. These include agreements with:

- Wakefield Council, to accelerate delivery of the city's regeneration plans;
- West Northamptonshire Council, for the regeneration of Greyfriars in Northampton through English Cities Fund (ECF), the Group's joint venture with Homes England and Legal & General;
- Hull City Council, for the 850-home East Bank Urban Village, also with ECF;
- Wythenshawe Community Housing Group and Manchester City Council, to advance delivery of the first phases of new homes in Wythenshawe town centre;
- Stevenage Borough Council, to develop a masterplan and vision for Station Gateway in Stevenage, through ECF;
- Durham County Council, to deliver the first phase of the Durham Innovation District at Aykley Heads; and
- Salford City Council, to regenerate Eccles town centre.

In the second half of the year, the Group was selected as preferred bidder by Bristol Temple Quarter LLP for Temple Meads West and St Philip's Marsh; and by Gateshead Council for the regeneration of the Baltic Quarter, through ECF. Since the year end, also through ECF, the Group was appointed by Westmorland and Furness Council as strategic development partner for Marina Village, Barrow.

During the year, as part of the mixed-use regeneration scheme at Talbot Gateway in Blackpool, the Group completed a 215,000 sq ft workplace for the Department for Work and Pensions and began construction on a 53,000 sq ft workplace for the Ministry of Defence. Construction also started on a four-storey travel hub as part of the first phase of the Prestwich Village regeneration; and infrastructure works began at Weston M6, a commercial and business park in Crewe designed to prioritise the health and wellbeing of employees and visitors.

Progress continued across other active schemes, including two in Salford through ECF: C2, a residential building containing 196 build-to-rent homes, and Willohaus, an affordable Passivhaus apartment building. At Stroudley Walk in Bromley-by-Bow, the first phase of affordable homes was handed over.

The ECF partnership secured planning approval for a number of developments, including the first phase of the St Helens town centre regeneration; Stockport 8, a 'walkable neighbourhood' with green space and leisure facilities; a world-leading acoustics facility as part of the Crescent Salford master plan; and Smithgate, a new city centre neighbourhood in Wolverhampton. Working with local authority partners, the Group also secured planning approval for the regeneration of Oldham town centre, a new culture hub in Wythenshawe and 244 affordable homes in Horsham.

ECF submitted planning applications during the year for a new city centre neighbourhood in Bradford and 185 new homes as part of Crescent Salford. Planning applications were also submitted by the Group for Slough's North West Quadrant and Mell Square in Solihull.

The Group's Habiko partnership with Pension Insurance Corporation and Homes England announced its first two sites, Chester and Warrington, for the delivery of 590 new affordable, sustainable homes.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Business review (continued)**

The Group's development portfolio included seven projects on site at the end of the year, totalling £205m GDV, with a further 17 planned to start in 2026 with a GDV of £448m.

During the year, the Group also continued to reassess its legal and constructive obligations related to the developers' pledge with the Ministry of Housing, Communities and Local Government ("MHCLG") signed in 2023, (including reimbursement of grants provided by the Building Safety Fund), the Building Safety Act and associated fire safety regulations. As a result, the Group recorded an exceptional net credit of £0.6m in the current period (2024: credit of £6.0m) which is discussed further in note 3. Included in the £0.6m total exceptional credit is a £0.9m credit (2024: £1.4m charge) related to the Group's interests in joint ventures and therefore recognised within the share of net profit from joint ventures in the Income Statement. The remaining net charge of £0.3m (2024: £7.3m credit) has been recognised in cost of sales.

### **Financial position and liquidity**

The financial position of the Group is presented in the Consolidated Balance Sheet. The total shareholder's funds at 31 December 2025 were £115.3m (2024: £115.5m). The Group had net current assets of £57.5m (2024: £70.5m), including a net overdraft position of £16.7m at 31 December 2025 (2024: positive net cash £9.6m) due to investment of significant working capital in new developments.

The Company participates in the MS Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the MS Group had net cash balances of £531.2m. The MS Group also had £15m of committed loan facilities maturing in June 2028 and £165m of committed loan facilities maturing in October 2028, which were entirely undrawn as at 31 December 2025.

### **Key performance indicators**

The Group's financial key performance indicators are described in the business review above. No other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

### **Principal risks and uncertainties**

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to the market and economic environment, inflation, health and safety and environmental performance, contractual risk (including mispricing of contracts, managing changes to contracts and contract disputes, poor project delivery and poor contract selection), and counterparty and liquidity risk. Further discussion of these risks and uncertainties, in the context of the MS Group as a whole and how these risks are managed and mitigated, is provided in the strategic report in MS Group's 2025 annual report, which does not form part of this report.

### **Financial risk management objectives and policies**

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and price risk.

#### *Credit risk*

With regard to credit risk, the Company has implemented policies that require appropriate credit checks on potential customers before contracts are commenced. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers outside of the Group.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### *Liquidity risk*

This is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions. Liquidity is provided through cash balances and access to the MS Group's committed bank loan facilities.

### *Interest rate risk*

In respect of interest rate risk, the Company has interest-bearing assets and liabilities. Interest-bearing assets and liabilities include cash balances, overdrafts, and loan facilities all of which have interest rates applied at floating market rates. Project appraisals are regularly reviewed with changing interest rates to ensure the level of interest risk is within acceptable parameters as set out in the MS Group risk management framework.

### *Price risk*

The Group is exposed to the risk of cost inflation during site development. To mitigate this risk, the Group enters into fixed price design and build construction contracts. The Group is also exposed to the risk of price movements in the housing sector which affect underlying sales values. To mitigate this risk a proportion of stock is subject to forward sale agreements.

### **Section 172(1) statement**

The directors of the Company, when taking strategic, financial and operational decisions, consider what is most likely to promote the success of the Company and the Group in the long term, for the benefit of shareholders and having regard to the interests of wider stakeholders. The directors also understand the importance of engaging with key stakeholders and taking their views into account when making decisions as well as considering the impact of our activities on local communities, the environment, including climate change, and the MS Group's reputation.

In order to maintain a reputation for high standards of business conduct, we adhere to the MS Group Code of Conduct which states our commitment to our Human Rights Policy and provides a framework for how we should act when engaging with our clients, partners, colleagues and suppliers. The Code of Conduct gives our employees practical guidance on upholding MS Group's Core Values and delivering on the MS Group's strategic priorities which include our Total Commitments to being a responsible business. In addition, our Supplier Code of Conduct provides guidance for our suppliers on our Core Values and Total Commitments and the ethical standards expected by all our stakeholders.

The key activities of the Company's directors during the year included:

- Approval of the financial statements for the year ended 31 December 2024;
- Preparation of the Company's five-year strategic plan for approval by the MS Group Board;
- Review and approval of the financial budget whilst considering and determining the Company's appropriate risk appetite, namely being selective over what work we seek to secure and ensuring we have the right skillsets to perform the work, whilst also ensuring alignment with the MS Group plans and priorities;
- Preparation of monthly reports on performance for the MS Group Board, including health and safety, risks and opportunities, and stakeholder engagement;

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Section 172(1) statement (continued)

- Ensuring careful consideration to contract selectivity on every tender submission. Contract terms and conditions, including payment terms, are carefully balanced against existing resource and contract commitments. The Company has declined opportunities that have inadequate financial covenants or access to finance and has also declined opportunities that do not suit our core competencies.

Further information, including the MS Group's Section 172 statement, can be found in the MS Group's 2025 annual report at [morgansindall.com](http://morgansindall.com).

### *Engagement with our key stakeholders*

The directors consider its shareholder, employees, customers, suppliers, and local communities to be its core stakeholder groups. As part of its ongoing activities of engaging with stakeholders, the directors have undertaken the following activities in 2025:

#### *Shareholder*

The Company's shareholder is Morgan Sindall Group plc. We create value for MS Group by generating strong and sustainable results that translate into dividends. The directors discuss Company performance with the MS Group's executive directors in monthly management meetings and provide executive summaries for the MS Group Board. In addition, the directors routinely engage with the MS Group Board on topics of strategy, governance and performance. Company strategic plans are reviewed by the MS Group Board and include information on the impact of our activities on each stakeholder group and the environment.

#### *Employees*

Our employees are at the forefront of our business. We are proud of our people who have the passion, commitment and the range of expertise we need to support and make a difference for our clients.

Our key priorities are to provide our employees with a fair, respectful and safe environment in which to work; have regard for their health and wellbeing; invest in their personal development and career progression; offer support for flexible working; and create an open and honest culture that promotes diversity and inclusion. Our employee policies are designed to support these goals and take account of external legislation, our Code of Conduct and Core Values so that we can continue to recruit, develop and retain the talent needed to deliver our strategy.

We believe it is essential to engage with our employees to understand their views and priorities and how they feel about the business.

The MS Group's 2025 annual report describes how the MS Group Board engages with employees across the MS Group and how it reviews the Company's employee engagement activities throughout the year.

We engage directly with our employees and keep them updated with our business goals, market conditions, operational performance, health and wellbeing support and career advancement and personal development opportunities, using a variety of communication methods and channels. All new starters are given a formal induction programme which includes introducing them to our Core Values and Total Commitments.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Section 172(1) statement (continued)

#### *Employees (continued)*

We hold an annual conference for employees where directors and other senior managers communicate key messages and employees have the opportunity to share ideas and experiences with us and colleagues from different roles and regions. We encourage our employees to challenge the status quo and think differently so that they can keep improving.

We conduct regular surveys of our employees, following which we analyse their feedback and share with them the results of the surveys together with the actions that we will be undertaking in response and the impact of those activities. Examples of the actions we have taken in 2025 include launching a 'Great Things' engagement inbox and newsletter that reinforces our values and sense of community, and launching 'Appraisd', a bespoke learning and development portal.

A Save As You Earn (SAYE) Plan is currently in operation under which employees are given the opportunity to purchase Morgan Sindall Group plc shares in the future at a discount.

#### *Diversity and inclusion*

We recognise that diversity of thought, perspectives and experiences drive innovation and provide competitive advantage and therefore ensure that our employment practices promote a diverse and inclusive work environment. We are committed to creating opportunities for career growth and building a continuous learning culture. We hold personal development conversations with our employees throughout their careers with us and help them gain the skills they need to support their ambitions and drive the business forward.

