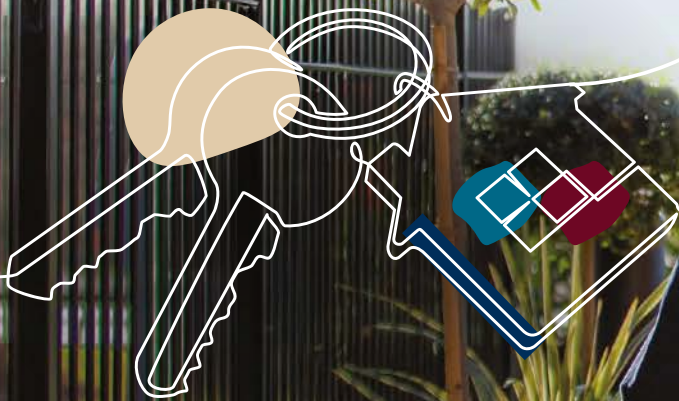




CREST
NICHOLSON

Annual Report and Accounts 2025



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Cautionary statement

The Annual Report and Accounts for the year ended 31 October 2025 as set out in this document (Annual Report), contains information which readers might consider to be forward looking statements relating to or in respect of the financial condition, results, operations or businesses of Crest Nicholson Holdings plc (Company or Group). Any such statements involve risk and uncertainty because they relate to future events and circumstances. There are many factors that could cause actual results or developments to differ materially from those expressed or implied by any such forward looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Approval

The Strategic report for the financial year ended 31 October 2025 as presented on pages 1-55 was approved by the Board of Directors on 28 January 2026 and signed on its behalf by:

Penny Thomas
Group Company Secretary



Our purpose – building a better way to live

We believe your home should be more than just a place, it should be the foundation for a life well-lived. That's why we're dedicated to crafting beautiful homes that truly embrace sustainable, elevated living.

Our values

Working together

Doing the right thing

Being the best we can be

Leaving a positive legacy

Championing our people

Highlights of the year

Sales¹

£634.8m

2024: £658.1m

Revenue

£610.8m

2024: £618.2m

Adjusted profit before tax¹

£26.5m

2024: £20.3m²

Adjusted operating profit margin¹

5.7%

2024: 4.7%²

Profit/(loss) before tax

£2.9m

2024: £(145.8)m²

Operating profit/(loss) margin

4.0%

2024: (21.2)%²

Return on capital employed¹

4.7%

2024: 3.8%²

Net (debt)/cash¹

£(38.2)m

2024: £(8.5)m

¹ Sales, adjusted profit before tax, adjusted operating profit margin, return on capital employed and net (debt)/cash are non-statutory alternative performance measures (APMs) used by the Directors to manage the business, which they believe should be shared for a greater understanding of the performance of the Group. The definitions of these APMs and the reconciliation to the statutory numbers are included on pages 166-167.

² See note 28 of the financial statements for an explanation of the prior year restatement.

Chairman's statement



“
2025 marked the beginning of a new chapter for Crest Nicholson – a year of revitalisation and transition.

Iain Ferguson CBE
Chairman

The past year has been one of significant change for Crest Nicholson. Continuing challenging macroeconomic conditions and a tough operating environment for the housebuilding sector, combined with changes in our leadership team and the launch of our business transformation plan, have made this a pivotal period for the Group.

I have been greatly encouraged by the way our people have responded. Rather than allowing these challenges to define them, teams across the business have shown resilience, dedication and a determination to move forward together. Today, with Martyn Clark's strong leadership, there is a renewed feeling of energy, collaboration and pride, which gives me great confidence for the future.

This renewed energy has been driven by important changes at the top of our organisation. With a refreshed and expanded Executive Committee from the start of the year, we have strengthened both governance and capability. This new chapter is about bringing together experience and fresh thinking, ensuring we have the right people in place to guide Crest Nicholson through its next phase of development. It has been encouraging to see how quickly this group has come together with a shared ambition and commitment to supporting colleagues across the business. Martyn comments on this in more detail in his Chief Executive Officer's statement.

New strategic priorities launched

Our Capital Markets Day in March 2025 was an important milestone in resetting our direction into the mid-premium sector, which offers more sustainable and higher-quality returns while being relatively under-served by our competitors. We shared our new strategic priorities and medium-term guidance with investors and stakeholders, and the response was positive.

A central part of this work is Project Elevate, our business transformation plan which will run through to 2027. Through clear charters and defined responsibilities for senior management, Project Elevate ensures we have the structure in place to deliver on our goals within a strong governance framework. This disciplined structure gives us confidence that progress will be sustained and measurable.

Project Elevate is being actively embedded across the organisation. Already, we are seeing tangible improvements in areas such as sales, customer service, and build quality. These early signs of delivery demonstrate both the clarity of our plan and the commitment of our people to achieving it.

2025 results and legacy progress

In 2025, we completed 1,691 homes and delivered an adjusted profit before tax of £26.5m, with our net debt position lower than market expectations. This was achieved in a market which was notably subdued throughout the summer as uncertainty surrounding government tax policy increased. We continued to address important legacy matters and have made good progress on fire remediation, completing both

Chairman's statement continued

external wall assessments and internal fire safety assessments on all buildings within the scope of the Developer Remediation Contract. We have also advanced the resolution of other legacy issues and reassessed the provisions where required. These operational achievements reflect both our disciplined approach to delivery and our commitment to doing the right thing for customers and other stakeholders.

Strengthening communication

During the year, the Board actively engaged in activities to strengthen communication and understanding across the organisation. One well-established process was the employee voice meeting, held twice in the year within the divisions, led by my Board colleague Louise Hardy. This provided opportunities to connect directly with our people and gain insight into the issues and challenges they face in their daily work, establishing a stronger sense of inclusion and shared purpose across all areas of the business.

Although it remains early days, there are promising green shoots, from our operational focus with improved build quality and reduction in snagging costs on new build developments, leading to stronger customer satisfaction scores. I feel there is an increased sense of purpose among Crest Nicholson colleagues. I have had the privilege of meeting teams across our business through Board and personal site visits and have seen first-hand the pride they take in delivering homes of quality and communities of value. This dedication, coupled with the clarity of our new strategy, gives us a strong platform for sustainable progress.

Board changes

The Board was pleased to announce the appointment of Gillian Kent as a Non-Executive Director with effect from 1 November 2025. Gillian has joined the Audit and Risk, Remuneration, and Nomination Committees. She brings over 25 years of experience in digital businesses, including leadership roles at Propertyfinder and Microsoft, and currently serves as a Non-Executive Director at THG plc, Mothercare plc and STV Group plc. We are delighted to welcome her to the Board and are benefiting from her skills and experience.

Octavia Morley, who has been on the Board for nearly nine years, will step down at the 2026 Annual General Meeting, at which time Gillian will assume the roles of Senior Independent Director and Chair of the Remuneration Committee. I would like to thank Octavia for the significant contribution she has made to the business during her time on the Board, and in particular for her leadership of the Remuneration Committee and her valuable work as Senior Independent Director.

Shareholder returns

The Board declared an interim dividend for 2025 of 1.3 pence per share (2024: interim dividend of 1.0 pence per share) and is pleased to recommend a final 2025 dividend of 1.8 pence per share (2024: 1.2 pence per share) in line with our dividend policy of 2.5 times cover. Subject to shareholder approval, the final dividend will be paid on 24 April 2026 to shareholders on the Register of Members at the close of business on 27 March 2026. The total proposed dividend for 2025, including the interim dividend, is therefore 3.1 pence per share (2024: 2.2 pence per share).

Outlook and future focus

Looking ahead, the external environment remains challenging. Economic growth remains subdued. The Autumn Budget had no significant negatives for the housing sector which provided some relief for the lending market. Mortgage availability has improved modestly, though buyer confidence remains closely linked to the broader macroeconomic outlook. Mortgage rates are showing signs of moderating, offering some relief to affordability. We welcome the government's recognition of the importance of housing delivery and the supportive stance it has taken on planning reform. However, it will take time for policy commitments to convert into new outlets.

Despite these headwinds, I remain optimistic about the medium term. 2025 has been a period of transformation and disciplined delivery, and we will continue embedding our new strategic priorities and building operational momentum in 2026. We are well placed with our consented land bank to meet our completion expectations.

I have confidence that the Group will continue to deliver good progress on Project Elevate in the year ahead, achieving tangible improvements in our key performance indicators, supported by greater consistency in the planning system and a more stable economic environment.

The Board and I would like to extend our sincere thanks to all our colleagues for their commitment, professionalism, and resilience throughout this period of change. With a strong leadership team, a clear strategic roadmap, and the continued energy and dedication of our people, Crest Nicholson is well positioned to navigate the current environment with confidence and discipline.

Iain Ferguson CBE
Chairman



Chief Executive Officer's statement



“

We are focused on improving all stakeholders' experience through the delivery of our differentiated mid-premium strategy, ensuring better build quality, enhanced customer experience and improved financial performance.

Martyn Clark
Chief Executive Officer

A year of renewal, transition and strategic progress

2025 has been a year of renewal, transition and strategic progress for Crest Nicholson. It has been a period defined by delivery of our new strategy, based on a deliberate focus on the attractive mid-premium market segment, and strengthening of the foundations that will support our next phase of growth. At the same time, we have made steady progress in addressing a number of legacy and historical issues that have, for too long, constrained our performance.

While market conditions have been challenging, and are likely to remain so in the near term, we are encouraged by the continued commitment from government to support the housing sector. This provides a significant opportunity for us to drive growth in the years ahead.

The results we are reporting reflect the successful commencement of the transition outlined at our Capital Markets Day in March 2025. They demonstrate encouraging progress across the areas we said we would focus on, and tangible early signs that the actions we are taking are beginning to deliver meaningful improvement.

Our future performance and profitability will be underpinned by disciplined operational management and a continuous focus on cash management, quality and striving for exceptional customer service.

I would like to thank my colleagues for their hard work and commitment during this year and look forward to another year of progress.

Market context

The financial year began on a positive note for the housing market, underpinned by improving sentiment and stable levels of demand. As the year progressed, consumer confidence softened, demand for Section 106 affordable homes remained weak, and the broader economic outlook became more challenging. Despite these near-term headwinds, the sector continues to benefit from long-term government supply side commitment and a clear recognition of the critical role that housing delivery plays in supporting national economic growth, even if the impact of such support will take time to materialise.



Chief Executive Officer's statement continued

2025 performance and inventory optimisation

In 2025 we delivered 1,691 homes with adjusted profit before tax at £26.5m. Net debt was at the better end of our guidance range at £38.2m.

While profitability was marginally below the lower end of the guidance, reflecting weaker market conditions in the second half of the year, we have delivered strong progress in inventory optimisation through tighter alignment of build programmes with forecast sales, planning, and outlet activity. As part of our strategy to right-size our land portfolio, we have successfully completed several land sales during the year on good economic terms and have used the funds to acquire new sites more aligned with our strategy. Working closely with our existing lenders, we have recently extended our revolving credit facility of £250m to October 2029, strengthening our platform for sustainable growth.

Repositioning to the mid-premium market

As part of our strategy to deliver more sustainable and higher-quality returns, we are transitioning into the mid-premium market. This housing segment has consistently demonstrated greater resilience and stronger performance than the traditional volume-led housebuilding market, particularly through periods of economic uncertainty. Demand in the mid-premium segment is supported by more affluent, less price-sensitive buyers, resulting in steadier sales rates and firmer pricing. Crest Nicholson is well positioned to capitalise on this change in focus, with land holdings in

the right locations across its divisions, typically characterised by stronger local market conditions and brand heritage that people associate with quality. This strategic focus will allow us to differentiate our new house type range, have less reliance on volume-driven incentives, and deliver more sustainable value over the medium to long term.

Delivering on the new opportunity: Project Elevate

During the year, we set out and began to execute our transformation plan and strengthen the foundations for the next phase of our growth. Central to this is Project Elevate, a comprehensive, business-wide change programme designed to improve our operations, culture, and performance. The programme is owned and sponsored by the Executive Committee, and is already making a material difference.

Project Elevate is focused on four strategic priorities:

Optimising the value of our land bank

During the year, we have made significant progress towards ensuring that our land bank will be aligned to our mid-premium strategy and long-term growth ambitions. We completed a comprehensive review of our portfolio to assess the financial, operational, and strategic fit of each site within our new framework.

As part of this process, we made successful disposals of five land parcels from larger sites, in line with our land strategy. These sites primarily require substantial upfront infrastructure investment, which, while viable, would have

constrained returns on capital and diverted focus from higher-returning opportunities. We have also been active in purchasing land which aligns with our mid-premium strategy with forecast embedded margins ahead of our medium-term guidance. This disciplined approach allows us to balance the economics of our outlets more effectively, prioritising sites that deliver stronger margins, faster asset turn, and a more balanced risk profile across the portfolio.

Our strategic land holdings continue to represent a key lever for future margin expansion and sustainable growth. Over the year, we experienced improvements in the planning environment, with 66% of our strategic land bank allocated or in draft allocation stage (2024: 47%). This pipeline underpins our ability to deliver outlet and margin growth in the coming years, supporting both operational flexibility and enhanced financial performance.

We are embedding a more data-driven and disciplined approach to land acquisition, underpinned by enhanced governance and rigorous review by our Investment Committee. This ensures that decisions we make align with our strategic priorities, maximise value creation, and position Crest Nicholson to capitalise on opportunities as market conditions improve.

Delivering outstanding customer experience

We remain firmly committed to delivering an exceptional, customer-centric experience across every stage of the home buying journey. Over the year, we have made good progress in strengthening our sales capability and customer engagement, with enhanced training programmes for our sales teams focused on

consistency, communication and care, to provide a service standard that reflects the mid-premium market.

We continue to invest in our people and in the technology that supports them, ensuring our teams have the tools and insight to provide customers with a seamless, responsive, and informed service. From first enquiry through to post-completion support, we are focused on delivering the highest standards of professionalism and attention to detail. To support this, we enhanced our customer-facing website, and launched Arteva, an upgrade range to enable customers to personalise their home, which is attracting a lot of interest and positive feedback.

This renewed emphasis on service excellence is becoming a hallmark of the Crest Nicholson brand, reinforcing trust with our customers and supporting our ambition to be recognised as one of the most customer-focused homebuilders in the sector.

Building exceptional quality homes, efficiently – developing and delivering the right product

We have finalised the development of our new range of homes, which will reflect the mid-premium positioning of the Crest Nicholson brand and set a new standard for quality and design within our markets. Following extensive market research and leveraging our own industry knowledge to understand and establish what our targeted customer base wants, this new product range will exhibit excellence in build quality, design, and aspirational lifestyle, and deliver architecturally detailed homes that feel distinctively mid-premium. We are excited to

Chief Executive Officer's statement continued

begin introducing these new homes across selected developments, providing a tangible step forward in our strategy to deliver homes that combine premium character with enduring value, incorporating design principles that anticipate future energy and performance expectations.

We continue to ensure that we deliver our homes efficiently and responsibly, with streamlined construction processes that minimise delays and waste. We take a balanced approach to align sales to our build rate to avoid unnecessary capital being used. We are continuing to develop strong partnerships with suppliers and contractors, and to train the build team to achieve the mid-premium standard.