We continue to develop action plans to improve inclusion. These include focusing on our recruitment and retention processes, promoting careers in the industry and supporting diversity and inclusion in our supply chain. The Muse Academy is our programme to create work experience opportunities and apprenticeships for young people from diverse backgrounds. We have also continued our partnership with Oldham College to host T-Level Students, and alongside our T-Level Programme have enhanced our work experience offering.

#### *Disabled employees*

The Company's policy aligns with the MS Group policy to give full and fair consideration to job applications made by disabled people; commit to making reasonable adjustments to their role and responsibilities; and offer the training and support they need to give them the same opportunities for progression as our other employees.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Section 172(1) statement (continued)

#### *Customers and partners*

We are a partnerships business. We know how powerful strong relationships are and how to harness them to deliver responsible regeneration on a large scale. Working with our partners, we take on ambitious projects, creating successful places with the emphasis on sustainability, community and quality.

In 2025 we continued to build on our prior-year successes by converting eight schemes previously at preferred bidder stage to signed development agreements, with six sizeable schemes at preferred bidder stage at the end of 2025.

We were selected as preferred bidder by the Bristol Temple Quarter LLP for Temple Meads West and St Philip's Marsh; and by Gateshead Council for the regeneration of the Baltic Quarter, through ECF.

Following the launch of Habiko in 2024 - our long-term partnership with Pension Insurance Corporation and Homes England - 2025 saw it announce its first two development sites for 590 new homes in Chester and Warrington.

The Company has a dedicated New Homes Team, which works holistically from the outset with project teams to ensure that there is a high level of quality and attention to detail across the homes the Company builds, which prevents defects and snags as far as is possible post practical completion. The New Homes Team also undertakes collegiate work with both project and sales teams to create moving-in strategies.

#### *Suppliers*

Our suppliers and subcontractors are critical to our operations, and we aim to take a long-term collaborative approach to working with them. The Company continues to work closely with our supply chain to foster a culture of partnership, trust, transparency, and collaboration. We are continuously evolving ways of working with suppliers to encourage efficiency and improved delivery, for example engaging them early in the design process to develop deliverable solutions.

Prior to contractors being asked to tender, each contractor goes through an internal financial review process which reviews its performance, its current financial position and other factors including the value of work that the Group currently has placed with it. A list of preferred contractors is maintained and reviewed regularly.

The Company looks to pay our suppliers as far as practicable within 30 days, with 88% of invoices paid within this timeframe, and a further 9% of invoices paid within 60 days.

# MUSE PLACES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Section 172(1) statement (continued)

#### *Communities*

Our goal is to build communities that are founded upon social value and health and wellbeing. We have a combined social impact, sustainability and placemaking strategy to ensure that what we are doing together is resulting in better outcomes for the people who work in, visit and inhabit the places we create. Through our partnership approach, and genuine engagement, we enable positive change, creating resilient and sustainable neighbourhoods that thrive.

Our Sustainable Future is our holistic strategy for delivering impactful and sustainable places and operating as a responsible business. Our placemaking goal is to help improve the neighbourhoods we work in, enhancing quality of life for the community while preserving natural resources for future generations.

Across our regional teams, we supported a range of charitable initiatives and sponsorships totalling £53,000 in the year, including: continuing our patronage of Salford Youth Zone; Blackpool FC Community Trust sponsorship; and supporting Yorkshire Children's Charity, Birmingham City Foundation and numerous LandAid events.

The Company continues to promote a volunteer policy, which enables employees to take one day's paid leave a year to volunteer with a registered charity of their choice. Employees are encouraged to take this opportunity and give something back to their community. Further information about how the Company and Group engage with stakeholders can be found in MS Group's 2025 annual report ([morgansindall.com](http://morgansindall.com)).

### Approved by and on behalf of the Board

Signed by:



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**A Deutsch**  
**Director**

**Date:** 05 June 2026

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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The directors present their annual report and the audited financial statements for the year ended 31 December 2025. The annual report comprises the Strategic Report and the Directors' Report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared in accordance with UK International Accounting Standards (UK IAS).

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities are described in the Strategic Report on pages 2 to 9.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence during the going concern period, which the directors have defined as the date of approval of the 31 December 2025 financial statements through to 30 June 2027.

The Company participates in the MS Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the MS Group had net cash balances of £531.2m. The MS Group also had £180m of committed loan facilities £15m maturing in June 2028 and £165m maturing in October 2028, which were entirely undrawn as at 31 December 2025.

The Company's future workload is healthy with a secured order book of £4,615m of which £265m relates to the 12 months ending 31 December 2026. The Company has a strong financial position at the year end with net current assets of £57.5m (2024: £70.5m), including cash of £8.6m (2024: £9.6m) as at 31 December 2025.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, and having received confirmation regarding its support to assist the Company in meeting its liabilities as and when they fall due, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

Based on the above, the directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence to the end of the going concern period, which is 30 June 2027. Thus, they continue to adopt the going concern basis in preparing the financial statements.

### **Financial risk management**

The financial risk management policies of the Company are disclosed in the Strategic Report.

### **Directors**

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2025.

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Directors' indemnities**

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, the MS Group maintains liability insurance for its directors and officers and the directors and officers of its associated companies. The Group has also indemnified certain directors of its Group companies, to the extent permitted by law, against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties.

The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year (2024: none).

### **Dividends**

No interim dividend was paid during the year (2024: £nil). The directors do not recommend the payment of a final dividend (2024: £nil).

### **Post balance sheet events**

There were no post balance sheet events up to the date of signing these financial statements.

### **Political contributions**

The Company made no political contributions during the year (2024: none).

### **Employment policies**

The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated, and promoted based on their merits, abilities and potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

### **Engagement with employees and other stakeholders**

Details on engagement with employees and other stakeholders can be found in the strategic report on pages 2 to 9.

### **Environmental performance**

The MS Group continues to prioritise the delivery of improved environmental, social and governance (ESG) outcomes which are pivotal to securing work, building trust among our customers and reinforcing our reputation. By acting against five Total Commitments, we are driving sustainable growth while delivering long-term value for the communities we serve.

In early 2025, the MS Group retained its 'AAA' MSCI rating for the fifth consecutive year and achieved an 'A-' for CDP Climate. Furthermore, the MS Group was named as a 2025 European Climate Leader by the Financial Times and a 'Low Carbon Leader' by Sustainalytics for our climate transition strategy. In 2024, the MS Group published its Climate Transition Plan, detailing its strategy to meet our medium and long-term science-based targets, including our commitment to achieving a 90% reduction in Scope 1, 2 and 3 emissions by 2045.

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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### Environmental performance (continued)

As of 2025, the MS Group remains on track to achieve its medium-term climate ambitions. Since 2019, the MS group has achieved a 55% reduction in Scope 1 and 2 emissions. In 2025, the MS Group expanded its voluntary environmental data disclosure, including further external validation of Scope 3 data across its divisions. Work to re-baseline our Scope 3 emissions in line with updated methodologies also took place, resulting in a 1% increase year on year. In 2026 we will undertake further work to target and accelerate our Scope 3 reduction efforts.

Beyond our direct operations, we empower customers, teams and partners to reduce and avoid emissions associated with projects. Since 2021, CarboniCa, a RICS-approved carbon intelligence tool, has been used on over 840 projects across the MS Group. The industry-leading software undertakes a Whole Life Carbon Assessment (WLCA) of a project to highlight its most carbon-intensive elements and recommend lower-carbon alternatives. By deploying this early in the design phase, CarboniCa continues to generate significant emissions savings for or business and customers.

To reach our 2045 net zero commitment, we will use credible UK-certified offsets on our residual emissions. Our strategy is to invest in high-quality natural capital projects and offsets that contribute to a healthier climate for local communities. As of 2025, work on our legacy natural capital projects has now completed. A summary of the MS Group's 2025 environmental highlights include:

- A 55% reduction in Scope 1 and Scope 2 emissions since 2019
- A 1% increase in Scope 3 emissions year on year
- 99% of the Group's car fleet are hybrid and electric vehicles
- > 840 projects have implemented CarboniCa, our intelligent carbon software since 2020

For further detail of the MS Group's environmental performance, including alignment to the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and Streamlined Energy and Carbon Reporting (SECR), please see the Morgan Sindall Group 2025 annual report at [morgansindall.com](http://morgansindall.com).

### Our Sustainable Future

Alongside MS Group, the management of the social value, sustainability and environmental approach is driven from Muse at board level, through the implementation and management of the operational and delivery strategy called 'Our Sustainable Future'. We pride ourselves on the social value and sustainability performance of our developments and acknowledge our significant responsibility in ensuring our business operations provide a positive impact in the environment and communities we are working within. Our biggest area of responsibility and opportunity to create the most positive environmental impact is within our developments.

*Our Sustainable Future is an important evolution of the Company's sustainable development strategy. It provides a strong and ambitious approach to which all new projects must comply, and is based on the following:*

- Our **vision** is to create exemplar sustainable net-zero developments that maximise social benefits and enhance the environment for future generations.
- Our **goal** is to build communities that are founded upon social value and health and wellbeing.
- Our **pledge** is to fulfil these responsibilities with integrity, honesty and transparency.

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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### Environmental performance (continued)

Whilst reducing carbon emissions is key, we are focused equally on our wider impact.

Our Sustainable Future is based around 6 key objectives:

1. **Social Value** - The positive social, economic, and environmental outcomes that we create for individuals, businesses and the government through our development activities.
2. **Health and Wellbeing** – Delivering high-quality places where people can live sustainably, work and thrive, while positively impacting both physical and mental health.
3. **Nature** - Delivering a biodiversity net gain and environmental net gain, while providing access to high-quality green spaces.
4. **Net Zero** – Reducing embodied carbon emissions and to be net-zero carbon in construction and during operation.
5. **Circular Economy** - Eliminating waste and improving resource efficiency through intentional circularity.
6. **Certifications** - By excelling in the individual themes, we will meet the requirements of industry-leading social value, sustainability and wellbeing standards, benchmarks, and frameworks.

Each objective has several key performance indicators (KPIs) and targets with required and aspirational targets. For example, Net Zero Carbon is measured through operational energy, embodied carbon, whole life carbon and space heating demand.

For Nature, we have set a target for minimum 15% biodiversity net gain using the biodiversity metric set by Defra. Our project teams, designers, consultants, contractors and other supply chain members work together to monitor the social value and sustainability performance of a development against the targets in the Sustainable Development Framework.