Operational and commercial excellence

The Group has continued to strengthen operational discipline and efficiency across the business, ensuring that our structure, processes, and systems are fully aligned with our strategic priorities. During the year, we continued the upgrade of our Cost Value Recognition process. This will enable us to have greater focus on future planned productivity throughout the organisation, supported by clearer accountability and improved decision-making. In parallel, we are reviewing our operating model within the mid-premium segment to ensure it remains fit for purpose as the business grows. These actions will help us build a leaner, more agile organisation capable of delivering sustained performance improvement.

We have streamlined operations and managed overheads carefully, maintaining a clear focus on cost control and productivity. As part of this process, we have simplified parts of the

organisation to maximise productivity, including merging the Yorkshire division with the Midlands division, and the closure of the Chiltern division in December 2025. While this has unfortunately involved some redundancies, some of which will be implemented in the 2026 financial year, these changes were strategically necessary to create a more focused and efficient operating model, and will help reduce our overhead costs going forward, as part of Project Elevate.

This disciplined approach will enable Crest Nicholson to deliver improved operational performance. We are already seeing tangible improvements across key stages of our value chain, from build quality to sales performance and customer satisfaction. Build standards and inspection outcomes have continued to improve, reflecting our increased focus on quality and consistency on site. Throughout the year, we achieved significant external recognition for our build quality. Notably, we received accolades from the National House-Building Council (NHBC) and Premier for five of our sites including winning the Premier national award for development of the year (101-150 units) for Curbridge Meadows. Our independent Construction Quality Review ratings have seen an increase of 5.3% within a 12-month period and the number of reportable items, as measured by the warranty provider, NHBC, has improved markedly, dropping from 0.35 last year to 0.26, a 26% decrease. With the hard work and commitment of our colleagues, we regained our Home Builders Federation (HBF) 5 star customer service rating for 2024, and during the year have consistently exceeded the threshold for a 5 star rating when measured against the new HBF scoring matrix.

Sales in a challenging macro environment, particularly in the second half of the year, were supported by more disciplined pricing and reduced reliance on discounting. However, work undertaken through Project Elevate will enable us to build on this. Customer satisfaction scores have shown a positive upward trend, driven by better communication, enhanced service standards, and a more joined-up approach between our construction and customer service teams. These improvements, though still early in the transformation journey, demonstrate the growing impact of Project Elevate and the collective effort of our people to deliver lasting change across the business.

Strengthening culture, people and leadership

Our people and culture remain at the heart of Crest Nicholson's transformation. Over the past year, we have made meaningful progress in building a stronger, more engaged organisation and one that is aligned behind a shared purpose and our new strategic priorities. Leadership engagement has been a particular area of focus, with our restructured Executive Committee fully committed to driving change and embedding the principles of Project Elevate across the business.

Through Group-wide senior leadership conferences, divisional roadshows, and ongoing communication, we have continued to nurture and develop openness, collaboration, and an accountability culture that supports our ambition to be a high-quality, customer-focused homebuilder, recognised for both its results and its integrity.

Old Crest Nicholson: managing our legacy issues

We continued to make steady progress in managing and resolving the legacy issues that have affected the business in recent years. This remains a significant area of focus and will continue to feature through 2026 and beyond as we work diligently to bring these matters to conclusion.

Fire remediation

On fire safety, our assessment programme was completed by the July 2025 deadline set out in the government's Remediation Acceleration Plan targets. We have reassessed the required provision with further detail set out in the Financial review. We remain focused on delivery, working closely with residents, contractors, and relevant authorities to ensure that all projects are completed to the highest standards and in line with the Remediation Acceleration Plan. We will vigorously continue to pursue liable third parties to recover costs, and we recouped £12.4m in the year.

Completed sites provisions and low-margin sites

Completed sites provisions relate to legacy obligations and issues on previously completed sites, including remediation of historical building defects, completing and maintaining roads and infrastructure prior to handover to management control or local authority adoption, and fulfilling other outstanding planning requirements. Although the work is time-consuming, we are progressing it as effectively as possible to ensure full compliance with our obligations.

Chief Executive Officer's statement continued

Finally, we continue to trade through low-margin sites, managing these in line with our financial guidance and strategic objectives. These sites are becoming a smaller proportion of overall revenue, which will help reduce their distorting effect on the Group's gross margins.

Outlook: cautious yet confident in our direction

We remain confident in the medium-term targets set out in March 2025 and in the Group's capacity to deliver sustainable growth. We recognise that the trajectory of unit completions and profit will not be linear over the period, and that 2026 will remain a transitional year in a difficult market. Nevertheless, we continue to implement a wide range of self-help measures and improvements within Project Elevate to enhance margins and operational efficiency. As with the rest of the sector, we anticipate that a supportive housing market will provide additional stimulus to realise the full benefits of our strategy.

Our actions over the past year have positioned Crest Nicholson to navigate this environment with resilience and discipline. We have strong leadership, refreshed strategies, and a clear purpose guiding our decisions and priorities. The operational progress delivered through Project Elevate, combined with a sharper focus on capital allocation and cost control, is ensuring that the business remains stable and well managed despite external headwinds. The foundations we have established and are building in our land strategy, customer experience, new house types, product offering and culture, are robust, and we are confident these will enable Crest Nicholson to succeed in the mid-premium market over the medium term.

Martyn Clark

Chief Executive Officer



Martyn Clark explains how he is addressing business challenges and shines a light on his priorities for 2026.

Q1

Vision and transformation

Since joining, you've set out a vision to transform the Group from a multi-channel focused housebuilder into a business recognised for build quality, excellent customer service experience, and positioning in the mid-premium segment. How has that transformation journey progressed so far, and what milestones can you point to since the Capital Markets Day in March 2025?

When I joined, it was clear that the business had a strong brand but needed a sharper focus on long-term value and customer trust. Over the past year we have started to reposition ourselves away from competing purely on scale, and towards a differentiated offer in the mid-premium segment. Since the Capital Markets Day, we have launched new quality service standards, and introduced and strengthened the customer journey from reservation through to aftercare. Early signs are encouraging: customer satisfaction metrics have improved, and we have seen strong interest in our enhanced specifications product range. While it is still early in the journey, we are making meaningful progress in embedding a new way of thinking across the organisation.

Q2

Culture and resilience

How has the culture of the organisation evolved since you joined and the launch of the new strategic priorities, and what steps have you taken to establish resilience, engagement, and confidence across the Group?

The challenging market and operating environment, combined with our transformation activities, have inevitably put pressure on our people, but it also brought out the resilience of the organisation. Since then, my focus has been on providing a clear vision and rebuilding confidence. We've invested significant time in listening to colleagues at all levels, reinforcing our values, and promoting open dialogue. Regular initiatives include monthly company-wide town halls, management and senior leadership conferences, and my divisional roadshows. The feedback has been positive, with a renewed sense of purpose and energy driving our transformation. I believe our colleagues now feel more empowered and aligned with our strategy, an essential foundation for our long-term success.



Chief Executive Officer's statement continued

Q3

Highlights and challenges

Looking back at your first year as Chief Executive Officer, what have been the high points that give you confidence in the Group's direction, and what have been the biggest challenges or lessons learned along the way?

The highlight has undoubtedly been the pride I see in our teams as they embrace a customer-centric mindset and start to deliver real improvements. The launch of Project Elevate, our business transformation plan to position us into the mid-premium segment, and the early market response, has been particularly encouraging. Another high point has been the resilience of our colleagues in navigating a challenging external environment while progressively strengthening operational performance.

The challenges have been equally clear: shifting a culture and business model takes time, and it requires both patience and consistency. Transformation is not about quick wins alone, but about laying the foundations for sustainable success. That means continuing to invest in our people, systems, and brand reputation. Ensuring that the business shape is appropriate to the output over the medium-term has meant that some difficult decisions around the business structure and employee headcount have been necessary, but these have all been underpinned by the strategic priorities that have been set out.

Q4

Customer and stakeholder confidence

With customer experience and long-term value creation at the heart of your strategy, how are you ensuring that the interests of customers, employees, and shareholders are aligned as you deliver on the plan?

At the core of our strategy is the belief that doing the right thing for customers creates lasting value for shareholders. By building better homes, providing a higher quality of service, and looking after our customers beyond completion, we build trust and reputation. That, in turn, drives stronger demand and more sustainable returns. For employees, we are creating a culture where they can take pride in the product and the service they deliver, which helps retention and engagement. The alignment comes through consistency: when customers are happier, employees are more engaged, and the business delivers better long-term performance for investors.



Q5

Looking ahead

As you look to the year ahead, what are your priorities for sustaining momentum in the transformation, and what should stakeholders expect to see in terms of further progress?

Our focus for the year ahead is to embed the transformation deeper into the business. That means continuing to refine our product offering, launching our new house types and plotting guidelines, continuing to raise the bar on customer service and build quality, and making disciplined operational and land investment choices. Stakeholders should expect to see further progress in customer satisfaction scores, operational efficiency, and financial resilience. We will also continue to develop our people and strengthen our culture so that the transformation is sustainable. Ultimately, my aim is to ensure that we are recognised not just as a successful housebuilder, but as a company that creates lasting value through quality, trust, and service, and is a great place to work.



Our business transformation plan

Repositioning to target the mid-premium segment

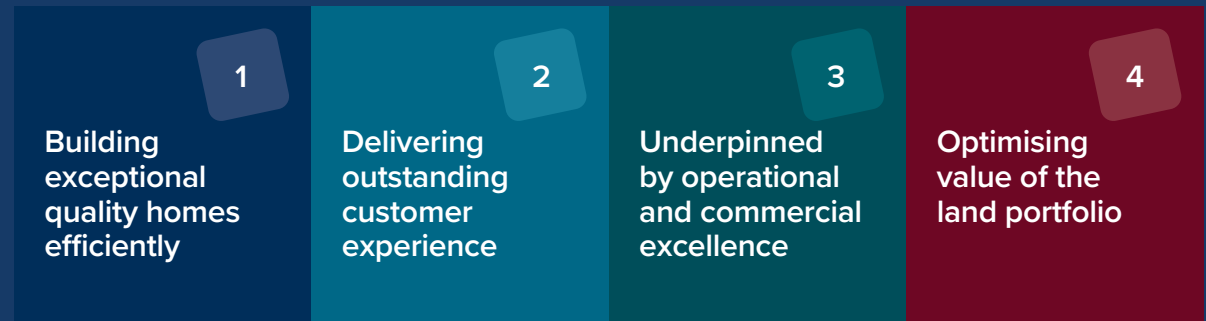
We are repositioning ourselves to target the higher value mid-premium segment aimed at more affluent and discerning buyers. Our 2029 mid-premium targets were set out at our Capital Markets Day in March 2025.



Our vision

Beautiful homes, sustainable, elevated living

Four key strategic priorities to deliver



Our deeply rooted commitment to sustainability is integrated throughout our approach.

Delivering sustainable returns – our 2029 mid-premium targets

Units	Gross margin	Return on capital employed	Overheads
2,300+	20%+	13%+	c.7%

Our transformation in action

1

Building exceptional quality homes efficiently

We are committed to delivering exceptional homes through stronger, more consistent processes, and a build right first time approach that reduces defects and remedial work, with comprehensive training to support consistency.

Enhanced quality assurance processes and strengthened customer service teams underpin consistently high standards. Our dedicated fire remediation function enables our divisions to maintain full focus on efficient home delivery. Sustainability is integral to our strategy, with a long-term commitment to achieve net zero by 2045, alongside clear requirements to deliver biodiversity net gain on new sites, minimise waste, and improve environmental performance across the business.

Progress in 2025

- Building quality standards have continued to improve as evidenced by the reduction in reportable items¹ and the increase in our HBF customer satisfaction score.
- Snagging costs have reduced driven by stronger build quality, earlier issue resolution and better customer service.

Focus for 2026

- Roll out of new house types, incorporating best practice to enhance build quality and deliver homes efficiently.
- Continue to streamline the building process to be aligned with the new house types and ensure that the standard of all build activities is consistently high.

Annual average reportable items¹ reduced by
26%



¹ A reportable item is a defect or issue found during an NHBC inspection that violates the NHBC's technical standards and must be documented and reported to the home builder. The average number of reportable items per inspection over a period of time is therefore a good measure of the quality of the construction process.

Our transformation in action continued

Delivering outstanding customer experience

2

We continue to enhance every stage of the customer journey through a refreshed marketing strategy and targeted initiatives that improve the customer experience.

Modernised sales suites, an improved consumer website, and a sharper focus on post-completion engagement ensure a seamless and high-quality service. Our sales approach aligns with our mid-premium brand positioning, while training supports exceptional customer experience and strong commercial performance.

5 star
housebuilder status
regained

Progress in 2025

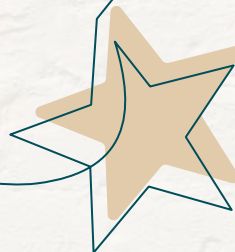
- Radically improved the visibility of customer insight within our reporting tools, allowing us to drive focused improvements in the areas customers care about most.
- Introduced deeper use of productivity insights to drive efficiency, while improving access to information for our colleagues to reduce time to resolution for our customers.

Focus for 2026

- Launch of a new website to reflect the mid-premium segment, offering more personalised home upgrades with mid-premium design aesthetics.
- Focus on building on our eight-week HBF survey results and closing the gap between our eight-week and nine-month HBF results through improved build quality and reduced resolution times.



4.20
HBF customer
satisfaction score



Our transformation in action continued

3

Underpinned by operational and commercial excellence

Our strategy remains focused on strengthening operational and commercial performance through a disciplined programme of enhanced controls and efficiency initiatives.

The centralisation of our procurement strategy and improvements in supply chain management have increased cost certainty, consistency, and resilience across our developments.

Reinforced governance frameworks and stronger financial oversight continue to support robust decision-making and risk management. In parallel, we are driving workforce productivity through improved performance monitoring, data-driven reporting, and clearer accountability at all levels.

33%

reduction in snagging costs

Progress in 2025

- The Cost Value Reconciliation process was enhanced across all operational channels, improving visibility, control over site performance and improved forecasting accuracy.
- Enhanced quality and productivity have delivered efficiency gains.

Focus for 2026

- Drive continuous improvement to support and align with the delivery of Project Elevate.
- Strengthen collaboration between commercial and operational teams to ensure better execution and enhance performance.



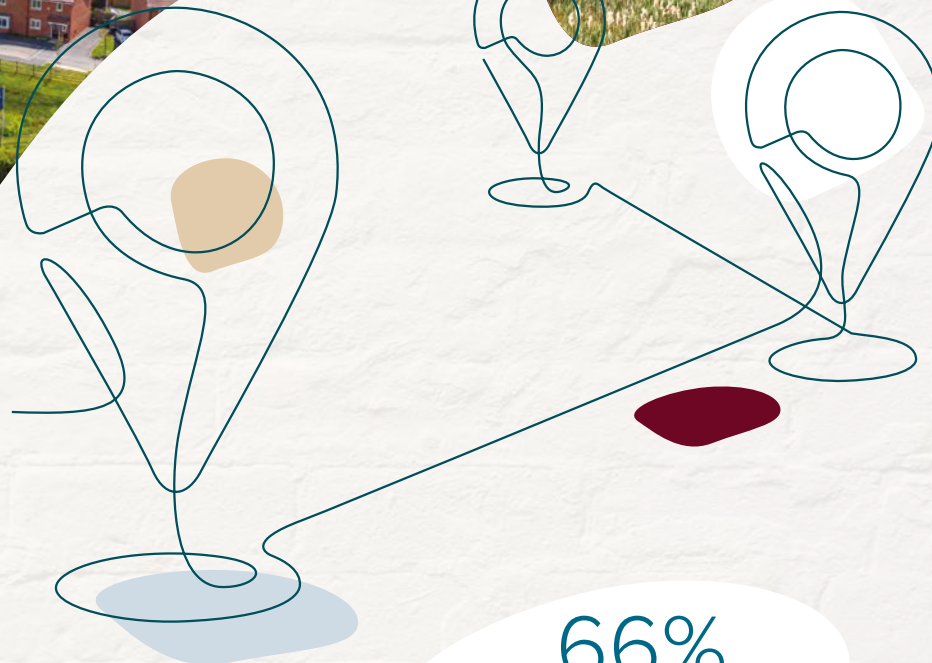
Our transformation in action continued

Optimising value of the land portfolio

4

We have a high-quality land bank in desirable locations, supported by an asset-light strategic land portfolio that aligns with our mid-premium market positioning and the scale of our business.

We are prioritising the development of smaller sites in sought-after areas to increase the number of sales outlets and enhance return on investment. Over 90% of sites in our short-term land bank are already well aligned with this new direction, and for less well aligned sites we are selectively exploring strategic options.



Progress in 2025

- Completed several land sales on larger sites, retaining the most desirable parcels for future development to enable outlet growth.
- Maintained momentum in securing planning approvals across the strategic land pipeline.

Focus for 2026

- Continuing focus on strategic land conversion to bring high-quality sites with planning approval into the short-term land bank and support a steady pipeline of future developments.
- Enhance land portfolio optimisation by selectively acquiring and progressing sites that deliver stronger returns aligned with the mid-premium market.

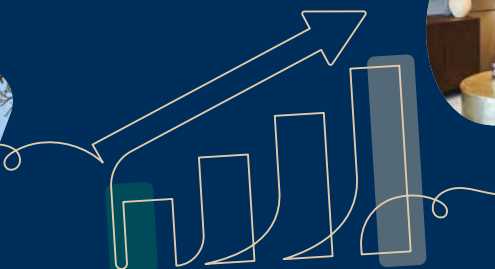
66%

of our strategic land bank has allocation or draft allocation planning

Investment proposition

A compelling investment opportunity

We are positioned for sustainable value creation, underpinned by ongoing structural demand for new housing.



Positive structural tailwinds

- Persistent undersupply of housing in the UK.
- Government policy commitment to boosting housebuilding, providing a favourable long-term backdrop.

Strong foundations

- Established and well-regarded brand.
- High-quality land bank in desirable locations ensures future development potential.
- Opportunity to accelerate value creation through selective land bank optimisation.

Focused mid-premium market positioning

- Refreshed strategic focus on the attractive and resilient mid-premium segment.
- Well-aligned to our land bank, existing housebuilding strengths and customer base.
- New house types and offer, appealing to mid-premium customers to drive further value and returns.

Clear execution plan

- Highly experienced leadership with a proven track record of operational excellence.
- Motivated, skilled teams committed to delivering high-quality homes with first class customer experience.
- Focus on operational discipline and process efficiency to support profitable growth.

Sustainable value creation

- Attractive pathway for long-term value creation through balanced volume growth and margin enhancement.
- An element of margin improvement driven by self-help initiatives, independent of market conditions.
- Our balance sheet is underpinned by cash flow discipline, which supports investment for growth.



Business model

How we build value

From land acquisition to customer service, our business model delivers sustainable, long-term value by aligning closely with our strategic priorities.



We buy land in desirable locations

1

We create value through a disciplined and targeted approach to land acquisition, focusing on sites in locations that align with our position in the mid-premium segment and support our growth objectives.

Our land buying strategy prioritises financial returns, planning deliverability and customer demand, ensuring that capital is deployed efficiently and sustainably. This approach, underpinned by rigorous appraisal processes, enhances our ability to secure high quality sites that deliver attractive margins. Alongside our long-term strategic land pipeline, this provides strong visibility over future developments and supports consistent, margin-accretive growth.

Our land acquisition appraisals embed sustainability principles. We consider factors such as biodiversity, water conservation measures and habitat protection. We prioritise locations with access to sustainable transport, including public transport links and major road networks, and ensure there is space for social infrastructure to promote thriving, inclusive communities.

Average sales outlets

40

2024: 44

We design vibrant communities

2

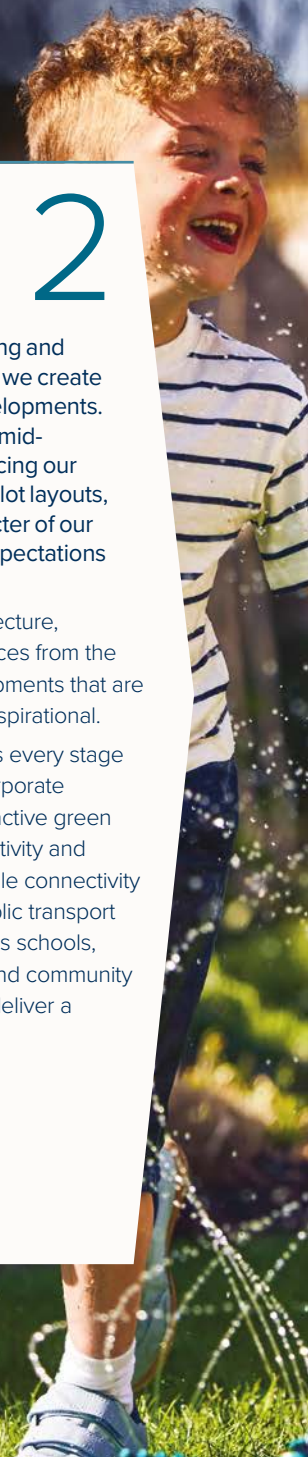
Design quality, thoughtful plotting and placemaking are central to how we create value and differentiate our developments. As part of our positioning in the mid-premium market, we are enhancing our design standards, refining our plot layouts, and elevating the overall character of our schemes to better reflect the expectations of this segment.

By integrating high quality architecture, landscaping and community spaces from the outset, we aim to deliver developments that are not only functional but are also aspirational.

Sustainability is integrated across every stage of design and planning. We incorporate biodiversity net gain, design attractive green spaces to encourage outdoor activity and wellbeing, and plan for sustainable connectivity through walking, cycling and public transport links. Social infrastructure, such as schools, healthcare facilities, play areas and community hubs, is carefully considered to deliver a lasting positive legacy.

Planning success rate over 15 years

85%



Business model continued

A customer-focused sales journey

3

We create value through a customer-focused sales approach that will enable us to achieve our mid-premium positioning ambition. Our sales teams receive regular and progressive training to ensure expert guidance and a high quality customer experience.

We are enhancing digital engagement through online portals that support the buying journey and offer a curated range of upgrades to personalise homes. Our upgraded sales suites have been redesigned to reflect the quality of our mid-premium offer, which helps to maximise the value of each home sold and strengthen customer satisfaction.

We deliver high quality energy-efficient homes and provide buyers with information on the sustainability features of their homes. Alongside high performance insulation, many of our homes include solar PV panels, electric vehicle charging points, and an increasing number of sites have air source heat pumps installed. All new houses are designed to achieve a minimum EPC B rating to support energy-efficient living.

Homes completed in 2025

1,691

2024: 1,873

A right first time approach to construction

4

We create value through a disciplined and efficient construction process that prioritises quality, consistency and timely delivery.

A right first time mindset is embedded across our build teams, ensuring that homes are constructed to high standards with minimal rework. Each project is meticulously planned and executed, with strict adherence to build programmes, safety protocols, and the New Homes Quality Code. We leverage advanced project management tools to track progress in real time, resolve issues quickly and maintain momentum on site.

We integrate sustainable practices throughout our construction activities, focusing on resource efficiency and waste reduction. On-site recycling stations and waste segregation processes maximise landfill diversion, while we work to conserve and enhance natural habitats around the site. Additionally, protective measures for wildlife, such as temporary fencing and ecological monitoring, ensure that construction activities align with our environmental stewardship commitment.

2025 average NHBC reportable items per inspection

0.26

2024: 0.35

A positive customer experience

5

As part of our commitment to delivering exceptional customer experience, we appointed a Group Customer Operations Director to lead a comprehensive improvement programme.

We place a strong emphasis on reducing snagging issues and post-sales fixes by embedding a build right first time culture across our operations. By prioritising quality and consistency from the outset, we aim to create a smoother, more positive experience for our customers, reinforcing trust, increasing referrals and supporting long-term brand value.

We deliver homes that prioritise energy efficiency, helping to keep running costs down and supporting our customers in living more sustainably. Many developments also incorporate measures to support nature, alongside accessible green space and social infrastructure, creating more enjoyable spaces for residents.

HBF customer satisfaction score

4.20

2024: 4.03

Business model continued

What we use to create value

Our business needs high quality resources, capabilities and processes and is dependent on strong relationships to operate efficiently.

A motivated, well-trained workforce

Skilled employees are essential in building and delivering homes that meet regulatory standards and customer expectations. A strong focus on workforce development, through training, a strong health and safety culture and employee wellbeing, helps ensure efficiency, innovation and sustainability in operations. Engaging a motivated, well-trained workforce enhances productivity and contributes to maintaining our reputation and long-term growth.

Focus on design and innovation

High quality design enhances our customer proposition, ensuring long-term value and customer satisfaction. Maintaining the flexibility of house types allows for customisation while improving construction efficiency.

Innovation to enhance the sales process and streamline the build process reduces costs and supports safety, quality and service.

Carefully selected natural and manufactured resources

Natural resources such as timber and aggregates, together with manufactured materials including bricks and steel, are fundamental to our building operations. Responsible sourcing supports sustainability and helps minimise environmental impact.

Our focus on reducing waste and optimising resource use supports efficient delivery, cost control, and compliance with evolving regulatory and environmental standards.

A collaborative approach

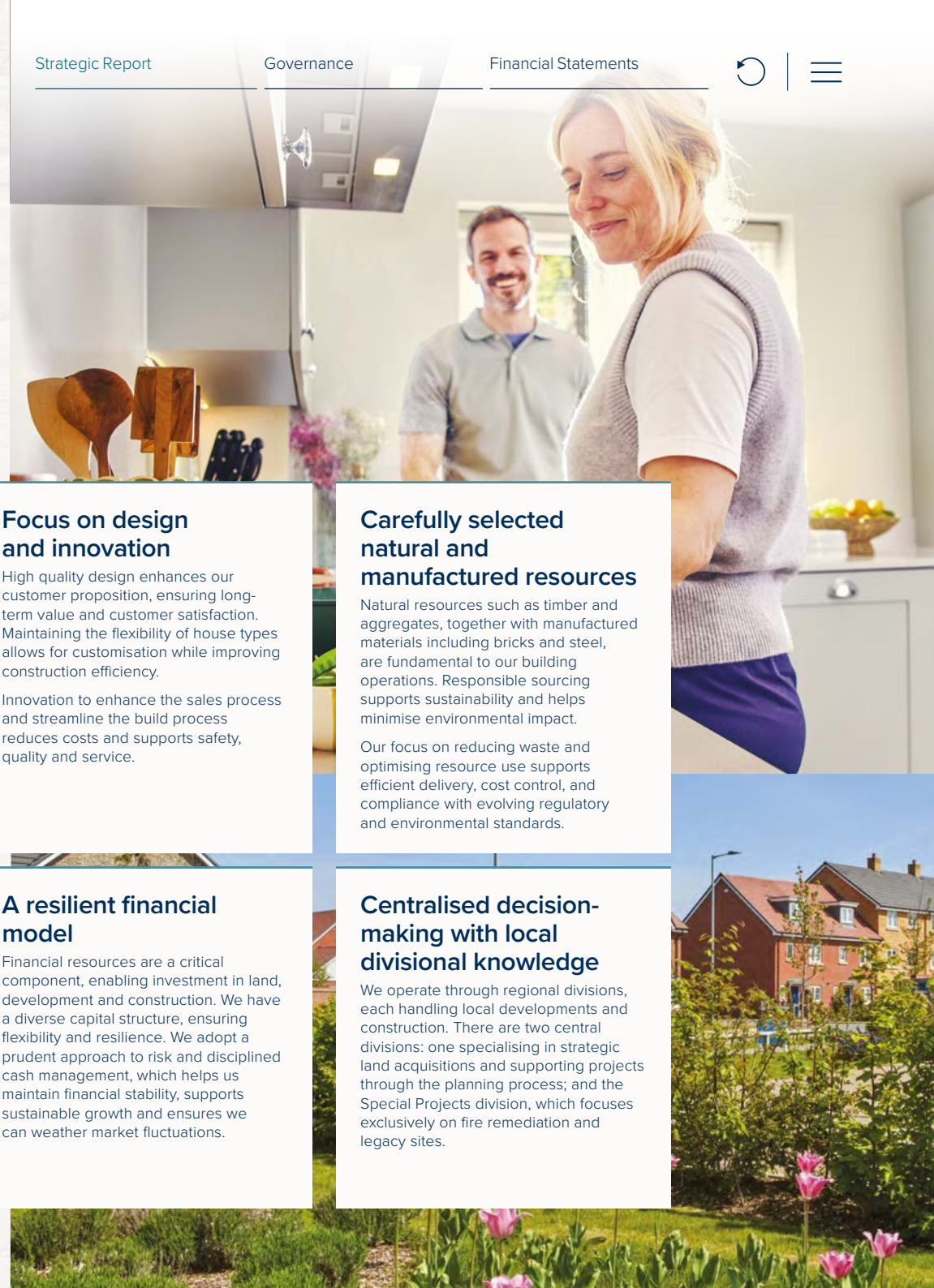
We value our relationships with housing associations, landowners, local authorities and government bodies. These collaborations provide us with access to key development sites, shared resources and funding opportunities, while facilitating compliance with regulations. By working together, we can expand project pipelines, improve delivery efficiency and meet housing demand, driving growth and long-term profitability.

A resilient financial model

Financial resources are a critical component, enabling investment in land, development and construction. We have a diverse capital structure, ensuring flexibility and resilience. We adopt a prudent approach to risk and disciplined cash management, which helps us maintain financial stability, supports sustainable growth and ensures we can weather market fluctuations.

Centralised decision-making with local divisional knowledge

We operate through regional divisions, each handling local developments and construction. There are two central divisions: one specialising in strategic land acquisitions and supporting projects through the planning process; and the Special Projects division, which focuses exclusively on fire remediation and legacy sites.



Market environment

Market and economic overview

Structural undersupply of housing

The UK continues to face a significant structural undersupply of housing, with new-build delivery consistently falling short of the level required to match population growth.

Despite the government reaffirming its target of 300,000¹ new homes per year, output remains well below this benchmark. The private new-build market accounts for only c.8% of total UK housing transactions, compared with a historical average of c.13%, and remains critical to increasing overall housing supply.