The targets for each KPI are tailored to suit the type of project i.e. residential, commercial, new-build or refurbishments. Our approach also encourages new housing developments to be built to Passivhaus standards. The KPI's have been very carefully selected to ensure they produce more sustainable, energy efficient and low carbon developments. The KPI's are challenging and will stimulate new approaches towards design and construction, however this approach is fully endorsed by all in our business.

In 2025, we submitted Stockport 8 as a pilot project for the UK Net Zero Carbon Building Standard, to assess our projects performance against the upcoming industry-wide limits and targets.

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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### Environmental performance (continued)

#### Remaining at the forefront of sustainability

In 2025, we updated Our Sustainable Future strategy to ensure we continue to remain aligned with upcoming sustainability and environmental standards and regulation including 'The Future Home Standards' and the 'UK Net Zero Carbon Building Standard' (UKNCBS). As part of this process, we appointed external subject matter experts to assist the Head of Social Value and Sustainability to update the KPIs, targets and design guides for each OSF theme. We also created and published the first full Our Sustainable Future Report 2024 (published in 2025), showcasing our projects nationally and sharing our progress against our vision, goals and pledge with the industry.

The Company has taken the exemption available to subsidiaries with regards to reporting separately under the Streamlined Energy and Carbon Reporting programme. Refer to the consolidated financial statements of Morgan Sindall Group plc, the location of which is detailed in the principal accounting policies section of this annual report.

#### Independent auditor and disclosure of information to the independent Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company has abolished the requirement to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions as provided in section 487 of the Companies Act 2006 for the deemed reappointment of Ernst & Young LLP as auditors.

#### Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The directors confirm that they have complied with the above requirements in preparing the financial statements. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and UK International Accounting Standards (UK IAS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

# MUSE PLACES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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### Directors' responsibilities statement (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Approved for and on behalf of the Board

Signed by:  
  
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**A Deutsch**  
**Director**

Date: 05 June 2026

# MUSE PLACES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSE PLACES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

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### Opinion

We have audited the financial statements of Muse Places Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheet, Consolidated and Company Cash Flow Statement, Consolidated and Company Statement of Changes in Equity and the related notes 1 to 26, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months to 30 June 2027.

# MUSE PLACES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSE PLACES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

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Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# MUSE PLACES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSE PLACES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are frameworks directly relevant to specific assertions in the financial statements including those that relate to the reporting framework (UK adopted International Accounting Standards) and the relevant tax laws and regulations in the UK.
- We understood how Muse Places Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers as well as through consideration of the results of our audit procedures across the company.

# MUSE PLACES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSE PLACES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

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- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Victoria Venning

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Victoria Venning (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

Date: 05 June 2026

# MUSE PLACES LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
Revenue	1	51,573	90,487
Cost of sales		(35,452)	(64,540)
<b>Gross profit</b>		<b>16,121</b>	<b>25,947</b>
<b>Analysed as:</b>			
Adjusted gross profit		16,426	18,639
Exceptional building safety (charge)/credit		(305)	7,308
Administrative expenses		(18,858)	(18,123)
Share of net loss of joint ventures	10	(1,981)	(390)
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(4,718)</b>	<b>7,434</b>
<b>Analysed as:</b>			
Adjusted operating (loss)/profit		(5,315)	1,480
Exceptional building safety credit		597	5,954
Interest receivable	5	650	1,914
Interest payable	5	(331)	(101)
<b>(Loss)/profit before tax</b>		<b>(4,399)</b>	<b>9,247</b>
<b>Analysed as:</b>			
Adjusted (loss)/profit before tax		(4,996)	3,293
Exceptional building safety credit		597	5,954
Tax	6	3,354	(1,025)
<b>(Loss)/profit after tax</b>		<b>(1,045)</b>	<b>8,222</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income</b>		<b>(1,045)</b>	<b>8,222</b>

The results for the year arise from continuing operations.

# MUSE PLACES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
<b>Assets</b>			
Goodwill	8	13,645	13,645
Property, plant & equipment	9	1,254	1,831
Investments in joint ventures	10	45,073	35,174
Shared equity loan receivables	12	-	38
Deferred tax asset	17	1,203	-
<b>Non-current assets</b>		<b>61,175</b>	<b>50,688</b>
Inventories	13	101,283	73,219
Contract assets	14	4,315	3,200
Trade and other receivables	15	22,937	53,753
Cash and cash equivalents	25	8,645	9,608
<b>Current assets</b>		<b>137,180</b>	<b>139,780</b>
<b>Total assets</b>		<b>198,355</b>	<b>190,468</b>
<b>Liabilities</b>			
Trade and other payables	16	(53,646)	(38,968)
Current tax liabilities		(2,092)	(4,229)
Lease liabilities	23	(493)	(541)
Provisions	22	(23,480)	(25,529)
<b>Current liabilities</b>		<b>(79,711)</b>	<b>(69,267)</b>
<b>Total assets less current liabilities</b>		<b>118,644</b>	<b>121,201</b>
<b>Net current assets</b>		<b>57,469</b>	<b>70,513</b>
Other payables	16	(2,761)	(4,019)
Deferred tax liabilities	17	-	(593)
Lease liabilities	23	(612)	(1,090)
<b>Non-current liabilities</b>		<b>(3,373)</b>	<b>(5,702)</b>
<b>Total liabilities</b>		<b>(83,084)</b>	<b>(74,969)</b>
<b>Net assets</b>		<b>115,271</b>	<b>115,499</b>
<b>Equity</b>			
Share capital	18	60,000	60,000
Retained earnings		55,271	55,499
<b>Total equity</b>		<b>115,271</b>	<b>115,499</b>

The consolidated financial statements of Muse Places Limited, registered number 02717800, were approved by the Board and authorised for issue on 05 June 2026. They were signed on its behalf by:

Signed by:  
  
 A Deutsch  
 Director

# MUSE PLACES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
<b>(Loss)/profit for the year</b>		<b>(1,045)</b>	<b>8,222</b>
Income tax (credit)/expense		(3,354)	1,025
Interest receivable		(650)	(1,914)
Interest payable		331	101
<b>Operating (loss)/profit</b>		<b>(4,718)</b>	<b>7,434</b>
Adjusted for:			
Depreciation	9	660	754
Loss on disposal of fixed assets	9	-	1,740
Share of net loss of equity accounted joint ventures	10	1,982	390
Decrease in shared equity loans receivable	12	38	-
Decrease in provisions	22	(2,049)	(6,183)
<b>Operating cashflow before movements in working capital</b>		<b>(4,087)</b>	<b>4,135</b>
Increase in inventories	13	(28,064)	(27,894)
(Increase)/decrease in contract assets	14	(1,115)	17,521
Decrease in receivables	15	30,816	17,300
Decrease in payables	16	(11,919)	(39,042)
<b>Movements in working capital</b>		<b>(10,282)</b>	<b>(32,115)</b>
Income taxes received		239	6,384
Interest paid		(267)	-
<b>Net cash outflow from operating activities</b>		<b>(14,397)</b>	<b>(21,596)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	9	(83)	(779)
Interest received	5	650	1,914
Net (payments to)/receipts from joint ventures	10	(11,881)	2,923
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(11,314)</b>	<b>4,058</b>
<b>Financing activities</b>			
Repayments of lease liabilities	23	(590)	(569)
Increase in bank overdraft	16	25,338	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>24,748</b>	<b>(569)</b>
Net decrease in cash and cash equivalents		(963)	(18,107)
Cash and cash equivalents at 1 January	25	9,608	27,715
<b>Cash and cash equivalents at 31 December</b>	<b>25</b>	<b>8,645</b>	<b>9,608</b>

# MUSE PLACES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
<b>At 31 December 2023</b>	<b>60,000</b>	<b>47,277</b>	<b>107,277</b>
Total comprehensive income	-	8,222	8,222
<b>At 31 December 2024</b>	<b>60,000</b>	<b>55,499</b>	<b>115,499</b>
Total comprehensive loss	-	(1,045)	(1,045)
Tax on share-based payment	-	817	817
<b>At 31 December 2025</b>	<b>60,000</b>	<b>55,271</b>	<b>115,271</b>

# MUSE PLACES LIMITED

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
<b>Assets</b>			
Goodwill	8	7,292	7,292
Property, plant and equipment	9	1,254	1,831
Investments in joint ventures	10	3,961	1,980
Investments in subsidiaries	11	17,818	17,818
<b>Non-current assets</b>		<b>30,325</b>	<b>28,921</b>
Inventories	13	96,960	67,144
Contract assets	14	4,315	3,200
Trade and other receivables	15	48,995	70,493
Cash and cash equivalents	25	6,147	7,250
<b>Current assets</b>		<b>156,417</b>	<b>148,087</b>
<b>Total assets</b>		<b>186,742</b>	<b>177,008</b>
<b>Liabilities</b>			
Trade and other payables	16	(92,318)	(75,525)
Current tax liabilities		(2,539)	(4,676)
Lease liabilities	23	(493)	(541)
Provisions	22	(23,480)	(25,529)
<b>Current liabilities</b>		<b>(118,830)</b>	<b>(106,271)</b>
<b>Net current assets</b>		<b>37,587</b>	<b>41,816</b>
Other payables	16	(2,761)	(4,019)
Deferred tax liabilities	17	(590)	(1,260)
Lease liabilities	23	(612)	(1,090)
<b>Non-current liabilities</b>		<b>(3,963)</b>	<b>(6,369)</b>
<b>Total liabilities</b>		<b>(122,793)</b>	<b>(112,640)</b>
<b>Net assets</b>		<b>63,949</b>	<b>64,368</b>
<b>Equity</b>			
Share capital	18	60,000	60,000
Retained earnings		3,949	4,368
<b>Total equity</b>		<b>63,949</b>	<b>64,368</b>

The Company reported a loss for the financial year ended 31 December 2025 of £1,236,000 (2024: profit of £7,416,000). Advantage has been taken of the exemption from the requirement to publish a separate profit and loss account for the parent company as set out in section 408 of the Companies Act 2006.

The financial statements of Muse Places Limited, registered number 02717800, were approved by the Board of directors on 05 June 2026.

Signed by:  
  
 A Deutscher  
 Director

# MUSE PLACES LIMITED

## COMPANY CASH FLOW STATEMENT AS AT 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
<b>(Loss)/profit for the year</b>		<b>(1,236)</b>	<b>7,416</b>
Adjusted for:			
Income tax		(3,054)	189
Interest receivable		(648)	(2,062)
Interest payable		331	101
<b>Operating (loss)/profit</b>		<b>(4,607)</b>	<b>5,644</b>
Adjusted for:			
Depreciation	9	660	754
Loss on disposal of fixed assets	9	-	1,740
Decrease in provisions	22	(2,049)	(6,183)
<b>Operating cashflow before movements in working capital</b>		<b>(5,996)</b>	<b>1,955</b>
Increase in inventories	13	(29,816)	(29,557)
Increase in contract assets	14	(1,115)	(2,294)
Decrease in receivables	15	21,498	25,863
Decrease in payables	16	(9,803)	(11,360)
<b>Movements in working capital</b>		<b>(19,236)</b>	<b>(17,348)</b>
Income taxes received		1,064	6,716
Interest paid		(267)	-
<b>Net cash outflow from operating activities</b>		<b>(24,435)</b>	<b>(8,677)</b>
<b>Investing activities</b>			
Interest received		648	1,913
Purchase of property, plant and equipment	9	(83)	(779)
Net (payments to)/receipts from joint ventures	10	(1,981)	2,413
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(1,416)</b>	<b>3,547</b>
<b>Financing activities</b>			
Repayments of lease liabilities	23	(590)	(569)
Increase in bank overdraft	16	25,338	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>24,748</b>	<b>(569)</b>
Net decrease in cash and cash equivalents		(1,103)	(5,699)
Cash and cash equivalents at 1 January	25	7,250	12,949
<b>Cash and cash equivalents at 31 December</b>	<b>25</b>	<b>6,147</b>	<b>7,250</b>

# MUSE PLACES LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
<b>At 31 December 2023</b>	<b>60,000</b>	<b>(3,048)</b>	<b>56,952</b>
Total comprehensive income	-	7,416	7,416
<b>31 December 2024</b>	<b>60,000</b>	<b>4,368</b>	<b>64,368</b>
Total comprehensive loss	-	(1,236)	(1,236)
Tax on share-based payment	-	817	817
<b>31 December 2025</b>	<b>60,000</b>	<b>3,949</b>	<b>63,949</b>

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

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Muse Places Limited is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and registered in England and Wales. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 9. The address of the registered office is given on page 1.

### **Basis of preparation**

#### **(a) Statement of compliance**

The consolidated and Company financial statements have been prepared on the going concern basis as set out below and in accordance with UK-adopted International Accounting Standards (UK IAS).

#### **(b) Basis of accounting**

The financial statements have been prepared under the historical cost convention except for the revaluation of shared equity loan receivables that are measured at fair values at the end of each reporting period, as explained in the material accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

#### **(c) Functional and presentation currency**

These consolidated and company financial statements are presented in pounds sterling which is the Company's functional currency.

#### **(d) Ultimate controlling party**

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the largest and smallest Group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from [www.morgansindall.com](http://www.morgansindall.com) or from its registered office Kent House, 14-17 Market Place, London, W1W 8AJ.

#### **(e) Adoption of new and amended standards and interpretations**

##### *(i) New and amended accounting standards adopted by the Group*

During the year, the Group has adopted the following new and amended standards and interpretations. Their adoption has not had any significant impact on the accounts or disclosures in these financial statements.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'

##### *(ii) New and amended accounting standards and interpretations which were in issue but were not yet effective and have not been adopted early by the Group*

At the date of the financial statements, the Group has not applied the following new and amended standards that have been issued but are not yet effective:

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 18 'Presentation and Disclosures in Financial Statements'

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **(e) Adoption of new and amended standards and interpretations (continued)**

The Group is currently assessing the impact of these new and amended standards but does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

The material accounting policies as set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities are described in the strategic report on pages 2 to 9.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence during the going concern period, which the directors have defined as the date of approval of the 31 December 2025 financial statements through to 30 June 2027.

The Company participates in the MS Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the MS Group had net cash balances of £531.2m. The MS Group also had £180m of committed loan facilities £15m maturing in June 2028 and £165m maturing in October 2028, which were entirely undrawn as at 31 December 2025.

The Company's future workload is healthy with a secured order book of £4,615m of which £265m relates to the 12 months ending 31 December 2026. The Company has a strong financial position at the year end with net current assets of £57.5m (2024: £70.5m), including cash of £8.6m (2024: £9.6m) as at 31 December 2025.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, and having received confirmation regarding its support to assist the Company in meeting its liabilities as and when they fall due, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

Based on the above, the directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence to the end of the going concern period, which is 30 June 2027. Thus, they continue to adopt the going concern basis in preparing the financial statements.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, together with the Group's share of the results of joint ventures made up to 31 December each year. Business combinations are accounted for using the acquisition method.

#### **(a) Subsidiaries**

Subsidiaries are entities that are controlled by the Group. Control is exerted where the Group has the power to govern, directly or indirectly, the financial and operating policies of the entity so as to obtain economic benefits from its activities. Typically, a shareholding of more than 50% of the voting rights is indicative of control. However, the impact of potential voting rights currently exercisable is taken into consideration.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control is obtained to the date that control ceases. The accounting policies of new subsidiaries are changed where necessary to align them with those of the Group.

#### **(b) Joint arrangements**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, which requires unanimous consent for strategic financial and operating decisions.

##### **(i) Joint ventures**

A joint venture generally involves the establishment of a corporation, partnership, or other entity in which each venturer has an interest. The results, assets and liabilities of jointly controlled entities are incorporated in the financial statements using the equity method of accounting.

Goodwill relating to a joint venture which is acquired directly is included in the carrying amount of the investment and is not amortised.

After application of the equity method, the Group's investments in joint ventures are reviewed to determine whether any additional impairment loss in relation to the net investment in the joint venture is required. When there is a change recognised directly in the equity of the joint venture, the Group recognises its share of any change and discloses this, where applicable, in the statement of comprehensive income.

Where the Group's share of losses exceeds its equity accounted investment in a joint venture, the carrying amount of the equity interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations. Appropriate adjustment is made to the results of joint ventures where material differences exist between a joint venture's accounting policies and those of the Group.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### (ii) Joint operations

Construction contracts carried out as a joint arrangement without the establishment of a legal entity are joint operations. The Group's share of the results and net assets of these joint operations are included under each relevant heading in the income statement and the balance sheet.

### (c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investments are eliminated to the extent of the Group's interest in that investment. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### Revenue recognition

#### (a) Sale of land and properties

A portion of the Company's revenue comes from the sale of land and the development and sale of residential and commercial properties.

Contracts are typically satisfied at a point in time. This is usually deemed to be legal completion as this is the point at which the Group has an enforceable right to payment. The only exception to this is pre-let forward sold developments where the customer controls the work in progress as it is created; or where the Company is unable to put the asset being constructed to an alternative use due to legal or practical limitations and has an enforceable right to payment for the work completed to date. Where these conditions are met, the contract is accounted for as construction contract in accordance with paragraph (b) below.

Revenue from the sale of land, residential and commercial properties is measured at the transaction price agreed in the contract with the customer. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Profit is recognised by allocating the total costs of a scheme to each unit at a consistent margin.

#### (b) Stage of completion

In the case of pre-let forward sold developments, Revenue is recognised based on the stage of completion and using the guidelines of the 5-step approach as set out in IFRS 15. Most contracts are considered to contain only one performance obligation for the purposes of recognising revenue. Whilst the scope of works may include several different components, in the context of construction activities these are usually highly interrelated and produce a combined output for the customer.

To recognise the profit over time it is necessary to estimate the total costs of the contract. Once the outcome of a construction contract can be estimated reliably, margin is recognised in the income statement in line with the stage of completion. Where a contract is forecast to be loss-making, the full loss is recognised immediately in the income statement. For fixed price construction contracts progress is measured through a valuation of the works undertaken by a professional quantity surveyor. Variations are not included in the estimated total contract price until the customer has agreed the revised scope of work.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### Revenue recognition (continued)

#### **(b) Stage of completion (continued)**

Where the scope has been agreed but the corresponding change in price has not yet been agreed, only the amount that is considered highly probable not to reverse in the future is included in the estimated total contract price. Where delays to the programme of works are anticipated and liquidated damages would be contractually due, the estimated total contract price is reduced accordingly. This is only mitigated by liquidated damages due from others, expected extensions of time or commercial resolution being achieved where it is highly probable that this will not lead to a significant reversal in the future.

#### **(c) Cost plus basis**

In its capacity as property developer, the Company may agree to apply a mark-up on costs, referred to as a development management fee. The development management fee is recognised as revenue when invoiced.

#### **(d) Contract costs of land and properties**

Costs to obtain a contract are expensed unless they are incremental, i.e. they would not have been incurred if the contract had not been obtained, and the contract is expected to be sufficiently profitable for them to be recovered.

Costs to fulfil a contract are expensed unless they relate to an identified contract, generate, or enhance resources that will be used to satisfy the obligations under the contract in future years and the contract is expected to be sufficiently profitable for them to be recovered.

Where costs are capitalised, they are amortised over the shorter of the period for which revenue and profit can be forecast with reasonable certainty and the duration of the contract except where the contract becomes loss making. If the contract becomes loss making, all capitalised costs related to that contract are immediately expensed.

#### **(e) Government grants**

Funding received in respect of developer grants, where funding is awarded to encourage the building of affordable housing, is recognised as revenue on a stage of completion basis over the life of the project to which the funding relates.

Funding received to support the construction of housing where current market prices would otherwise make a scheme financially unviable is recognised as revenue on a legal completion basis when the properties to which it relates are sold.

Government grants are initially recognised as deferred income at fair value when there is reasonable assurance that the Group will comply with the conditions attached and the grants will be received.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Leases**

Where the Company is a lessee, a right-of-use asset and lease liability are recognised at the outset of the lease other than those that are less than one year in duration or of a low value.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date based on the Group's expectations of the likelihood of lease extension or break options being exercised. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any lease modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Group and an estimate of any costs that are expected to be incurred at the end of the lease to dismantle or restore the asset. The right-of-use assets are presented within the property, plant and equipment line in the balance sheet and depreciated in accordance with the Group's accounting policy on property, plant, and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **Finance income and expense**

Finance income and expense is recognised using the effective interest method.

### **Income tax**

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity.

Current tax is the Group's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the income statement because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Income tax (continued)**

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are only offset where there is a legally enforceable right to offset current tax assets and liabilities.

### **Dividends**

Dividends to the Company's shareholder are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholder.

### **Intangible assets – goodwill**

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date and at least annually thereafter.