Underlying demand continues to grow, driven by net migration and shrinking household sizes. Limited growth in housing stock has intensified competition for existing homes, putting upward pressure on prices and rents, worsening affordability, and restricting mobility.

Challenges

- In markets where affordability is under pressure (particularly the south of England), selling prices may be impacted.
- With new-build activity reliant on second-hand transactions and chains, slower resale markets or mortgage-rate uncertainty may delay reservations or slow conversions.

Opportunities

- Our strategy pivot to a value over volume model, targeting the mid-premium segment and increasing product quality and customer experience, positions us to capture better margins and provides greater resilience when buyer demand recovers.
- Demand shortage creates a sustained requirement for new homes. There is potential for further price growth, which will enhance margins.



The new homes sector continues to operate in a complex, volatile macro environment, affected by affordability, regulation and supply dynamics. The market appears to be transitioning from a challenging landscape towards a period of more stable volumes, albeit with modest growth expectations in the near term. Demand recovery is likely to be gradual.

Affordability and the lending market

Lending conditions are showing tentative improvement but remain challenging for many buyers, with knock-on effects for the housebuilding sector.

Gross mortgage advances rose more than 50% in the first quarter of 2025². High loan-to-value lending (defined as over 90%), largely to first-time buyers, increased to the highest level since 2008². Mortgage affordability improved marginally, though rates remain elevated versus historic lows³.

Lenders are beginning to loosen criteria, with the Financial Conduct Authority encouraging more flexible affordability assessments and major banks signalling support for higher loan-to-income multiples. Employment is stable and real wage growth is mildly positive, but declining vacancies continue to weigh on consumer confidence. However, the Office for Budget Responsibility forecast property transactions to rise from around 1.1 million in 2024 to circa 1.3 million by 2029⁴.

Challenges

- Persistent affordability constraints continue to restrict the pool of qualified buyers, slow the pace of sales and put pressure on sale prices.
- Housebuilders may face longer time to sell, softer pricing on new homes, and increased incentive costs.

Opportunities

- Our target customers' profile is mainly affluent and second movers, with higher deposits hence lower loan-to-value mortgages, with more favourable rates of borrowing.
- Further progress and increased coverage in the mid-premium market will make us more resilient to challenging lending conditions.

Five-year fixed mortgage rate – 75% loan to value



Source: Bank of England database

Market environment continued

Land market and planning

The land market is beginning to stabilise as build costs ease, and housebuilders and landowners adjust to affordability pressure. Although the planning regime has been historically challenging, it is now being addressed gradually, which is helping to support activity across the sector.

The supply of consented land remains restricted across the country, with changes to the National Planning Policy Framework in England unlikely to significantly impact supply until the second half of 2026, at the earliest. From the peak in 2021 to June 2025, there have been 34% fewer planning consents granted in the UK¹.

Planning activity is under pressure. Despite high levels of activity on the ground, changes to planning policy will take time to be reflected in local plans and the number of consents flowing through the system.

Clear signals are already being sent through the appeals process, as planning inspectors embrace the revised National Planning Policy Framework. Combined with further reform, this has the potential to offer an unprecedented opportunity for acquiring and progressing sites over the next few years.

The pipeline of consents and the conversion from land to outlets is under strain. Longer lead times, upward cost pressures and the need to show deliverability mean that developers must be more selective, favouring land in strong markets, with easier access and infrastructure provision. Most of the uplift in supply and transactions is expected to materialise from 2027 onward.



Challenges

- Planning and outlet growth constraints.
- Delay of cash conversion and margin dilution due to consent risks and pre-commencement obligations.

Opportunities

- Maximum land portfolio optionality such as disposal of non-core, capital-intensive sites to strengthen liquidity and return on capital employed.
- Our quality land portfolio is aligned with mid-premium branding, with scope to standardise premium designs of house types and specifications.

Government regulation and sustainability

The government's recent policies and regulatory reforms aim to boost housing supply while reinforcing standards of safety, quality, and sustainability.

The Building Safety Act 2022 introduced comprehensive reforms to improve building safety, especially in multi-occupancy building developments, mandating safety certificates, fire safety protocols, and increasing developer accountability. Additionally, the Remediation Acceleration Plan requires that all remediation work begins by July 2027.

Forthcoming regulatory changes, notably the Future Homes Standard (FHS), will require the delivery of all-electric homes and more stringent energy performance modelling. Biodiversity net gain requirements mean developers must enhance site biodiversity by at least 10% above the pre-development baseline.

The November 2025 budget offered no measures to encourage first-time buyers, however no landfill tax changes were announced.

Challenges

- There is a risk that costs escalate further on fire remediation and the introduction of further fire regulations.
- FHS requirements will increase specification complexity and build cost for new homes. Local grid capacity constraints arising from higher electricity demand will be a key consideration for the sector.

Opportunities

- By proactively aligning with FHS and delivering lower running cost, energy-efficient homes, we can differentiate our offering, and appeal to value-conscious buyers.
- Our new house types have been designed to align with the FHS requirements, with more attractive designs and higher specifications suitable for the mid-premium market.



Stakeholder engagement

Our stakeholders

We recognise the importance of our stakeholders and engage meaningfully with them to nurture reciprocal relationships.

Consistent and effective engagement helps us to consider the insights and opinions of our stakeholders. These interactions feed directly into our decision-making, strengthening the connections and ultimately contributing to our long-term business success.

See our Section 172 Statement and information about Board engagement with our stakeholders on pages 64-69.



Employees

We directly employ people across four regional offices, over 40 development sites and various other locations.

What is important to them?

Our employees require a safe and healthy working environment, complemented by a supportive, diverse and inclusive culture, and opportunities for professional development.

How we engaged during the year

- Monthly video call business briefings with the CEO and CFO, including the opportunity to ask questions.
- Annual all-employee survey.
- Regular intranet updates and news articles.
- In-person roadshows on the business transformation plan.
- In-person roadshows to launch new employee share plan and inform employees about benefits.

Read more in Our people on pages 30-32 and Listening to employees on page 68.

Investors

We engage with institutional and retail investors, lenders and analysts.

What is important to them?

Investors need us to navigate market challenges, while maintaining sustainable returns. They value clear communication about our strategy and performance.

How we engaged during the year

- The CEO and CFO attended a programme of meetings and investor conferences throughout the year.
- Investor roadshows after half- and full-year results announcements.
- Regular meetings with investors, lenders and analysts including hosting visits to sites under development.

Read more in Investor engagement on page 69.

Customers

Our customers buy our homes either as individuals or through larger institutions that we work in partnership with.

What is important to them?

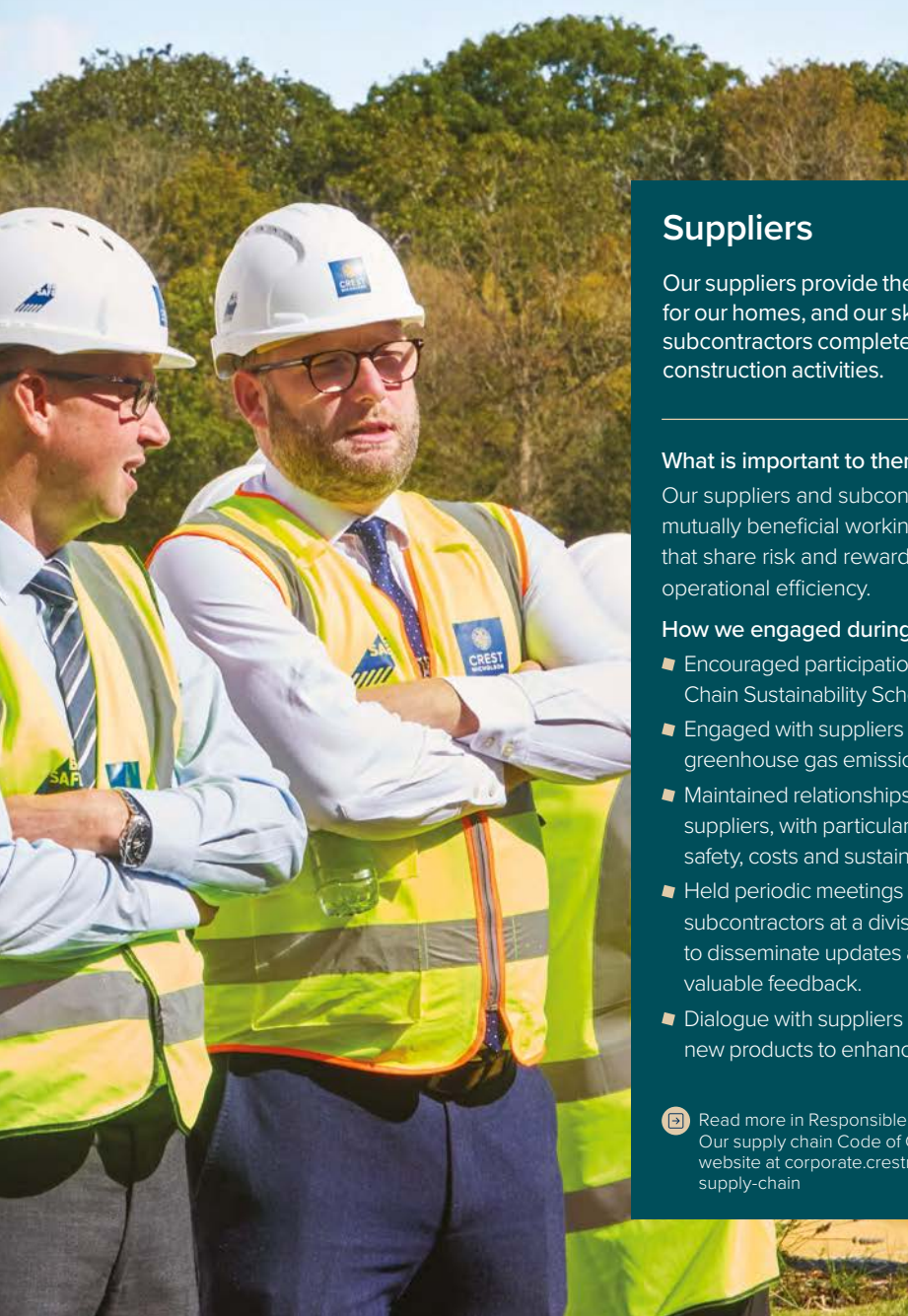
Our customers want a choice of home sizes and layouts and expect quality homes in attractive, safe communities, combined with an excellent customer experience from pre-sale to occupation and beyond.

How we engaged during the year

- Our sales and customer service teams are in regular contact with customers both before and after a sale completes.
- Customers complete HBF new homes surveys at eight weeks and nine months after they buy their home.
- Regular meetings with housing associations.

Read more in the Chief Executive Officer's statement on pages 4-8 and Delivering outstanding customer experience on page 11.

Stakeholder engagement continued



Suppliers


Our suppliers provide the materials for our homes, and our skilled subcontractors complete our construction activities.

What is important to them?

Our suppliers and subcontractors want mutually beneficial working relationships that share risk and reward alongside operational efficiency.

How we engaged during the year

- Encouraged participation in the Supply Chain Sustainability School.
- Engaged with suppliers on their greenhouse gas emissions data.
- Maintained relationships with key suppliers, with particular focus on safety, costs and sustainability.
- Held periodic meetings with subcontractors at a divisional level to disseminate updates and gather valuable feedback.
- Dialogue with suppliers on innovative new products to enhance our offering.

 Read more in Responsible practice on page 28. Our supply chain Code of Conduct is on our website at corporate.crestnicholson.com/supply-chain

Communities and environment


We are committed to creating thriving communities and enhancing local environments.

What is important to them?

Our neighbours in the communities around our developments expect engaged two-way communication and want us to uphold our commitments to invest in essential infrastructure, while protecting the local environment and reducing emissions and waste.

How we engaged during the year

- Worked with local authorities and environmental partners to protect habitats, manage flood risk and deliver biodiversity net gain, including early engagement on mitigating actions.
- Supported local initiatives and charities, and expanded community contributions tracking to maintain transparent, positive investment in the places we build.

 Read more in Protect the environment on pages 23-26 and Make a positive impact on communities on page 27.

Government and other bodies

Government, regulatory and industry bodies shape the legislative environment in which we operate.

What is important to them?

The government appreciates proactive engagement from us and solutions to meet key housing targets, the Future Homes Standard and industry initiatives that support biodiversity and climate change matters.

How we engaged during the year

- Worked with the Future Homes Hub on the Future Homes Standard and industry initiatives on biodiversity and climate change.
- Engaged with the Home Builders Federation on high level policy and regulatory changes.
- Gave evidence in public in connection with the Environmental Audit Committee's inquiry into environmental sustainability and housing growth.

 Read more in Government regulation and sustainability on page 19.

Sustainability

Our sustainability strategy

Sustainability remains integral to long-term value creation, shaping the quality of the homes we build, the experience of our customers, and the resilience of our business.

“

We're committed to creating homes that are better for people and planet. We recognise the scale of the challenge ahead, and we remain focused on making steady, meaningful progress.


Mark Kershaw
Group Head
of Sustainability



Focusing on what matters most

We continue to assess and respond to the sustainability topics most important to our stakeholders and our business. Ongoing engagement with customers, employees, suppliers, investors and local communities helps ensure that our priorities remain relevant as expectations evolve.

This dialogue helps us identify emerging risks and opportunities, such as embodied carbon, climate resilience and nature impacts, and align our activities with our strategic priorities.

 Read more about our stakeholder engagement on pages 20–21 and 64–69.

Enhancing transparency and disclosure

We obtained limited assurance over key sustainability metrics used for the purposes of our revolving credit facility this year, including carbon and energy data.

We continue to prepare for emerging reporting requirements, including the UK's adoption of ISSB standards 1 and 2 and the Task Force on Nature-related Financial Disclosures framework. As part of this work, we have begun assessing alignment with these standards and mapping nature-related risks and opportunities across our operations and supply chain. These include potential water scarcity impacts, biodiversity net gain delivery, and opportunities to enhance nature positive design. This work helps us prepare for future reporting expectations.

Maintaining governance and performance oversight

Robust governance underpins delivery of our sustainability commitments. Oversight of our strategy and performance rests with the Board, supported by the Sustainability Committee chaired by the Chief Executive Officer. The Committee met four times during the year, setting strategy, guiding integration of sustainability across the business, and monitoring progress against key performance indicators.

Sustainability targets continue to be linked to executive remuneration and our revolving credit facility, reinforcing accountability and alignment with stakeholder expectations. From next year, updated revolving credit facility targets will reflect our evolving sustainability priorities, including customer satisfaction, climate and supplier metrics.

Collaborating to drive progress

Achieving a low carbon, nature positive built environment requires industry-wide action. We contribute to collaborative initiatives such as the Future Homes Hub and Supply Chain Sustainability School, and engage with suppliers, regulators and peers to share insight, support the development and implementation of new initiatives, and help raise standards across the sector.

Our sustainability priorities

We continue to make measured progress across the three pillars of our sustainability strategy, recognising that lasting change requires ongoing action and collaboration.

Protect the environment

We are committed to reducing our climate impact, conserving resources, minimising waste and enhancing biodiversity.

65%

reduction in scope 1 and 2 emissions against 2019 base year


 Read more on pages 23-26.

Make a positive impact on communities

We create high-quality homes and invest in infrastructure and placemaking to bring lasting benefits for our communities.