### **Property, plant and equipment**

Property, plant, and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged using the straight-line method to write off the cost of the assets over their estimated useful lives which in the case of plant, equipment and fixtures and fittings is between three and five years

Residual values of property, plant and equipment are reviewed and updated annually.

### **Investments**

In the Company balance sheet, fixed asset investments in subsidiaries and joint ventures are shown at cost less provision for impairment.

### **Shared equity loan receivables**

The shared equity loans receivable are designated at fair value through profit or loss. Fair value movements are recognised in profit from operations and the resulting financial asset is presented as a non-current receivable. Fair value movements include accreted interest.

### **Inventories**

Inventories principally comprise properties held for sale, properties under construction and land. Inventories are stated at the lower of cost and net realisable value. Cost comprises land, direct materials and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less applicable costs.

### **Pensions**

The Company contributes to defined contribution pension arrangements for employees. The amount charged to the statement of comprehensive income is equal to the contributions payable in respect of the year. Differences between contributions payable in respect of the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Current/non-current classification**

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption as part of the Company's normal identifiable operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities expected to be settled in line with the Company's normal course of business and for which the Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets and financial liabilities are subsequently measured at either fair value or amortised cost, depending on the classification of the financial assets and financial liabilities.

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# MUSE PLACES LIMITED

## MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### **Critical judgements and estimates in applying the Company's accounting policies**

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- **Accounting for contracts - Critical accounting judgements**

The Group acts as a developer and/or contractor on a number of mixed-use schemes. In some instances, judgement is required to determine whether the revenue on a particular element of the scheme should be recognised as work progresses or upon legal completion. A detailed assessment of the contractual arrangements with the customer as well as the substance of the transaction is performed to ensure that revenue is recognised in accordance with IFRS 15.

- **Impairment of work in progress – Key source of estimation uncertainty**

In assessing whether work in progress is impaired, estimates are made of future sales revenue, timing and build costs. The Company has controls in place to ensure that estimates of sales revenue are consistent, and external valuations are used where appropriate.

The reference to estimates above is not intended to comply with the requirements of paragraph 125 of IAS 1, 'Presentation of Financial Statements', as it is not expected there is a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. The above is presented as additional disclosure in order to give more detail on the process for impairment assessment for work in progress.

- **Building safety provisions – Key source of estimation uncertainty**

Management has reviewed legal and constructive obligations with regard to remedial work to rectify legacy building safety issues. Where obligations exist, these have been evaluated for the likely cost to address, including repayments of the Building Safety Fund, and an appropriate provision has been created.

The ongoing legislative and regulatory changes in respect of legacy building safety issues create uncertainty around the extent of remediation required for legacy buildings, the liability for such remediation, recoveries from other parties (which would only be recognised when virtually certain to be received) and the time to be considered. This implies inherent uncertainty as to the precise future obligations of the Group in respect of building fire safety issues.

Management has recognised a provision based on its best estimate of the future obligations. However, should the costs of remediation increase by 5%, due to factors such as higher-than-expected inflation, the impact on the remediation costs would be £1m.

Please see note 22 for further detail.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. Revenue

An analysis of the revenue is as follows:

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Recognised on performance obligations satisfied over time	14,875	13,904	27,872	29,480
Recognised on performance obligations satisfied at a point in time	36,698	36,698	62,615	60,822
<b>Total Revenue</b>	<b>51,573</b>	<b>50,602</b>	<b>90,487</b>	<b>90,302</b>

All revenue relates to the Group's principal activities carried out in the UK. Management reviews the performance of the Group on a project basis. None of these projects meet the criteria to be classified as an operating segment as defined by IFRS 8. Therefore no segmental analysis is disclosed.

### 2. Operating (loss)/profit

	2025 £'000	2024 £'000
<b>Operating (loss)/profit is stated after charging / (crediting):</b>		
Depreciation of property, plant and equipment:		
- owned assets	175	416
- right-of-use assets	485	338
Government grants	-	(438)
Auditor's remuneration (see below)	222	216
	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Auditor's remuneration</b>		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	206	200
Fees payable to the Company's auditor for the audit of annual financial statements of subsidiary companies pursuant to legislation	14	14
	<b>220</b>	<b>214</b>
Group share of fees payable to the Company's auditor for the audit of annual financial statements of joint venture companies pursuant to legislation	2	2
<b>Total auditor's remuneration</b>	<b>222</b>	<b>216</b>

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. Exceptional building safety credit

	2025 £'000	2024 £'000
Net increase/(reduction) on building safety provisions (note 22)	305	(1,608)
Insurance and recoveries recognised in receivables	-	(5,700)
<b>Exceptional building safety charge/(credit) within cost of sales</b>	<b>305</b>	<b>(7,308)</b>
Exceptional building safety (credit)/charge within joint ventures (note 10)	(902)	1,354
<b>Total exceptional building safety credit</b>	<b>(597)</b>	<b>(5,954)</b>

During 2022, the Group received a request from the Ministry of Housing, Communities and Local Government ("MHCLG") (then the Department for Levelling Up, Housing and Communities ("DLUHC")) to assess whether it was appropriate for the Group to commit to the principles of the Developers' Pledge as part of its commitment to support the remediation of historic cladding and fire safety defects over and above its obligations under the new Building Safety Act. The Group's parent company, Morgan Sindall Group plc, subsequently signed the Developer Remediation Contract in March 2023 on behalf of the Group.

An exceptional charge of £43.4m was recognised in 2022 due to the materiality and irregular nature of creating provisions arising because of the Pledge.

In the current year, the legal and constructive obligations related to the Pledge (including reimbursement of grants provided by the Building Safety Fund), the Building Safety Act and associated fire safety regulations have been reassessed based on further information. The overall movement in the building safety items is a net credit of £0.6m and is shown separately as an exceptional item consistent with prior-year treatment.

Included in the £0.6m total exceptional building safety credit (2024: £6.0m credit) is a £0.9m credit (2024: £1.4m charge) that has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures, and this has been recognised within the Group's share of net profit/loss of joint ventures. The remaining net charge of £0.3m (2024: £7.3m credit) has been recognised in cost of sales.

At the reporting date the Group had not yet made any reimbursements to the Building Safety Fund for amounts previously granted and drawn on any of the developments for which the Group has taken responsibility. As notified by the MHCLG, any repayments will only be requested upon final completion of all the relevant works. On this basis, any repayments are only likely to commence towards the middle of 2026 at the earliest.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 4. Staff costs

	2025	2024
Group and Company	£'000	£'000
Wages and salaries	12,260	12,332
Social security costs	1,535	1,468
Pension costs	753	629
	<b>14,548</b>	<b>14,429</b>

	No.	No.
The monthly average number of employees (including executive directors) during the year was:	119	108

Two directors of the Company received no emoluments (2024: received no emoluments) in their capacity as directors of this Company. These individuals are remunerated by another company in the MS Group.

	2025	2024
Group and Company	£'000	£'000
<b>Directors' remuneration</b>		
Emoluments	1,792	1,700
Company contribution to money purchase pension scheme	45	48

Number of directors who are members of money purchase pension schemes	3	4
Number of directors who exercised options over shares in MS Group	-	1

<b>Remuneration of the highest paid director</b>		
Emoluments	744	629

### 5. Interest

	2025	2024
	£'000	£'000
<b>Interest payable</b>		
Lease liabilities	(64)	(100)
Other interest payable	(267)	(1)
<b>Total interest payable</b>	<b>(331)</b>	<b>(101)</b>
<b>Interest receivable</b>		
Other interest receivable	650	1,914
<b>Total interest receivable</b>	<b>650</b>	<b>1,914</b>

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. Tax	2025	2024
	£'000	£'000
UK corporation tax (credit)/charge on (loss)/profit for the year	(730)	1,170
Adjustment in respect of previous years	(1,459)	(674)
<b>Total current tax</b>	<b>(2,189)</b>	<b>496</b>
Origination and reversal of timing differences	(992)	478
Adjustment in respect of previous years	(173)	51
<b>Total deferred tax (note 17)</b>	<b>(1,165)</b>	<b>529</b>
<b>Total tax (credit)/expense</b>	<b>(3,354)</b>	<b>1,025</b>

Corporation tax is calculated at 25% (2024: 25%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

	2025	2024
	£'000	£'000
(Loss)/profit before tax	(4,399)	9,247
Tax on (loss)/profit at corporation tax rate	(1,100)	2,312
<b>Factors affecting the charge for the year:</b>		
Adjustments to tax charge in respect of previous years	(1,632)	(623)
Recognition and derecognition of deferred tax asset on losses	(1,126)	-
Movement in tax losses not recognised as a deferred tax asset	-	1,306
Proportion of exceptional items	-	(1,970)
Non-taxable joint venture losses	495	-
Other adjustments	9	-
<b>Total tax (credit)/expense</b>	<b>(3,354)</b>	<b>1,025</b>

Residential Property Developer Tax (RPDT) applies at a rate of 4% on profits arising from residential property development. A £25m annual tax-free allowance applies in aggregate for the MS Group. A portion of the profits of the Company are subject to RPDT, and a liability of £nil (2024: £nil) has been accrued for the Company for 2025, included within tax expense.

The UK statutory Corporation Tax rate for the Company was 25% (2024: 25%). Deferred taxes at the balance sheet date are measured at the enacted rates that are expected to apply to the unwinding of each asset or liability.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 6. Tax (continued)

Accordingly deferred tax balances as at 31 December 2025 have been calculated at 25% (2024: 25%), plus 4% (2024: 4%) allowance for RPDT where applicable.

Pillar Two legislation has been enacted in the United Kingdom, effective from 1 January 2024. As the Company is part of the MS Group, the assessment of potential exposure to Pillar Two income taxes was performed at a Group level and applies to the Company. The Group does not expect any material exposure to Pillar Two top-up taxes and therefore no provision has been recognised.

### 7. Dividends

Amounts recognised as distributions to equity holders in the year:

	2025	2024
	£'000	£'000
Interim dividend for the year ended 31 December 2025 of 0p per share (2024: 0p per share)	-	-

The directors do not recommend the payment of a final dividend (2024: £nil).

### 8. Goodwill

	Group Goodwill	Company Goodwill
	£'000	£'000
<b>Cost and Net Book Value</b>		
<b>As at 31 December 2023 and 31 December 2024 and 31 December 2025</b>	<b>13,645</b>	<b>7,292</b>

Company goodwill relates to the acquisition of certain assets and the development business of AMEC Developments Limited (now re-named Muse Places Limited) from AMEC Investments Limited as part of the acquisition of AMEC Developments Limited by Morgan Sindall Group Plc in 2007.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. In testing goodwill for impairment, the recoverable amount of each cash-generating unit has been estimated from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the forecast revenue and margin, discount rates and long-term growth rates by market sector. Forecast revenue and margin are based on past performance, secured workload and workload likely to be achievable in the short to medium term, given trends in the relevant market sector as well as macroeconomic factors.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 8. Goodwill (continued)

Cash flow forecasts have been determined by using Board-approved budgets for the next three years. Cash flows beyond three years have been extrapolated into perpetuity using an estimated nominal growth rate of 3.0% (2024: 3.4%). This growth rate does not exceed the long-term average for the relevant markets. Discount rates are pre-tax and reflect the current market assessment of the time value of money and the risks specific to the cash-generating units. The risk-adjusted nominal rate used is 14.5% (2024: 14.2%). The increased discount rate in 2025 is due to a higher risk-free rate and an increased market risk premium for the UK.

In carrying out this exercise, no impairment of goodwill has been identified. No reasonably foreseeable change in the assumptions used within the value-in-use calculations would cause an impairment in consolidated financial statements.

### 9. Property, plant and equipment

Group and Company	Plant, equipment, fixtures & fittings £'000	Right-of-use assets - Buildings £'000	Total £'000
<b>Cost</b>			
As at 31 December 2023	2,314	5,035	7,349
Additions	207	572	779
Disposals	(614)	(3,083)	(3,697)
As at 31 December 2024	1,907	2,524	4,431
Additions	83	-	83
As at 31 December 2025	1,990	2,524	4,514
<b>Depreciation</b>			
As at 31 December 2023	(1,684)	(2,119)	(3,803)
Charge for the year	(416)	(338)	(754)
Disposals	614	1,343	1,957
As at 31 December 2024	(1,486)	(1,114)	(2,600)
Charge for the year	(175)	(485)	(660)
As at 31 December 2025	(1,661)	(1,599)	(3,260)
<b>Net Book Value</b>			
As at 31 December 2025	329	925	1,254
As at 31 December 2024	421	1,410	1,831

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 10. Investments in joint ventures

The details of the Company's investments in joint ventures are shown below. All undertakings are registered in England and Wales or Scotland and the country of incorporation and principal place of business is the UK.

Name of company	Proportion of ordinary shares held	Proportion of voting power held
Waterside Places Limited Partnership <sup>(a) (1) (4)</sup>	50%	50%
Waterside Places (General Partner) Limited <sup>(a) (4)</sup>	50%	50%
English Cities Fund <sup>(b) (1) (4)</sup>	23.97% equity participation	33.3%
ECF (General Partner) Limited <sup>(b)</sup>	33.3%	33.3%
Lingley Mere Business Park Development Company Limited <sup>(c)</sup>	50%	50%
St Andrews Brae Developments Limited	50%	50%
Wapping Wharf (Alpha) LLP <sup>(2)</sup>	50%	50%
Wapping Wharf (Beta) LLP <sup>(2)</sup>	40%	40%
Intercity Developments Limited	50%	50%
Bromley Park (Holdings) Limited	50%	50%
Ashton Moss Developments Limited	50%	50%
Wirral Growth Company LLP <sup>(d) (2)</sup>	50%	50%
Brentwood Development Partnership LLP <sup>(2) (4)</sup>	50%	50%
The Bournemouth Development Company LLP <sup>(2) (4)</sup>	50%	50%
Slough Urban Renewal LLP <sup>(2) (4)</sup>	50%	50%
Stoke Wharf Development LLP <sup>(2) (4)</sup>	50%	50%
The Prestwich Regeneration LLP <sup>(2)</sup>	50%	50%
Habiko LLP <sup>(2)</sup>	33.3%	33.3%
Wythenshawe Civic Regeneration LLP <sup>(2)</sup>	20%	50%
Aykley Heads Development LLP <sup>(2)</sup>	50%	50%

Unless otherwise stated the registered office address for each of the above is Kent House, 14-17 Market Place, London W1W 8AJ. Registered office classification key:

<sup>(a)</sup> National Waterways Museum Ellesmere Port, South Pier Road, Ellesmere Port, Cheshire, CH65 4FW

<sup>(b)</sup> One Coleman Street, London EC2R 5AA

<sup>(c)</sup> Haweswater House, Lingley Mere Business Park, Lingley Green Avenue, Great Sankey, Warrington WA5 3LP

<sup>(d)</sup> C/o Head of Legal Wirral Borough Council, Town Hall, Brighton Street, Wallasey, Wirral, CH44 8ED

Unless otherwise stated, the Group's interest is in ordinary shares issued (or equivalent of ordinary shares issued in the relevant country each). Classification key:

<sup>1</sup> Limited Partnership

<sup>2</sup> Limited Liability Partnership

<sup>3</sup> Limited by guarantee

<sup>4</sup> Indirect holding

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### 10. Investments in joint ventures (continued)

#### **Waterside Places Limited Partnership: 50% partner**

Waterside Places is a joint venture with The Canal and River Trust to undertake regeneration of waterside sites.

#### **Waterside Places (General Partner) Limited: 50% equity participation**

Principal activities are covered within Waterside Places Limited Partnership above.

#### **English Cities Fund Limited Partnership: 23.97% equity participation**

English Cities Fund is a limited partnership with Homes England and Legal & General to develop mixed-use regeneration schemes in assisted areas. Joint control is exercised through the board of the general partner at which each partner is represented by two directors and no decision can be taken without the agreement of a director representing each partner.

#### **ECF (General Partner) Limited: 33.3% equity participation**

Principal activities are covered within English Cities Fund Limited Partnership above.

#### **Lingley Mere Business Park Development Company Limited: 50% share**

Lingley Mere Business Park Development Company Limited is a joint venture with United Utilities delivering development at a site in Warrington.

#### **St Andrews Brae Developments Limited: 50% share**

St Andrews Brae Developments Limited is a joint venture with Miller Homes which has completed a development of residential housing and apartments in Bearsden, Glasgow.

#### **Wapping Wharf (Alpha) LLP: 50% partner**

Wapping Wharf (Alpha) LLP is a joint venture with Wapping Wharf (Umberslade) Limited that has completed development of the first phase of residential apartments within the Harbourside Regeneration Area of Bristol.

#### **Wapping Wharf (Beta) LLP: 40% partner**

Wapping Wharf (Beta) LLP is a joint venture with Wapping Wharf (Umberslade) Limited that has completed the second phase of residential apartments within the Harbourside Regeneration Area of Bristol.

#### **Wirral Growth Company LLP: 50% partner**

Wirral Growth Company LLP is a joint venture with Wirral Borough Council. The LLP was set up to undertake regeneration of numerous sites in the Wirral region of north west England.

#### **Brentwood Development Partnership LLP: 50% partner**

Brentwood Development Partnership LLP is a partnership with Brentwood Borough Council which is developing a series of sites in Brentwood over a 30-year period.

#### **The Bournemouth Development Company LLP: 50% partner**

The Bournemouth Development Company LLP is a partnership with BCP Council which is developing a series of sites in Bournemouth over a 20-year period.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 10. Investments in joint ventures (continued)

#### Slough Urban Renewal LLP: 50% partner

Slough Urban Renewal LLP is a partnership with Slough Borough Council which is developing a series of sites in Slough over an initial term of 15 years, extendable by 10 years.

#### Stoke Wharf Development LLP: 50% partner

Stoke Wharf Development LLP is a partnership between Waterside Places Limited Partnership and Slough Urban Renewal LLP with the purpose of property development on land in Slough.

#### The Prestwich Regeneration LLP: 50% partner

The Prestwich Regeneration LLP is a joint venture with Bury Metropolitan Borough Council and was set up to undertake the redevelopment of the Longfield Shopping Centre in Prestwich, located in the Metropolitan Borough of Bury, Greater Manchester.

#### Habiko LLP: 33.3% partner

Habiko LLP is a housing innovation joint venture between Muse Places, Homes England, and Pension Insurance Corporation which aims to deliver low carbon, low energy affordable homes for rent, with a target of 3,000 homes over an initial term of 12 years.

#### Wythenshawe Civic Regeneration LLP: 20% partner

Wythenshawe Civic Regeneration LLP is a joint venture with the Council of the City of Manchester. The principal activity of the LLP is to undertake the regeneration, and ongoing operation and management of, Wythenshawe Shopping Centre, located in Wythenshawe, Manchester.

#### Aykley Heads Development LLP: 50% partner

Aykley Heads Development LLP is a joint venture with Durham County Council established to deliver the strategic development of an Innovation District at a site in Durham over a 10-year period.

Intercity Developments Limited, Bromley Park (Holdings) Limited and Ashton Moss Developments Limited are historic joint ventures, all of which are now dormant entities.

Investments in equity accounted joint ventures are as follows:

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
As at 1 January	35,174	1,980	38,487	4,393
Share of underlying net (loss)/profit <sup>1</sup>	(2,884)	-	964	-
Exceptional building safety credit/(charge) <sup>1</sup>	902	-	(1,354)	-
Increase in investment	13,664	3,764	3,556	66
Investment repayment	(1,783)	(1,783)	(6,479)	(2,479)
<b>As at 31 December</b>	<b>45,073</b>	<b>3,961</b>	<b>35,174</b>	<b>1,980</b>

During 2025, an exceptional building safety credit of £0.9m (2024: charge of £1.4m) has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures.

<sup>1</sup> Share of underlying net profit is profit arising from joint ventures excluding the impact of exceptional building safety (charge)/credit. Share of net loss including the impact of exceptional building safety (charge)/credit is £1,981k (2024: loss of £390k) as reported in the consolidated statement of comprehensive income.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 10. Investments in joint ventures (continued)

The following information is given in respect of the Group's equity accounted joint ventures. Information categorised as "Other" relates to joint ventures that are not individually material. The information represents the 100% share reported by the joint ventures unless stated otherwise.