£26.2m

invested in local infrastructure through CIL and Section 106 agreements


 Read more on page 27.

Operate responsibly

We uphold high ethical standards and prioritise the health, safety and wellbeing of everyone connected to our business and value chain.

93.4%

SHE inspection compliance

 Read more on pages 28-29.

Protect the environment

Our transition to net zero

Achieving net zero across our value chain by 2045 is central to our sustainability strategy. Our transition plan sets out the milestones and actions that will help us get there.

Building a low carbon future

Our plan focuses on practical steps across our operations, supply chain and product design, which are aligned with our science-based targets.

Our priorities include:

- cutting emissions from our operations through energy efficiency, renewable electricity, efficient plant and equipment, and low carbon fuels
- reducing embodied carbon by working with suppliers and adopting lower carbon materials and technologies
- reducing in-use emissions through energy-efficient and fully electric homes.

Progress depends on collaboration across the value chain and continued improvements in low carbon materials, infrastructure and skills.

Industry alignment

We supported the development of the **Future Homes Hub's Net Zero Transition Plan**, which sets out a sector-wide pathway for decarbonising new homes, and aligns with our transition approach.

Building resilience alongside our transition

Our climate response also covers adaptation. We are taking steps to ensure that our developments and operations remain resilient to rising temperatures, flooding and water scarcity, while also monitoring and mitigating against transition risks.

Climate risk considerations are integrated within our risk management framework.

 Read more in our Task Force on Climate-related Financial Disclosures (TCFD) report on pages 45-53.

Decarbonisation levers

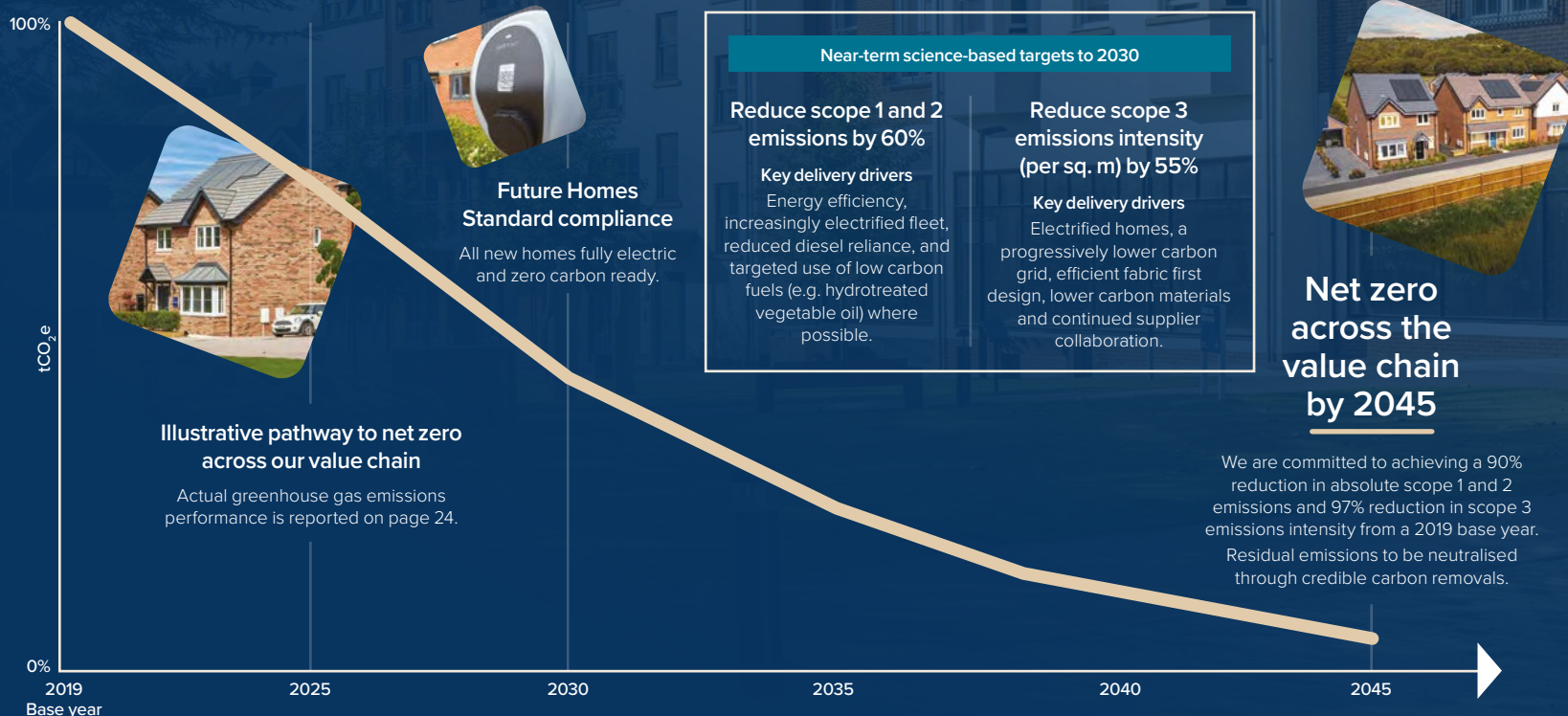
Key areas of focus to reach our decarbonisation goals include:

- energy efficiency
- renewable energy procurement
- electrification of homes and sites
- low carbon plant and equipment
- low carbon materials and supplier collaboration.

Transition dependencies and challenges

Delivering our plan depends on:

- availability and affordability of low carbon materials, such as cement, bricks, blocks and steel
- reliable data across the supply chain to support decision-making
- grid and renewable energy infrastructure
- continued investment in innovation and skills
- supportive policy environment.



Protect the environment continued

Greenhouse gas (GHG) emissions performance

We continue to make progress towards our science-based targets, reducing both direct (scope 1 and 2) and indirect (scope 3) emissions across our operations, supply chain and homes.

Scope 1 and 2 performance

In 2025, our total scope 1 and 2 GHG emissions were 2,941 tCO₂e, representing a 5% reduction from 2024 and 65% from our 2019 baseline.

Emissions intensity increased slightly to 1.88 tCO₂e per 100 m² (2019: 1.83 tCO₂e per 100 sq. m).

Progress in 2025

- Internal monitoring of fuel and generator use.
- Hydrotreated vegetable oil accounted for 53% of site diesel consumption.
- 91% renewable electricity procured across our operations (2024: 85%), with remaining supplies largely linked to shared offices and inherited contracts on new sites, limiting direct control. We continue to prioritise renewable electricity where this is within our control.
- 88% of company cars are now hybrid or electric (2024: 82%). A car salary sacrifice scheme was rolled out during the year, limited to electric or hybrid vehicles.

Focus for 2026

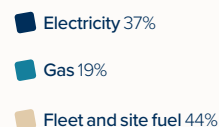
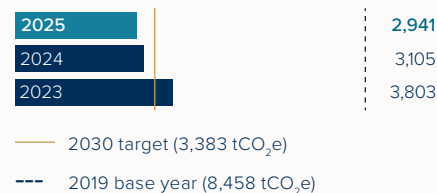
- Strong focus on energy and fuel efficiency, including early grid connections to avoid generator use.
- Continued use of hydrotreated vegetable oil and monitoring and testing of low carbon plant and equipment.
- Continued fleet decarbonisation.

Scope 1 and 2 GHG emissions breakdown



Scope 2 emissions use location-based emission factors.

Scope 1 and 2 GHG emissions breakdown by emission source

Scope 1 and 2 GHG emissions performance (tCO₂e)

Scope 3 performance

Scope 3 emissions remain the largest part of our footprint, arising primarily from construction materials and the use of our homes.

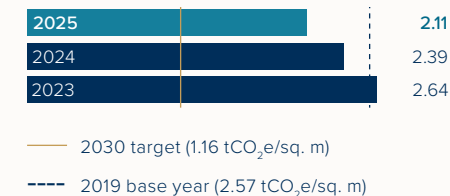
In 2025, our absolute scope 3 emissions reduced by 19% compared with 2024, and emissions intensity decreased by 12%.

Progress in 2025

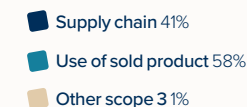
- Air source heat pumps installed on 19% of current developments, building readiness for the Future Homes Standard.
- 98% of homes achieved an Environmental Impact Rating of A or B, meeting our revolving credit facility target.
- Ongoing engagement with our energy assessors to optimise home specifications, ensuring that we deliver emissions reductions while maintaining cost efficiency.
- Participation in Future Homes Hub working groups to shape embodied and whole life carbon reporting approaches.

Focus for 2026

- Expand air source heat pump installations.
- Continue optimising fabric first design to minimise home energy consumption.
- Increase embodied carbon reporting at product level.
- Continue engagement through the Future Homes Hub on industry-wide carbon data and low carbon material solutions.

Scope 3 GHG emissions intensity performance (tCO₂e/sq. m)

Scope 3 GHG emissions breakdown



Protect the environment continued

Natural resources and waste

Minimising waste and using resources efficiently remain key to reducing our environmental impact and building efficiently.

Through improved site practices, better material planning and engagement with our supply chain, we continue to reduce construction waste and improve water resilience on our sites.

Construction waste intensity (tonnes/EU)

5.2

Reduction in construction waste intensity since 2024

24%

Pallets reused or recycled

24,705



Reducing waste and improving resource efficiency

In 2025 we began reporting waste intensity using equivalent build units (EUs), providing a more representative measure of activity. Total construction waste decreased by 19% to 9,783 tonnes, building on last year's improved performance. Waste intensity reduced to 5.2 tonnes per EU, representing a 24% reduction against 2024, and we continue to target a year-on-year reduction in 2026. We maintained 99% waste diversion from landfill, exceeding our 95% target.

Compliance with our Waste Management Policy, regular checks on material stock control on site by commercial teams, and an improved cost review process have supported more efficient operations. We continued our collaboration with Community Wood Recycling, supporting local employment and reuse of timber. Our pallet return scheme enabled the collection of 24,705 pallets for repair and reuse or recycling.

Total construction waste (tonnes)

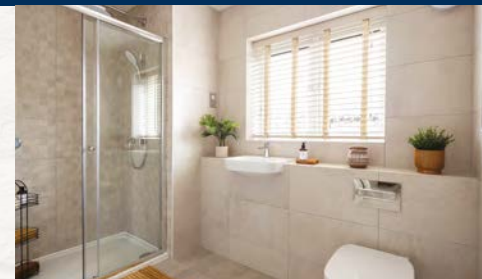
2025	9,783
2024	12,132
2023	19,975

Water resilience


The UK faces growing pressure on water resources due to climate change, population growth and ageing infrastructure. We continue to design our homes to use less than 105 litres per person per day, well below current regulatory requirements.

In anticipation of potential tighter standards under the government's consultation on Building Regulations Part G (Water Efficiency), we are reviewing the water fittings and appliances specified in our homes against the consultation's metrics. This early assessment will help ensure future compliance and reduced household water demand, while maintaining a positive customer experience.

At a development level, we integrate sustainable drainage systems (SuDS) to manage surface water, mitigate flood risk and enhance biodiversity. SuDS features such as swales, attenuation ponds and permeable paving not only improve water quality but also create natural amenity spaces within our developments.



We monitor water stress and availability across the regions in which we operate as part of our TCFD-aligned climate and sustainability risk review. This helps us understand where future water scarcity could affect design, cost or resilience, and ensures that water efficiency continues to be factored into both our product design and land acquisition processes.

 Read more on water risk in the TCFD section on pages 45-53.

Waste intensity (tonnes/100 sq. m)

2025	6.27
2024	7.15
2023	10.98

--- 2019 base year (9.64 tonnes/100 sq. m)

Waste intensity (tonnes/EU)

2025	5.21
2024	6.88

An equivalent build unit (EU) reflects the proportion of a home completed during the period, enabling performance metrics such as waste to be normalised to actual construction activity.

Protect the environment continued

Biodiversity

The introduction of biodiversity net gain in 2024 marked an important step forward for nature recovery in housing.

Nature at the heart of our places

Delivering biodiversity net gain (BNG) is now a standard part of our planning process. We are evolving our approach through current projects, using each development as an opportunity to learn, improve and create habitats that deliver lasting benefits for wildlife and local communities.

We engage ecologists and landscape architects early in site design to identify opportunities for habitat creation and ensure our developments meet or exceed the 10% statutory requirement. In some locations, where space or habitat type limits onsite delivery, we work with trusted offsite habitat providers to meet BNG requirements efficiently and support larger-scale ecological restoration. Over the past year,

we have strengthened these relationships to ensure credible, measurable outcomes that complement on-site enhancements.

Alongside BNG, we integrate nature-friendly features across our developments to help wildlife thrive close to where people live. Through our Homes for Nature commitment, an initiative developed in collaboration with the Future Homes Hub and industry peers, we aim to provide the equivalent of one bird nesting brick per house, along with hedgehog highways to support connectivity.

We support pollinators through initiatives such as the installation of BeeBoxes – see case study opposite. These features reflect our ongoing efforts to create developments that support biodiversity as part of everyday living.

Focus for 2026

- Continue evolving our BNG approach through insights gained from project delivery.
- Enhance data collection to improve reporting on biodiversity and habitat features.
- Continue the BeeBox partnership to monitor outcomes.
- Expand the use of pollinator-friendly planting within standard landscape designs.
- Explore opportunities for additional tree planting to strengthen local green infrastructure.

CASE STUDY

Creating a home for bats: Moonlight Manor, Finberry

At our Finberry development in Ashford, we created Moonlight Manor, a custom-built bat hotel designed in consultation with an ecologist to support local bat species. The building combines a variety of materials and internal features to replicate natural roosting conditions, helping bats thrive alongside our new community. An interpretation lectern raises awareness among the local community about bats and habitat protection.



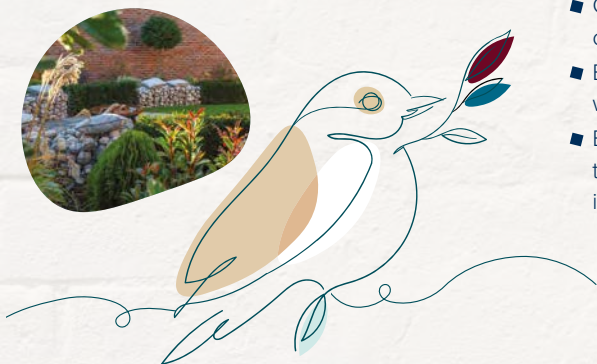
CASE STUDY

Supporting pollinators: BeeBox partnership with Lancaster University

We partnered with Lancaster University to support the bumblebee population through the installation of BeeBoxes, the world's first scientifically developed bumblebee nestbox, in show home gardens nationwide.

Each box is 3D-printed using sustainable, wood-based material and incorporates cavity wall insulation and drainage to create a healthy, durable environment for bumblebees.

Our sales teams complete monitoring sheets to record BeeBox activity, contributing valuable data to Lancaster University's national research into the habitats of these vital pollinators.



Make a positive impact on communities

Thriving communities

We are committed to delivering high quality homes and an excellent customer experience, while creating lasting value for the communities where we build.

Through thoughtful design, collaborative planning and stakeholder engagement, our developments are designed to contribute positively to local areas long after construction is complete.

We integrate social value through investment in local infrastructure and community facilities. In 2025, we contributed £26.2 million through Community Infrastructure Levy (CIL) and Section 106 planning obligations to support areas such as affordable housing, green spaces, community amenities, transport infrastructure and public art.



Creating healthy, inclusive places

Our developments are designed to promote health, wellbeing and social interaction. Layouts incorporate features such as play areas, orchard planting, walking routes and shared green spaces, creating opportunities for residents to connect with nature and each other. We also seek to provide convenient access to local amenities and sustainable transport, alongside energy-efficient homes that support healthier living.

Building on our established approach, in 2026 we will develop a formal placemaking strategy to provide a consistent framework for designing and delivering thriving, sustainable communities.



Supporting communities and charitable giving

We continue to support our charity partner, Young Lives vs Cancer, helping ensure children and young people with cancer receive the right support at the right time. Our regional businesses also provide donations, sponsorships and volunteering to local charities and organisations, contributing to positive outcomes in the local area.

Delivering quality homes and excellent customer experience

Delivering high quality homes and an excellent customer experience remain central to our strategy. In the most recent survey year, we achieved a 5 star rating in the HBF customer satisfaction survey, with over 90% of customers saying they would recommend us to a friend.

Under our renewed revolving credit facility, one of our sustainability-linked targets is now tied to maintaining strong customer satisfaction, and from 2026 this will include the HBF 5 star rating.

The HBF introduced an enhanced scoring system in 2025, combining results from both the eight-week and nine-month post-completion surveys, to provide a more complete measure of customer experience and build quality in a single overall score.



We strive to achieve strong satisfaction scores in both HBF surveys to ensure we maintain our 5 star rating. Customer feedback is reviewed weekly and used to inform our ongoing improvement programme, which currently includes actions to improve responsiveness, enhance communication with customers and strengthen visibility of ongoing works across our developments. These initiatives are supported by our continued focus on build quality through regular internal reviews and reducing reportable items identified by external inspectors.

During the year, we have consistently exceeded the threshold for a 5 star rating when measured against the new HBF scoring matrix.

Investment through CIL and
Section 106 agreements

£26.2m

Operate responsibly

Responsible practice

We are committed to operating responsibly, fostering a safe, inclusive workplace, and collaborating closely with our supply chain to deliver positive environmental, ethical and social outcomes.

Sustainable supply chain and responsible procurement

Working in partnership with our suppliers is critical to achieving our sustainability objectives. Our Sustainable Procurement Policy and Supply Chain Code of Conduct set out clear environmental, ethical and social expectations for all suppliers, including safe working conditions and responsible sourcing.



Group suppliers at bronze, silver or gold status with the Supply Chain Sustainability School

85%

We are partners of the Supply Chain Sustainability School (SCSS), which provides free training and resources to upskill colleagues and suppliers on key sustainability topics such as climate change, biodiversity and human rights. Under our renewed sustainability-linked revolving credit facility, one of our targets continues to focus on supplier engagement with the SCSS, increasing the proportion of suppliers achieving bronze, silver or gold membership. This target was part of our previous revolving credit facility, and we achieved the performance target for 2025. In 2025, 85% (2024: 66%) of suppliers with group trading agreements achieved at least bronze membership, and 48% reached gold.

We engage regularly with key suppliers to share best practice, identify opportunities for improvement and support the transition to more sustainable products and processes.

Sustainable timber

We continue to promote responsible material sourcing. Our Sustainable Timber Policy commits us to procuring timber certified by the Forest Stewardship Council or Programme for the Endorsement of Forest Certification, helping mitigate the risk of illegal deforestation, and supporting sustainable forest management. Our most recent audit confirmed consistent compliance with this policy across our suppliers.



Human rights and anti-slavery

We are committed to conducting our business with integrity, working to ensure that human rights are respected across our operations and supply chain. Our Human Rights Policy supports the principles set out within the United Nations Guiding Principles on Business and Human Rights. All suppliers are contractually required to comply with our Supply Chain Code of Conduct, which includes clear expectations on labour standards, health and safety, and environmental management.

We recognise that modern slavery can occur in the construction industry and we maintain a zero-tolerance approach to all forms of it, including forced and child labour. All employees complete dedicated anti-slavery training, which raises awareness of the signs of modern slavery and provides clear guidance on how to report concerns. This is supported by multilingual posters and awareness campaigns across the business.

Our Speaking Up helpline and website, operated by an independent third party, remain available to colleagues, subcontractors, suppliers and the local community to confidentially report concerns. No substantiated grievances related to human rights were reported during the year.

Operate responsibly

Our commitment to health and safety

Protecting the health, safety, and wellbeing of our employees, subcontractors, customers, and the wider public, is central to our operations.

As a signatory to the HBF Health and Safety Charter, we uphold its core principles, driving performance improvement and cultivating a robust safety culture across our business. In 2025, we continued to strengthen our approach to managing workplace health and safety risks, reflecting our commitment to responsible governance and continuous improvement.

Governance and oversight

The Group Safety, Health and Environment (SHE) Committee, chaired by the Chief Executive Officer, provides oversight and stewardship of the Group's SHE management system, ensuring performance and compliance with applicable laws and standards. The Committee is responsible for setting policy, developing strategic objectives, allocating resources to manage risk, and ensuring operational processes are effectively controlled. Progress and actions are reported to the Board and Executive Committee at every meeting.

Embedding safety and excellence across our operations

Our operations are underpinned by a commitment to integrity, quality, and care. The Group's SHE mission is to foster a culture that empowers individuals to work collaboratively and responsibly, driving operational excellence and prioritising wellbeing. Our commitment to safety extends to the occupiers of legacy buildings, where we are continuing work to ensure compliance with the latest fire safety standards. Enhanced procedures and controls have been implemented to ensure this work meets the highest health and safety benchmarks, with oversight provided by senior management and our dedicated SHE team.

SHE inspection compliance

2025	93.4%
2024	92.3%
2023	89.9%
2022	87.9%
2021	86.9%

Annual Injury Incident Rate

164

2024: 396

Progress in 2025

- The Group recorded no health and safety prosecutions, prohibition or improvement notices, work-related fatalities, or environmental breaches resulting in prosecution during the year.
- We set targets for reducing accidents in 2025 and our Annual Injury Incident Rate (AIIR) decreased compared with 2024. AIIR measures the ratio of reportable accidents to the number of individuals exposed to risk.
- A total of 615 site inspections were completed by divisional and Group senior management, build and site managers, the in-house SHE team, and independent external consultants. These inspections assessed compliance with industry best practice and legal requirements. Compliance has steadily improved over the past five years, with further progress reported in 2025.
- The One.Site digital workforce management tool was introduced to all sites to streamline SHE processes. It supports site managers by automating parts of the contractor induction process, tracking site access, and verifying worker qualifications.
- Two sites were awarded Highly Commended at the Homebuilder Safety Awards, reflecting our continued focus on excellence in site safety.



Homebuilder Safety Awards

Highly Commended: Branston Locks and Perrybrook phase 4.

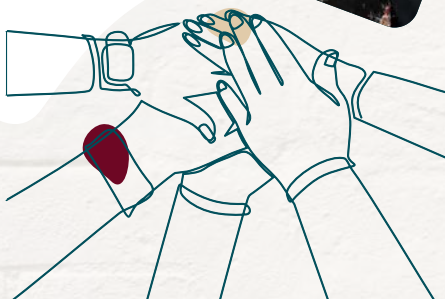
Focus for 2026

- Reducing accidents and further improving compliance.
- Addressing health risks such as dust exposure and manual handling.
- Reducing hand-related injuries, which remain a common cause of incidents.
- Increasing monitoring of occupied areas and legacy sites to ensure safety and enhance the customer experience.
- Continuing collaboration with stakeholders to improve the management of fire remediation schemes.

Our people

Our culture

We have focused on driving continuous improvement to create an environment where our people are informed, rewarded and developed. We have invested in proactive ways to develop our people and bring about cultural change.



Outputs of the Culture Action Plan, initially started in 2023, continued to inform activities aimed at engaging our people and embedding the culture needed to support our business transformation plan. This included the launch of leadership and management programmes and a comprehensive review of the customer journey, supported by tailored training.

In January 2025 we ran an employee engagement survey to understand the views and concerns of our employees across the business. We had a good level of participation with 75% of employees completing the survey. The overall engagement score, which indicates how connected, committed, and motivated employees are, was also 75%. This set the benchmark for our ongoing actions and is included in remuneration targets for executives and other senior and Group employees. Variations in scores between divisions, grades and functions were analysed and action plans developed.

Organisational structures

During 2025, we undertook a comprehensive review of our organisational design, to assess whether existing structures within the Group functions and divisions were fit for purpose and aligned to the strategic and operational goals of Project Elevate. The review focused on establishing organisational structures that support efficient and effective ways of working, streamlined decision-making, enhanced productivity, and reduced overhead costs. The resulting changes are intended to strengthen execution capability and ensure the organisation is appropriately positioned to deliver its strategic objectives.

Employee turnover

During the year, voluntary employee turnover was 26% on a full-year rolling basis, having increased from the prior year. In response, the focus in 2025 has been on gaining a deeper understanding of the underlying drivers of employee turnover, drawing on insights from exit interviews, employee engagement survey feedback, employee forums and data analytics. These insights have informed a targeted approach to improving retention across the business. Key actions have included strengthening onboarding and induction processes to support early engagement and integration, alongside the development of leadership and management programmes designed to upskill managers in effectively supporting, developing and retaining their employees.

Employee engagement

75%

Voluntary employee turnover

26%
2024: 22%

Diversity, equality and inclusion

We continue to focus on how we can develop to be ever more inclusive.

Women into Home Building

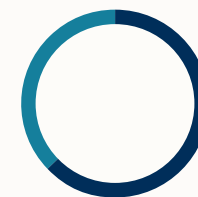
We are participating in the HBF-backed programme to encourage more women into site management. We sponsored two women for a two-week placement on sites, supporting women wanting to move into a career in our industry.

Embracing people's differences

We aim for all employees to be supported in working to the best of their ability, ensuring that reasonable adjustments and training are provided as appropriate. We have introduced AI tools to support employees with dyslexia, to help facilitate a more productive and inclusive workspace. We continue to explore other tools that can assist our employees.

Gender balance at 31 October 2025

Male 63%
Female 37%



Gender pay gap reporting for 2024

During 2024, the mean hourly pay gap increased to 24% (2023: 22%) and the median hourly pay gap increased to 32% (2023: 20%). The workforce is majority male, with men generally holding the more senior roles. During 2024 the number of women in the upper quartile decreased to 23% (2023: 26%).

Women accounted for 38% of the workforce in 2024 (2023: 38%). We are continuing to work towards increasing diversity and gender balance within all roles and at all levels.

Our people continued

The employee journey

Outputs from our Culture Action Plan and employee engagement survey showed areas where we could build on the employee journey experience, from recruitment through to reward, development and retention.

Recruitment

Our recruitment process is fair, transparent and free of discrimination, prejudice, or bias.

In early 2025, we implemented a portal for agency suppliers, enabling agency candidates to set up profiles directly into our systems, ensuring better communication and speeding up the offer process.

At the same time we have worked on enhancing our direct hire capabilities to reduce reliance on agencies, to reduce costs and improve our time to hire.

Onboarding

Our focus on onboarding has seen a positive response from new starters. We inform people prior to joining the business about what to expect in their first few weeks. We have a suite of documents for all those involved in the onboarding process, containing a rich blend of information for our new starters.

Our managers and divisional teams play a key role in creating a welcoming and helpful environment, and our new buddy scheme ensures all new starters have an experienced contact in the business to help them settle in.

“

I'm happy with my onboarding so far and am excited for my future here at Crest Nicholson. Really enjoying shadowing ... and am eager to get stuck in.

“

A very helpful and friendly team, everyone is so welcoming and it makes it an enjoyable company to work for.

Reward and benefits

We offer competitive reward and benefits packages and continually review our offer to attract high calibre candidates.

Share Incentive Plan

We launched a new all-employee share plan during the year, giving eligible employees the opportunity to buy Company shares and receive free matching shares. This is an HMRC-approved plan, and shares have to be held for five years to be sold free of tax.

Annual leave purchase scheme

We recognise that our people need to balance work and personal life, which is not always an easy task. In order to provide more flexibility, we piloted a successful annual leave purchase scheme which has been renewed for 2026.

Performance and recognition

We have reviewed our performance management processes and in 2026 will move from a traditional formal annual review to more frequent two-way conversations throughout the year and a new goal-setting process.

We refreshed our employee recognition programmes with our Crest Annual Recognition Awards held in January, and more regular divisional and head office awards presented throughout each year.



Our people continued

The employee journey continued

Learning and development

We launched two new programmes on leadership and management during the year, as part of our overall Culture Action Plan and in response to a clear desire from our employees for more learning and development opportunities expressed in the engagement survey.

We are embracing a modern, coach-like leadership style, with a focus on leaders asking more questions of their people, listening more and empowering our people to be creative and solution focused.

The management development programme utilises experiential delivery, with actors bringing the employee lifecycle to life, exposing our managers to the world of employee relations in an engaging and memorable way.

Prior to attending the programmes, each delegate explores their own personal working style through a structured analysis which could be shared across teams. This creates a universal language to drive a cultural shift and improved psychological safety; if we understand ourselves and each other better and adjust our approaches based on working style preferences, we improve engagement and teamwork, resulting in higher individual, team and business performance.



These two programmes aim to reduce our employee turnover rate and further our employer brand in the wider market, to attract the best talent.

Alongside these programmes, our all-employee training includes mandatory compliance and ethics courses, and we run specific programmes for sales and customer service teams for ongoing development and to embed the new strategic priorities.

We offer a wide range of voluntary online modules, enabling employees to pick skills and knowledge training in bitesize sessions, including soft skills, use of technology and specific industry knowledge.

Number of enrolments on leadership and management programmes

193

“

The training course has highlighted areas I can develop so that I can get the best from my team, including communicating and listening. It has also given me tools to use in decision-making.

Using actors to act out a situation, which as a group we take control of, to see how it plays out, is a good way to see your ideas in action.

Julie Alloun, Accounts Office Manager
Management Development
Programme attendee

“

Having the entire management team from all divisions undertaking the same course ... will give the learnings significant impact across the company. I genuinely believe the influence of a company-wide programme such as this will benefit individuals and the company significantly.

Ken Mulpeter, Build Director
Leadership Programme attendee

What's next?

We will drive continuous improvement in the ways our people are informed, rewarded and developed.

With the rise in artificial intelligence (AI), we are focusing on an AI awareness and development programme, including capabilities such as language translation so that everyone truly understands the information being passed to them. We are also able to refresh our compliance training more regularly with the use of AI technology.

While AI will help us drive efficiencies and productivity as well as improve employee and customer experiences, we do recognise the need for human interaction, human intervention and human empathy which AI will never replace.

Key performance indicators

Financial
KPIs

We use KPIs to monitor progress against our strategy. These are how we measure the performance and health of our business.