	Waterside Places LP		English Cities Fund		Other	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current assets	1,036	1,026	-	-	10,140	-
Current assets	24,057	24,288	206,155	186,645	16,898	14,605
Current liabilities	(12,174)	(14,667)	(18,763)	(14,049)	(8,053)	(7,500)
Non-current liabilities	-	-	(64,070)	(74,463)	-	-
<b>Net assets</b>	<b>12,919</b>	<b>10,647</b>	<b>123,322</b>	<b>98,133</b>	<b>18,985</b>	<b>7,105</b>
Proportion of the Group's ownership interest	6,460	5,323	29,560	23,522		
Other adjustments <sup>(1)</sup>	962	(135)	(174)	(85)		
<b>Carrying amount of the Group's interest in the joint venture</b>	<b>7,422</b>	<b>5,188</b>	<b>29,386</b>	<b>23,437</b>	<b>8,265</b>	<b>6,549</b>
Revenue	643	38,645	91,677	48,875	14,264	6,601
Expenses	(1,690)	(39,501)	(100,325)	(57,273)	(15,927)	(809)
<b>Net (loss)/profit</b>	<b>(1,047)</b>	<b>(856)</b>	<b>(8,648)</b>	<b>(8,398)</b>	<b>(1,663)</b>	<b>5,792</b>

<sup>1</sup> Other adjustments relate to a differential proportion between profit share and funding contribution.

Additional financial information on material joint ventures is given below:

	Waterside Places LP		English Cities Fund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and cash equivalents	501	437	5,514	6,673
Non-current loans	-	-	64,070	74,463
Interest income	5	89	17	577
Interest expense	-	351	5,696	7,345

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 11. Investments in subsidiary undertakings

The details of the Company's subsidiaries are shown below. The country of incorporation and principal place of business is the UK, the address of the registered office of each entity is the same as the registered office of this Company and the principal activity is property development.

Name of company	Proportion of ordinary shares held	Proportion of voting power held
Muse (ECF) Partner Limited	100%	100%
Muse (Warp 4) Partner Limited	100%	100%
Warp 4 General Partner Limited	100%	100%
Warp 4 General Partner Nominees Limited <sup>(4)</sup>	100%	100%
Warp 4 Limited Partnership <sup>(1) (4)</sup>	100%	100%
Alexandria Business Park Management Company Limited <sup>(5)</sup>	100%	100%
Rail Link Europe Limited	100%	100%
Eurocentral Partnership Limited	99%	99%
EPL Developer (Plot B West) Limited <sup>(4)</sup>	99%	99%
Chatham Place (Building 1) Limited	100%	100%
Ician Developments Limited	100%	100%
Harrier Park Management Company Limited <sup>(3)</sup>	100%	100%
Northshore Management Company Limited <sup>(3) (4)</sup>	50%	50%
North Shore Development Partnership Limited	100%	100%
Logic Leeds Management Company Limited <sup>(3)</sup>	50%	50%
Lewisham Gateway Developments (Holdings) Limited	100%	100%
Lewisham Gateway Developments Limited <sup>(4)</sup>	100%	100%
Sovereign Leeds Limited	100%	100%
Chatham Place Building 1 (Commercial) Limited <sup>(4)</sup>	100%	100%
Chatham Square Limited	100%	100%
Cheadle Royal Management Company Limited <sup>(a) (2)</sup>	28%	28%
Muse Chester Limited	100%	100%
Muse (Brixton) Limited	100%	100%
Muse Brixton (Phase 2) Limited	100%	100%
Olive Morris House (Brixton) Management Company <sup>(c) (3) (4)</sup>	100%	100%
Muse Developments (Northwich) Limited	100%	100%
Muse Properties Limited	100%	100%
Muse Aberdeen Limited	100%	100%
Community Solutions for Regeneration (Brentwood) Limited	100%	100%
Community Solutions for Regeneration (Bournemouth) Limited	100%	100%
Community Solutions for Regeneration (Slough) Limited	100%	100%
Basford East Management Company Limited <sup>(3)</sup>	100%	100%
Upper East Management Company Limited <sup>(3)</sup>	100%	100%

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 11. Investments in subsidiary undertakings (continued)

Unless otherwise stated the registered office address for each of the above is Kent House, 14-17 Market Place, London W1W 8AJ. Registered office classification key:

<sup>(a)</sup> A5 Optimum Business Park, Optimum Road, Swadlincote, DE11 0WT

<sup>(b)</sup> C/o Rendall and Rittner Ltd, 13B St George Wharf, London, SW8 2LE

<sup>(c)</sup> Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY

Unless otherwise stated, the Group's interest is in ordinary shares issued (or equivalent of ordinary shares issued in the relevant country each). Classification key:

<sup>1</sup> Limited Partnership

<sup>2</sup> Holding of ordinary and special shares

<sup>3</sup> Limited by guarantee

<sup>4</sup> Indirect holding

<sup>5</sup> Holding of special shares

The movement in investments in subsidiary undertakings during the year was as follows:

	£'000
<b>As at 31 December 2024</b>	<b>17,818</b>
Disposals	-
<b>As at 31 December 2025</b>	<b>17,818</b>

Muse Places Limited guarantees the following companies under section 479A of the Companies Act 2006 and accordingly these companies are exempt from the requirement to have their accounts audited:

Company	Registered number
Eurocentral Partnership Limited	03881458
Sovereign Leeds Limited	07309922
Warp 4 General Partner Limited	04398621
Ician Developments Limited	03718782
Muse Chester Limited	08624674
Community Solutions for Regeneration (Brentwood) Limited	12068605
Community Solutions for Regeneration (Bournemouth) Limited	07455599
Community Solutions for Regeneration (Slough) Limited	08251430

In addition, Muse Places Limited guarantees the following companies under section 394A of the Companies Act 2006 and accordingly these companies are exempt from the requirement to prepare accounts:

Company	Registered number
EPL Developer (Plot B West) Limited	04614968

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 12. Shared equity loan receivables

The Group has recognised the following shared equity loan receivables:

	2025 £'000	2024 £'000
At 1 January	38	38
Repayments	(38)	-
At 31 December	-	38

The fair value measurement for shared equity loan receivables is classified as Level 3 as defined by IFRS 7 'Financial Instruments: Disclosures'.

There is no directly observable fair value for individual loans arising from the sale of properties under the scheme, and therefore the loans have been discounted to NPV at a discount factor which reflects the interest rate expected on an instrument of similar risk and duration in the market.

### 13. Inventories

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Work in progress	101,283	96,960	73,219	67,144

Work in progress comprises land and housing, commercial and mixed-use developments in the course of construction.

### 14. Construction contracts

The Group has recognised the following revenue-related assets and liabilities:

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Contract assets	4,315	4,315	3,200	3,200

The contract assets primarily relate to the Group's right to consideration for work completed but not invoiced at the balance sheet date. The contract assets are transferred to trade receivables when the amounts are certified by the contract administrator. On most contracts, certificates are issued by the contract administrator on a monthly basis.

The Group has taken advantage of the practical expedient in paragraph 94 of IFRS 15 to immediately expense the incremental costs of obtaining contracts where the amortisation period of the assets would have been one year or less.

Contract liabilities primarily relate to the advance consideration received from customers in respect of performance obligations which have not yet been fully satisfied and for which revenue has not been recognised.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 14. Construction contracts (continued)

Significant changes in the contract assets and the contract liabilities in the Group during the period are as follows:

	2025 £000		2024 £000	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
As at 1 January	3,200	-	20,721	-
Revenue recognised - performance obligations satisfied in the current period	51,573	-	90,487	-
Amounts transferred to trade receivables	(50,458)	-	(108,008)	-
<b>As at 31 December</b>	<b>4,315</b>	<b>-</b>	<b>3,200</b>	<b>-</b>

Significant changes in the contract assets and the contract liabilities in the Company during the period are as follows:

	2025 £000		2024 £000	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
As at 1 January	3,200	-	906	-
Revenue recognised - performance obligations satisfied in the current period	50,602	-	90,302	-
Amounts transferred to trade receivables	(49,487)	-	(88,008)	-
<b>As at 31 December</b>	<b>4,315</b>	<b>-</b>	<b>3,200</b>	<b>-</b>

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the balance sheet date:

	2026 £000	2027 £000	2028+ £000	Total £000
As at 31 December	103,430	42,749	20,500	166,679

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 15. Trade and other receivables

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Amounts falling due within one year</b>				
Trade receivables (note 25)	15,341	13,401	9,706	9,098
Amounts owed by Group undertakings	210	210	38,025	38,025
Amounts owed by joint ventures	860	860	85	85
Amounts owed by subsidiaries	-	31,004	-	20,694
Prepayments and accrued income	1,016	1,016	293	293
Other receivables	5,510	2,504	5,644	2,298
<b>Trade and other receivables</b>	<b>22,937</b>	<b>48,995</b>	<b>53,753</b>	<b>70,493</b>

Amounts owed by Group undertakings include an intercompany loan of £nil (2024: £38.0m, which was interest bearing). Any remaining balances included within amounts owed by Group undertakings are not interest bearing. All balances are payable on demand, and expected to be settled within 12 months of the balance sheet date.

The Group holds third-party insurances that may mitigate the contract and legal liabilities described in note 20 'Contingent liabilities' and note 22 'Provisions'. Insurance receivables are recognised when reimbursement from insurers is virtually certain.

### 16. Trade and other payables

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Amounts falling due within one year</b>				
Trade payables	13,152	9,734	16,334	13,093
Amounts owed to Group undertakings	577	577	397	397
Amounts owed to joint ventures	153	16,134	153	16,134
Amounts owed to subsidiaries	-	28,494	-	31,840
Other taxation and social security	241	125	1,134	973
Accrued expenses	13,119	11,519	17,119	12,935
Deferred income	669	-	3,678	-
Bank overdraft	25,338	25,338	-	-
Other payables	397	397	153	153
<b>Total falling due within one year</b>	<b>53,646</b>	<b>92,318</b>	<b>38,968</b>	<b>75,525</b>
<b>Amounts falling due after one year</b>				
Amounts owed to Group undertakings	2,761	2,761	2,761	2,761
Other > 1 year	-	-	1,258	1,258
<b>Total falling due after one year</b>	<b>2,761</b>	<b>2,761</b>	<b>4,019</b>	<b>4,019</b>

An amount of £0.7m (2024: £3.7m) is included as deferred income and represents the difference between the amount of grant received and the amount credited to the Statement of Comprehensive Income. An amount of £nil has been credited to the Statement of Comprehensive Income during the year (2024: £0.4m).