			Definition	Why we measure	Links
Return on capital employed (ROCE) ¹	2025	4.7%	Adjusted operating profit before joint ventures divided by average capital employed.	Illustrates how effective the Group's capital allocation is in delivering returns.	3 4
	2024	3.8% ²			
	2023	6.8% ²			
Adjusted profit before tax (APBT) margin ¹ NEW	2025	4.3%	Adjusted profit before tax achieved by the Group, divided by revenue.	New KPI replaces earnings before interest and tax margin. Including financing cost provides a more comprehensive view of returns. Assesses the financial efficiency of our Group operations before any one-off costs.	3 4
	2024	3.3% ²			
	2023	6.8% ²			
Unit completions	2025	1,691	Sales of homes recognised in the year, including 100% of those held in joint ventures and on an equivalent unit basis.	Reflects overall business activity and enables us to forecast future capacity requirements.	1 2 3 4
	2024	1,873			
	2023	2,020			
Inventory as a % of revenue ¹ NEW	2025	172.9%	The value of land, work in progress, completed buildings including show homes and part exchange properties, divided by revenue.	New KPI better illustrates performance against our strategic priorities related to operational and commercial excellence, and land bank value. Reduction in this KPI indicates improving efficiency of the Group's land bank and other inventory.	3 4
	2024	182.6% ²			
	2023	176.2% ²			
Net (debt)/cash ¹	2025	£(38.2)m	Cash and cash-equivalent plus non-current and current interest-bearing loans and borrowings.	Illustrates the Group's overall liquidity position and general financial resilience.	3 4
	2024	£(8.5)m			
	2023	£276.5m			
Land portfolio forecast gross margin	2025	20.2%	The forecast gross margin after sales and marketing costs of land we hold in our short-term land portfolio.	Indicates the earnings potential of current and future land development and the sale of associated homes.	1 2 3 4
	2024	23.1%			
	2023	23.2%			

Links to strategic priorities

- 1 Building exceptional quality homes efficiently
- 2 Delivering outstanding customer experience
- 3 Underpinned by operational and commercial excellence
- 4 Optimising value of the land portfolio

1 ROCE, APBT margin, inventory as a % of revenue and net (debt)/cash are alternative performance measures. See pages 166-167 for further details.

2 See note 28 of the financial statements for an explanation of the prior year restatement.

Key performance indicators continued

Non-financial KPIs

We use KPIs to monitor progress against our strategy. These are how we measure the performance and health of our business.

Links to strategic priorities

- [1](#) Building exceptional quality homes efficiently
- [2](#) Delivering outstanding customer experience
- [3](#) Underpinned by operational and commercial excellence
- [4](#) Optimising value of the land portfolio

			Definition	Why we measure	Links
Greenhouse gas emissions intensity	2025	1.88	Scope 1 and 2 emissions (tCO ₂ e) per 100 sq. m of completed floor area. It includes business travel via company cars, fuel and energy used on sites and in offices.	Tracks our progress on reducing our impact on the environment. There is also a financial benefit from increased operational efficiency and reduced cost of fuel used.	1
	2024	1.83			2
	2023	2.09			3
					4
Waste intensity	2025	6.27	Tonnes of construction waste per 100 sq. m of completed floor area.	Tracks our progress on reducing our impact on the environment. There is also a financial benefit from the reduced cost of materials purchased and waste generated in the construction process.	1
	2024	7.15			2
	2023	10.98			3
					4
Voluntary employee turnover	2025	26%	The percentage of leavers during the year by reason of resignation or retirement as a proportion of total employees at the end of the year.	Low employee turnover supports greater depth of experience, continuity and development of skills within our teams.	3
	2024	22%			
	2023	19%			
Customer satisfaction	2025	5*	The annual HBF's customer satisfaction rating based on the NHBC survey which new home buyers receive. Survey results are published in March each year.	Illustrates performance against our strategic priority to deliver outstanding customer experience.	1
	2024	4*			2
	2023	4*			
Annual Injury Incident Rate (AIIR)	2025	164	AIIR represents the number of accidents in the year normalised per 100,000 people working on site.	Our number one priority is the safety, health and welfare of everyone who is part of our operations.	1
	2024	396			3
	2023	468			
Build quality	Average annual NHBC reportable items per inspection		We use two external independent assessors to review our build quality.	A reportable item is a defect or issue found during an inspection that violates the NHBC's technical standards. Lower numbers indicate an increase in build quality.	New KPI introduced to illustrate performance against our strategic priority to build exceptional quality homes. These metrics are an independent measure of the quality of the construction process.
	NEW				
	2025	0.26			
	2024	0.35			
	2023	0.54			3
	Premier site inspection rating		The Premier site inspection rating measures management, technical and construction quality performance, using a score out of five.		
	2025	4.46			
	2024	4.19			
	2023	4.15			

Financial review



“

The progress made towards implementing our new strategy and our operating framework has driven greater resilience and efficiency as **we transform the business through challenging market conditions.**

Bill Floyd
Chief Financial Officer

Completions and revenue

Open market private completions were 1,095 (2024: 1,047), open market bulk completions were 159 (2024: 331) and affordable completions were 437 (2024: 495). As a result, total home completions were 1,691 (2024: 1,873), down 9.7%, as our strategy to rebalance the open market portfolio away from bulk and towards private completion has begun to take effect. However, overall sales levels did reflect continued low levels of confidence in the UK housing market as a result of macroeconomic uncertainty, despite the four 0.25% reductions in the Bank of England base rate through the year.

The total weighted average selling price for the Group was £323k (2024: £344k). The reduction reflects a change in the mix of open market sales with an increase in lower value apartment sales and a reduction in higher value housing sales, which is expected to reverse in 2026. Prices were stable on a like-for-like basis.

The open market sales rate, as measured by sales per outlet per week, was 0.51 for the year compared with 0.48 in 2024. The housing market remained sluggish throughout 2025 compared with much of the previous decade, with comparatively high mortgage rates, low consumer confidence and an absence of meaningful government support all contributing to the depressed levels of demand.

While the government has begun loosening monetary policy, persistent uncertainty and low economic growth has restricted improvements to the sales environment. Average sales outlets were 40 (2024: 44). Planning matters continue to take much longer to progress sites to operational development, and associated environmental impacts such as water and nutrient neutrality further delay planning decisions. As a result of these factors, revenue from housing totalled £529.4m (2024: £572.5m), a reduction of 8%. However, we expect an increase in our sales outlets in 2026 and, as a result, we expect an improvement in housing revenue.

We completed £78.8m (2024: £44.7m) of land sales on five sites as we effect our strategy to focus our land bank and site developments.

Total revenue for the year was £610.8m, compared with £618.2m in 2024, a decrease of 1.2%.

Gross profit

Adjusted gross profit was £85.3m (2024: £84.7m¹). This reflected the continued weak sales environment, more than offset by higher land sales. During the year £3.7m net inventory impairments were recognised within adjusted gross profit (2024: £8.5m), the reduction from the prior year largely driven by the non-recurrence of legacy development costs.

Gross profit on land sales was £17.1m (2024: £9.9m). Adjusted gross profit margin was 14.0% (2024: 13.7%¹). Statutory gross profit was £81.3m (2024: gross loss £73.7m¹).

¹ See note 28 of the financial statements for an explanation of the prior year restatement.

Financial review continued

Operating profit and margin

Adjusted operating profit of £34.7m (2024: £29.2m¹) was an increase of £5.5m (18.8%) as a result of the gross profit increase of £0.6m and a £4.9m reduction in overheads. The statutory operating profit for the year was £24.2m after a net exceptional items charge of £10.5m (2024: £130.8m¹ statutory operating loss after a net exceptional items charge of £160.0m).

Fire remediation

The Group has now performed external wall and internal fire safety assessments for all of the identified buildings within the scope of the Developer Remediation Contract, other than two, where governmental support has been requested to gain access. The buildings identified have been regularly updated during 2025 as surveys concluded that no further works were required on certain buildings, and a small number of additional buildings were identified as further investigative exercises took place.

In the previous year the Group recorded a combustible materials charge of £131.7m, mainly relating to the estimated costs of non-surveyed buildings at that time based on the increased level of information that the Group had gathered to reasonably estimate any provision required. During the year, as the number of surveyed buildings nears completion, this estimate has been updated, reflecting the outcome of surveys, along with changes in forecast build cost scope and price over the duration of remediation for previously surveyed buildings. This has resulted in a net charge in the year of £10.6m, comprising a provision of £39.9m, and a release of £29.3m.

The release primarily relates to buildings where surveys performed in the year confirmed that no remedial works are required.

While nearly all buildings have now been surveyed, detailed cost plans and work tenders need to be finalised for approximately 30% of the buildings, and the estimate for these buildings has been made in a similar manner to the prior year, updated for the latest cost experience of the Group. Combustible materials net charge of £12.8m per note 4 of the financial statements includes a £2.2m professional fees charge incurred by the Group in pursuing third parties where it has a contractual right of recourse. The provision is measured on a nominal basis with an assumed level of inflation over the period that the remediation will take place. A discount rate of 3.8% (2024: 4.4%) based on UK gilts rates of equivalent cash flow profiles to that estimated of the provision, has been applied. The reduction to the discount rate increased the discounted provision, resulting in a charge to cost of sales of £1.1m in the period. The discounting applied to the provision unwinds to the consolidated income statement as finance expense over the expected duration of the provision.

The Group spent £62.8m in the year on investigative costs and remediation works, including balcony and cladding-related works. The Group expects to have completed any required remediation within a five-year period, using £95.9m of the remaining provision within one year, which includes £19.1m repayable to the Building Safety Fund (BSF). The timing of the expenditure is based on the Directors' best estimates of the timing of remediating buildings and repaying the BSF incurred costs. Actual timing may differ due to delays in agreeing

scope of works, obtaining licences, tendering works contracts, and the BSF payment schedule differing to our forecast.

The Group will continue to assess the magnitude and utilisation of this provision in future reporting periods and the Group recognises that required remediation works could be subject to further inflationary pressures and cash outflows. If forecast remediation costs on buildings currently provided for are 10.0% higher/lower than provided, the pre-tax exceptional items charge in the consolidated income statement would be £20.3m higher/lower.

The Group is continuing to review the recoverability of costs incurred from third parties where it has a contractual right of recourse. In the year £12.4m was recovered from third parties by the Group. Recoveries are not recognised until they are virtually certain to be received. See note 4 of the financial statements for the consolidated income statement disclosure.

Exceptional items

Exceptional items are those which, in the opinion of the Directors, are material by size and/or are non-recurring in nature. During the year the key items were the net combustible materials charge of £4.1m, including costs of £3.7m incurred in joint ventures, legal, professional and other costs of £1.9m incurred in finalising and settling the legacy legal claim related to fire damage of an apartment scheme in 2021, completed site costs of £1.7m related to sites completed before 2019 which are no longer part of the core strategy, restructuring related expenses of £4.3m, and defined benefit pension costs of £2.2m as a result of a review of historic scheme documentation in relation to the scheme rules on guaranteed minimum pension equalisation.

Financing, liquidity and inventory reduction

At 31 October 2025, the Group had net debt of £38.2m (2024: £8.5m). Net debt including land creditors was £111.4m (2024: £140.1m). Return on capital employed for the year was 4.7% (2024: 3.8%) reflecting the improved adjusted operating profit compared with the prior year.

The Group's inventory balance reduced by £73.0m to £1,056.1m driven particularly by improvements in land, part exchange and completed units.

The Group made good progress on improving its cash management during the year, with the disposal of five parcels of land that the Group was unable to access for many years, and increased discipline on part exchange and inventory controls, which continue to deliver benefits to cash flow.

The Group's debt facilities include a £250m revolving credit facility and a £65m private placement. After the year end, the Group extended the term of the revolving credit facility with its existing lenders to October 2029. The private placement matures in two further tranches, £50m in August 2027 and £15m in August 2029.

Going concern

The Directors have assessed the Group's going concern position, analysing a base case and a range of adverse scenarios that are deemed to be Severe But Plausible (SBP), including aggregates of multiple factors.

¹ See note 28 of the financial statements for an explanation of the prior year restatement.



Financial review continued

The base case scenario utilised rolling forecasts up to 30 April 2027 (the going concern period) that reflect the Group's current financial position and the prevailing economic landscape, taking into account that the Group has already secured a proportion of sales for 2026 by way of its forward order book. The SBP downside conditions incorporate potential macroeconomic scenarios which could be experienced by the UK, industry-wide dynamics, and Group-specific risks. The assessment also evaluated the anticipated effectiveness of proposed mitigating actions that are within the Group's control.

While the Group forecasts to meet all its covenants in the base case scenario, the SBP downside case indicates that the Group would not meet its interest cover covenant during the going concern period, with the first measurement date in April 2026. The Group maintains good relationships and a regular dialogue with all its lenders and is confident that an amendment to its covenants would be secured if necessary, however, this is not guaranteed and therefore this represents a material uncertainty related to going concern. In all scenarios, except where the interest cover covenant is breached and a covenant amendment is not agreed, the Group forecasts adequate liquidity.

In reviewing the assessment, and notwithstanding the material uncertainty related to the going concern position outlined above, the Directors are confident that the Group has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements.

Accordingly, the consolidated financial statements continue to be prepared on a going concern basis. Further detail can be found in note 1 to the consolidated financial statements.

Pension

The Group operates a defined benefit pension scheme. At 31 October 2025, the surplus under IAS 19 was £13.7m (2024: £19.5m) with the reduction attributable to the asset returns underperforming the discount rate and the rectification of scheme obligations explained above in exceptional items.

Taxation

The effective tax rate applied to the profit before tax (2024: loss before tax) for the year was 24.1% (2024: 28.0%). Full details are set out in note 8 to the consolidated financial statements.

Earnings per share

Adjusted basic earnings per share was 7.8 pence (2024: 5.0 pence¹), reflecting the increase in the Group's earnings on prior year. Basic statutory earnings per share was 0.9 pence (2024: statutory loss per share 41.0 pence¹).

Dividend

The Board proposes to pay a final dividend of 1.8 pence per share for the financial year ended 31 October 2025 which, subject to shareholder approval, is expected to be paid on 24 April 2026 to shareholders on the Register of Members at the close of business on 27 March 2026. This is in addition to the interim dividend of 1.3 pence per share that was paid on 10 October 2025.

Restatement of 2024 financial statements

As noted in the trading update on 18 November 2025, the 2024 full-year results and opening reserves have been restated to reflect the impact of cost forecasting on a single site in the Eastern division, reducing the 2024 adjusted and reported profit before tax by £2.1m and opening reserves by £6.4m. This restatement is not material to the income statement in any of the three prior years, however, the cumulative impact is material to the balance sheet. The results for the 2025 half year will be restated when the Group announces its results for the 2026 half year. This will reduce adjusted and reported profit before tax in the 2025 half year by approximately £0.3m. A thorough review of the other sites in the Eastern division has been undertaken and no similar issues exist on those other sites.

Increased cost projections for a complex, multi-phase site in the Eastern division were identified through the Cost Value Recognition (CVR) process. Following a thorough review, I am satisfied the matters within the Eastern division are isolated and are not indicative of more pervasive issues across the Group. I am satisfied that the increased oversight of the CVR process implemented through 2025 is effective and is driving appropriate rigour and consistency through the Group's CVR processes.

Control environment

During 2023 we identified that controls were not operating effectively in two divisions. The control weaknesses related to the divisions' management and forecasting of build costs and margin.