Amounts owed to Group undertakings are payable on demand and are not interest bearing.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 17. Deferred tax

#### Deferred tax recognised by the Group:

	2025	2024
	£000	£000
Balance at 1 January	(593)	(64)
Income statement credit/(charge) (note 6)	1,165	(529)
Credit to equity	631	-
<b>Balance at 31 December</b>	<b>1,203</b>	<b>(593)</b>

#### Deferred tax assets/(liabilities) recognised by the Group consist of the following amounts:

	2025	2024
	£000	£000
Accelerated capital allowances	518	456
Goodwill	(1,754)	(1,744)
Short term timing differences including tax losses	1,842	695
Share based payments	597	-
	1,203	(593)

#### Deferred tax recognised by the Company:

	2025	2024
	£000	£000
Balance at 1 January	(1,260)	(1,224)
Income statement credit/(charge)	39	(36)
Credit to equity	631	-
<b>Balance at 31 December</b>	<b>(590)</b>	<b>(1,260)</b>

#### Deferred tax liabilities recognised by the Company consist of the following amounts:

	2025	2024
	£000	£000
Accelerated capital allowances	518	456
Goodwill	(1,754)	(1,744)
Short term timing differences including tax losses	49	28
Share based payments	597	-
	(590)	(1,260)

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

<b>18. Share capital</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
60,000,000 ordinary shares of £1 each	60,000	60,000

All 60,000,000 issued ordinary shares are fully paid and carry equal voting rights. The number of ordinary shares issued and authorised is the same.

### **19. Pension commitments**

The Company contributes to defined contribution pension arrangements for employees. The Company pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. The total cost charged in the income statement of £0.8m (2024: £0.6m) represents contributions payable by the Company. The pension creditor at 31 December 2025 was £0.1m (2024: £0.1m).

### **20. Contingent liabilities**

Performance bonds have been entered into in the normal course of business. Performance bond facilities and banking facilities of the Group are supported by cross guarantees given by the Company and other participating companies in the MS Group. It is not anticipated that any liability will accrue.

### **Building Safety**

At 31 December 2025, the Group and Company held provisions in respect of liabilities arising from the Developers' Pledge, the Building Safety Act and other associated fire regulations totalling £23.5m (2024: £25.5m), excluding those related to joint ventures.

The ongoing legislative and regulatory changes in respect of legacy building safety issues create uncertainty around the extent of remediation required for legacy buildings, the liability for such remediation, recoveries from other parties and the time to be considered. It is possible that as remediation work proceeds, additional remedial works are required that may not have been identified from the reviews and physical inspections undertaken to date. The scope of buildings and remediation works to be considered may also change as legislation and regulations continue to evolve.

Uncertainties also exist in respect of the timing and extent of expected recoveries from other third parties involved in developments.

### **21. Financial commitments**

As at 31 December 2025 the Group has a commitment to invest further funding of up to £37.0m in Warp 4 Limited Partnership (2024: £38.8m) and up to £18.0m in ECF (General Partner) Limited (2024: £24.2m). This commitment is guaranteed by the Company's ultimate parent, Morgan Sindall Group plc.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 22. Provisions

Group and Company	Building Safety	Total
	£000	£000
As at 1 January 2024	31,712	31,712
Utilised	(4,575)	(4,575)
Additions	1,187	1,187
Released	(2,795)	(2,795)
<b>As at 1 January 2025</b>	<b>25,529</b>	<b>25,529</b>
Utilised	(2,354)	(2,354)
Additions	452	452
Released	(147)	(147)
<b>As at 31 December 2025</b>	<b>23,480</b>	<b>23,480</b>

Management has reviewed legal and constructive obligations arising from the Developers Pledge, the Building Safety Act and other associated fire regulations. Where obligations exist, these have been evaluated for the likely cost to address, including repayments of the Building Safety Fund. As a result of this review process provisions are recognised, as reported in the table above, excluding those recognised in joint ventures. The provision is expected to be utilised in the next two years, with repayments to the Building Safety Fund commencing in 2026. See note 3 for further detail.

### 23. Lease liabilities

There are four leases held by the Group, all of which are leases for properties in which the Groups regional offices are located. The maturity profile for the lease liabilities at 31 December 2025 are set out below:

Group and Company	Leasehold Property	
	2025	2024
	£000	£000
<b>Maturity analysis</b>		
Within one year	493	541
One to five years	612	1,090
After more than five years	-	-
	<b>1,105</b>	<b>1,631</b>
<b>Group and Company</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
As at 1 January	1,631	3,200
Additions	-	539
Repayments	(590)	(569)
Terminations	-	(1,639)
Interest expenses	64	100
<b>As at 31 December</b>	<b>1,105</b>	<b>1,631</b>

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 24. Related party transactions

In the ordinary course of business, the Group has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Balances with these entities are disclosed in notes 15 and 16 of these financial statements.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures are disclosed below.

#### Trading transactions

During the year, group companies entered into transactions with related parties which are not members of the Group. Amounts owed at the year end and transactions during the year are as follows:

	2025	2024
	Amounts owed by / (to) related parties	Amounts owed by / (to) related parties
	£'000	£'000
Intercity Developments Limited	(153)	(153)
Slough Urban Renewal LLP	62	12
The Bournemouth Development Company LLP	59	-
ECF (General Partner) Limited	3	3
Lingley Mere BPDC Limited	26	-
Waterside Places (General Partner) Limited	347	70
Wirral Growth Company LLP	187	-
The Prestwich Regeneration LLP	106	-
Habiko LLP	70	-
<b>Total</b>	<b>707</b>	<b>(68)</b>
Within amounts owed by joint ventures (note 15)	860	85
Within amounts owed to joint ventures (note 16)	(153)	(153)
<b>Total</b>	<b>707</b>	<b>(68)</b>

During the year ECF (General Partner) Limited was charged £4,435,705 in respect of development management fees by the company (2024: £2,871,269).

#### Remuneration of key management personnel

The Group considers key management personnel to be the directors. Details of their remuneration are given in note 4 of these financial statements.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 25. Financial instruments

#### Net cash

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates to their fair value. Net cash is defined as cash and cash equivalents net of bank overdrafts:

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash and cash equivalents	8,645	6,147	9,608	7,250
Bank overdraft (note 16)	(25,338)	(25,338)	-	-
<b>Net cash</b>	<b>(16,693)</b>	<b>(19,191)</b>	<b>9,608</b>	<b>7,250</b>

The Company is a member of the MS Group's banking arrangements in which there is an overdraft facility with Lloyds bank. £14.7m of the overdraft facility remains undrawn at the balance sheet date (2024: £40.0m). Interest is paid at 1.5% over base rate and is payable on a monthly basis.

The Group's operations expose it to a variety of financial risks that include credit risk, interest rate risk, liquidity risk, price risk and market risk.

#### Credit risk

With regard to credit risk the Group has implemented policies that require appropriate credit checks on potential customers, investment partners and key suppliers before legal agreements are signed.

The ageing of the Group's trade receivables at the reporting date was as follows:

	2025		2024	
	Gross trade receivables £'000	Provision for impairment £'000	Gross trade receivables £'000	Provision for impairment £'000
Not past due	12,269	-	4,024	-
Past due 1 to 30 days	783	-	238	-
Past due 31 to 120 days	112	-	1,522	-
Past due 121 to 365 days	1,480	-	1,918	-
Past due greater than 1 year	821	(124)	2,128	(124)
	<b>15,465</b>	<b>(124)</b>	<b>9,830</b>	<b>(124)</b>

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

### 25. Financial instruments (continued)

#### Credit risk (continued)

Included in the Group's trade receivable balance are debtors with a carrying amount of £3.1m (2024: £5.7m) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the Group considers that the amounts are still recoverable.

The ageing of the Company's trade receivables at the reporting date was as follows:

	2025		2024	
	Gross trade receivables £'000	Provision for impairment £'000	Gross trade receivables £'000	Provision for impairment £'000
Not past due	12,019	-	3,656	-
Past due 1 to 30 days	783	-	2	-
Past due 31 to 120 days	34	-	1,522	-
Past due 121 to 365 days	106	-	1,918	-
Past due greater than 1 year	583	(124)	2,124	(124)
	<b>13,525</b>	<b>(124)</b>	<b>9,222</b>	<b>(124)</b>

In determining the recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no further credit provision required in excess of the provision for impairment losses.

#### Interest rate risk

In respect of interest rate risk the Group has both interest-bearing assets and interest-bearing liabilities. These include cash balances which have interest rates applied at floating market rates. The interest payable on interest-bearing liabilities is determined at either LIBOR or European Community Reference Rate plus a margin. The Group is not exposed to significant interest rate risk as it does not have significant interest-bearing liabilities and its only interest-bearing asset is cash invested on a short-term basis.

#### Liquidity risk

The Group has net current assets of £57.5m (2024: £70.5m), which included a negative net overdraft position of £16.7m at 31 December 2025 (2024: positive net cash £9.6m). In addition, the Company is a subsidiary of Morgan Sindall Group plc and as such is a member of the MS Group's banking arrangements under which it is a cross guarantor. In addition to the MS Group cash balances, which stood at £531.2m at 31 December 2025 (2024: £544.2m), the MS Group had £180m of committed loan facilities of which £15m matures in June 2028 and £165m matures in October 2028.

# MUSE PLACES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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### 25. Financial instruments (continued)

#### Price risk

The Group is exposed to the risk of cost inflation during site development. To mitigate this risk, the Group enters into fixed price design and build construction contracts. The Group is also exposed to the risk of price movements in the housing sector which affect underlying sales values. To mitigate this risk a proportion of stock is subject to forward sale agreements.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or equity prices, will affect the Group's income or the carrying amount of its holdings of financial instruments. The objective of market risk management is to achieve a level of market risk that is within acceptable parameters as set out in the Group risk management framework.

#### Capital management

The Board aims to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain the future development of the business.

The capital structure of the MS Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The cash and cash equivalents are supplemented by the £180m of committed bank facilities, as described under the liquidity risk section above.

There were no changes in the Group's approach to capital management during the year and the Group is not subject to any capital requirements imposed by regulatory authorities.

### 26. Exemption in Partnership (Accounts) Regulations taken

Muse Places Limited, through its wholly owned subsidiary company Muse (Warp 4) Partner Limited, has a 100% interest in Warp 4 Limited Partnership, a partnership governed by English law. The registered place of business of Warp 4 Limited Partnership is Kent House, 14-17 Market Place, London, W1W 8AJ.

The consolidated financial statements of Muse Places Limited include the results and financial position of the Group's 100% interest in Warp 4 Limited Partnership. Accordingly, advantage has been taken of the exemptions provided by Regulation 7 of the Partnership (Accounts) Regulations 2008 from the requirements for preparation, delivery, and publication of the partnership's accounts.