At the end of 2023, the Group completed the rollout of a new enterprise resource management (ERP) system that strengthened the key financial and commercial controls across the business. Subsequently, further controls and cultural improvements have been implemented within the business, led by the Chief Executive Officer, new Group Managing Director, Executive Committee and myself. During 2025, cost movements in another division in relation to one specific activity were not appropriately recognised and this was identified and corrected as part of the year end process. Further enhancements to the control environment are planned for the year ahead.

As a result, the control environment is operating effectively and will continue to be strengthened in the year ahead.

Land and planning

At 31 October 2025, the short-term land portfolio comprised 11,083 (2024: 13,935) plots and the Group's strategic land portfolio totalled 18,461 (2024: 17,700) plots, meaning the total land portfolio at 31 October 2025 was 29,544 plots (2024: 31,635). The total gross development value of the portfolio is £11.0bn (2024: £11.5bn).

The Group is well placed with our consented land bank to meet our completion expectations. The Group has a well-developed land bank for 2027 and is working to obtain the relevant planning consents to enable it to meet its development plans for 2027. The Group is undertaking a thorough review of its land bank to determine its overall suitability for the business's medium-term needs and strategic direction.

Bill Floyd

Chief Financial Officer

¹ See note 28 of the financial statements for an explanation of the prior year restatement.

Risk management

How we manage risk

The Group faces external and internal risks and uncertainties that could threaten the achievement of our strategic objectives. To identify, assess, mitigate and monitor these risks, we have embedded a robust risk management framework within the Group's overarching operating framework.

The framework provides assurance that we have identified our principal and emerging risks, and ensures risk is effectively being managed across the business lifecycle, from strategic investment decisions to day-to-day site activities.

Key elements of the framework include:

- divisions review and assess key risks monthly in divisional board meetings, informed by site-level reviews of specific risks and opportunities
- divisions' risk registers are formally updated quarterly and challenged by the Executive Committee at half year and year end, assessing the divisional risk profile against the Group's principal risks and risk appetite levels
- the Audit and Risk Committee and Board, which has ultimate responsibility for ensuring that robust risk management and internal control frameworks are in place, regularly review the divisions' and Group's risk profile alongside principal and emerging risks
- specific risk matters or topical areas are also considered by the Audit and Risk Committee on a regular basis to ensure effective oversight.

Risk appetite

Understanding risk appetite is key to how we manage risk. Our appetite reflects the level of risk the Board is willing to accept to ensure financial stability and long-term growth by building exceptional quality homes for our customers.

Risk appetite is formally reviewed and approved by the Board annually, with appetite levels defined for each principal risk and then reviewed throughout the year. Risks approaching or exceeding appetite thresholds are highlighted to the Board, and additional management actions are considered to ensure risks are brought back within acceptable levels.

The Board maintains an appropriate approach to risk, which is reflected in the appetite set across our principal risks. Within this framework, we accept a moderate level of risk where it supports the achievement of long-term strategic growth, such as innovating to address market conditions. We maintain a low to zero appetite for risks that could prevent us delivering on promises to customers or that relate to fundamental areas such as health and safety, build quality, and regulatory compliance.

Our risk appetite levels for each principal risk are set out on pages 40-44, with further details on the Board's and Audit and Risk Committee's roles in risk management and internal control on pages 62 and 79.

Risk management framework

Top down

Assessment and mitigation of risks at a Group level

Board

- Has overall responsibility for strategy, risk management and internal control.
- Reviews the Group's principal and emerging risks.
- Sets the Group's appetite for risk and the Group's strategy.
- Delegates risk oversight to the Audit and Risk Committee and to the Executive Committee and divisions.

Audit and Risk Committee

- Responsible for monitoring risk management processes and approving relevant disclosures.
- Monitors financial reporting and internal and external audit activities.
- Provides assurance to the Board in relation to financial, operational and compliance controls.

Executive Committee

- Oversees how we are managing the principal, emerging and divisional risks within the Group's risk appetite.
- Embeds risk management within the Group.
- Responsible for control and risk management of Group functions.
- Monitors divisional performance and development risks.
- Oversees the management and application of the internal control framework.

Divisional boards

- Responsible for control and risk management within the division.
- Monitor and assess the divisional and operational risks.
- Maintain an effective system of control and risk management at a site level, including safety, health and environment and supply chain risks.

Bottom up

Assessment and mitigation of risk across divisional and functional areas

Risk management continued

Board assessment

The Board has conducted a robust assessment of the Group's principal and emerging risks, within the longer-term period of the viability statement. After mitigations, the Group overall continues to operate within tolerance.

Principal risk movements and emerging risks

During the year, several principal risks have either increased or remained high. A number of emerging risks, identified through horizon scanning and reviewed by the Board and Executive Committee, alongside other principal risks as part of our risk management framework, also continued to evolve.

Certain risks are common across the housebuilding sector, mainly driven by political decision-making and macroeconomic conditions that influence legislation, mortgage availability, and ultimately buyer sentiment. Where possible, targeted actions have been implemented to mitigate these specific risks, however some external areas are harder to influence.

Market conditions

A positive start to 2025 failed to translate into a sustained recovery of the sector. Uncertainty in economic outlook and over government budget decisions increased during the year ultimately increasing our near-term assessment of this risk.

Land planning reform

While positive news continues to be received around planning reforms, the difference between messaging, implemented actions to unlock the planning system and advance land reform, means our land planning related risk remains high.

Fire remediation

The combustible materials and legacy obligations risk remains high but has evolved in the year. The Group has transitioned from identifying affected sites and buildings and completing assessments, to executing remediation works. While specific mitigations are in place, challenges remain due to the scale and complexity of the works, the capabilities required to deliver them efficiently, and the multiple stakeholders involved.

Cyber security and artificial intelligence (AI)

Our cyber security risk has increased from medium to high, reflecting the growing sophistication of attacks seen on others and the impact one would have if successful, particularly given our increasing reliance on systems in the sales and customer experience cycles.

AI continues to be monitored as an emerging risk area. We may not invest sufficiently in AI, or have the skills to take full advantage of it, or existing information security risks may become heightened due to AI.



Execution and success of Project Elevate

A new principal risk has been recognised in the year, reflecting the level of change being pursued as part of the Project Elevate business transformation plan, and the impact this could have on our people and operations in the short term.

Climate change and sustainability

The climate change risk has been expanded to recognise wider sustainability aspects, particularly with respect to emerging reporting requirements, and risks associated with the need to deliver biodiversity net gain.

Customer service and quality

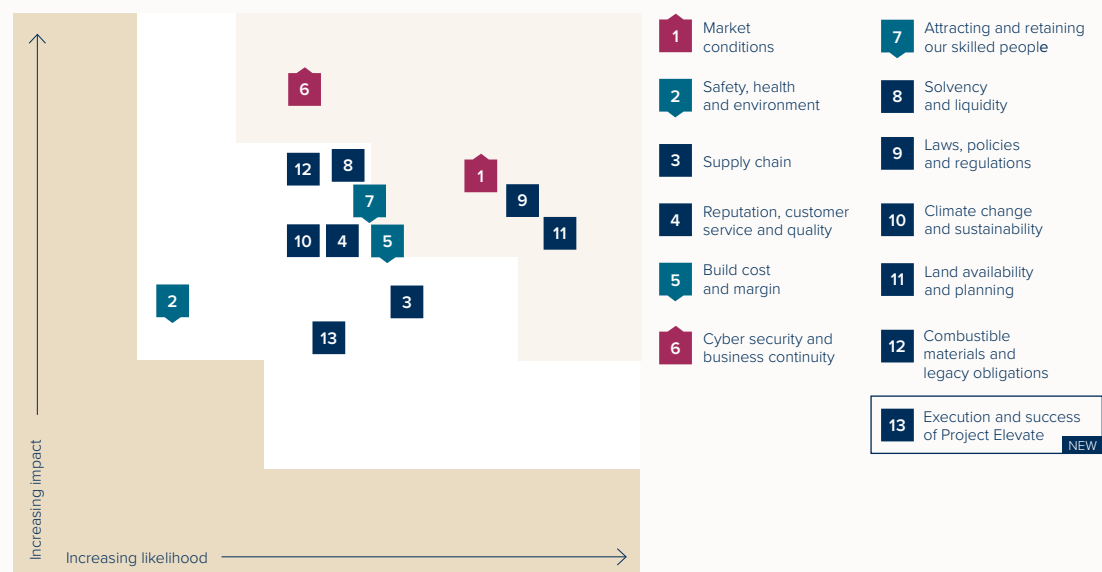
Marked improvements have been made around customer service levels and build quality assessments on completed homes in the period, reflected in a reduction to the risk assessment. Given that these areas potentially impact multiple strategic priorities, they remain closely monitored. Ensuring quality and customer service remains focused on completed sites emerged as an increasing risk in the year, requiring increased attention to mitigations.

Principal risks

Risk heat map

The Board has identified 13 principal risks that it considers material to the Group's performance. They have been mapped on a residual risk basis considering likelihood and impact and showing movements in the year.

Increasing trend
 No change
 Decreasing trend



1. Market conditions

Residual: High **Appetite:** Medium **Movement in year:** Increasing

Risk description

A decline in macroeconomic conditions in the UK negatively impacts the residential property market and reduces the ability of people to buy homes, either through unemployment or low employment, or constraints on mortgage availability.

Decreased sales volumes, occurring from a drop in housing demand, sees an increasing number of units held as unreserved and part exchange stock, with a potential loss realised on final sales.

Changes to regulations and taxes negatively impact the market; for example, Stamp Duty Land Tax and the impact of government schemes such as Help to Buy.

Actions/mitigations

Sales strategy can flex and adjust as demand profiles change.

Sales offerings and product variations allow us to adapt to changing markets.

Regular sales reviews and cost forecasts manage potential impact on sales volumes.

Forward sales, land expenditure and work in progress are all carefully monitored to ensure they are aligned to demand.

We focus on strategic purchase of sites, continued development of shared ownership models and engagement with a variety of incentive schemes.

Development in the year

Market conditions, while positive at the start of the year, driven by improving mortgage availability and rates, subsequently deteriorated. Customer confidence on timing to buy a new home was impacted by macroeconomic concerns and delayed messaging about government incentives. Uncertainty could continue in the near term, with improvements to market conditions expected in the medium to longer term.

We have continued to modernise and improve sales suites, sales systems and product offerings to mitigate the market challenges. Sales teams training, incentives and key performance indicators have been updated, and clarity of the mid-premium market strategy further mitigated the risk.

The design of our new house type range, aligned to the mid-premium strategy, has been finalised.

Link to strategic priorities

- Quality
- Customer
- Operational/Commercial
- Land

Principal risks continued

2. Safety, health and environment

Residual: Medium/Low Appetite: Low Movement in year: Reducing

Risk description

A significant health and safety event that results in injury, a dangerous occurrence or potentially even a fatality.

Significant environmental damage occurs caused by operations on site or in our offices.

A significant fire safety incident occurs at a legacy building under remediation.

Lack of recognition of the importance of the wellbeing of employees leads to increased sickness absence or employee turnover.

These incidents or situations have an adverse effect on people affected by our actions, our reputation and ability to secure public contracts or, if illegal, prosecution or significant financial losses.

Actions/mitigations

A comprehensive safety, health and environment (SHE) management system ensures standards are consistent and high.

Clear accountability from site management and divisional build managers drives operational compliance and ensures follow-up actions to risks and incidents.

Group SHE advisors, supported by specialist external consultants if required, undertake regular inspections and incident investigations, and drive lessons learned.

Executive and senior management visits and inspections support the inspection regime and drive a safety culture.

We have a network of mental health first aiders and a dedicated Employee Assistance Programme.

Where appropriate, interim risk mitigations have been deployed in buildings where fire safety concerns have been identified.

Development in the year

We have continued to see a positive trend in compliance reporting, with higher average inspection scores and lower actual incidents.

Reflecting a strong control environment, the residual risk assessment has been reduced while still acknowledging that this is a primary focus area of the Group.

Link to strategic priorities

3 Operational/Commercial

3. Supply chain

Residual: Medium Appetite: Medium Movement in year: No change

Risk description

Changing production levels across the industry put pressure on our materials supply chain.

Materials availability is impacted by changes in demand, rising energy prices and dislocation in supply chains due to external events.

Suppliers and subcontractors face insolvency due to adverse economic conditions.

The industry struggles to attract the next generation of talent into skilled trade professions.

The labour market does not have the knowledge and skills required to deliver modern methods of construction projects.

Actions/mitigations

We establish longer-term relationships with supply chain partners.

We engage with major suppliers to understand critical supply chain risks, and respond effectively.

We have developed effective procurement schedules to mitigate supply challenges.

Commercial controls ensure robust tendering, with senior leadership oversight of supply chain selection decisions, including increased due diligence checks with enhanced financial appraisals

Development in the year

Access to site labour and materials through the supply chain continues to be resilient. A degree of inflation pressure exists but more severe impacts from tariffs, for example, did not materialise. The overall risk assessment is unchanged.

Link to strategic priorities

- 1** Quality
- 2** Customer
- 3** Operational/Commercial

4. Reputation, customer service and quality

Residual: Medium Appetite: Low Movement in year: Reducing

Risk description

Build quality and customer service fall below our required standards, resulting in reduction of reputation and trust, and impact on sales and volumes.

Unforeseen product safety or quality issues or latent defects emerge due to new construction methods.

Failure to effectively implement or comply with new regulations on build quality or customer service requirements, and respond to emerging technologies, impacts our sales and volumes.

Actions/mitigations

We continue to focus on enhancing build quality, achieving high customer satisfaction ratings and a retained commitment to excellent placemaking.

We have enhanced quality and build stage inspections to monitor adherence to our quality standards with completion and handovers only taking place once quality checks and approvals are complete.

There is a central team of quality professionals and customer relationship managers providing second line assurance.

Customer service and build quality performance are bonus metric targets across the Group, including for Executive Directors.

Customer service dashboards measure key performance targets, escalating any issues early for Executive Committee review.

Build and sales key controls drive customer service and build quality with management attestations in place to confirm control effectiveness.

Development in the year

Build quality and customer service has improved in the year, reducing this risk, supported by re-aligned customer service teams, improved management information to target initiatives and continual leadership focus. We have achieved a 5 star customer service rating from HBF and improvement plans exist to drive further gains. The cost of quality issues is closely tracked, with recoveries from the supply chain realised in the period, improving margin and longer-term behaviours.

Challenges remain to provide excellent customer service across completed sites where we still have responsibilities. This is assessed within the legacy obligations risk.

Link to strategic priorities

- 1** Quality
- 2** Customer
- 3** Operational/Commercial

Principal risks continued

5. Build cost and margin

Residual: High/Medium Appetite: Low Movement in year: Reducing

Risk description

A lack of oversight and control of build costs, project progress and performance, leads to margin erosion and significant increase in costs.

Lack of awareness and understanding of external factors impacts build costs, including complex planning permissions and emerging sustainability and environmental regulations.

A lack of quality in the build process exposes the Group to increased costs and reduced volume, and impacts our reputation.

Build cost inflation and unforeseen cost increases occur, driven by demands in the supply chain or failure to implement adequate cost control systems.

Actions/mitigations

We benchmark our costs against existing sites to ensure rates remain competitive. We build and maintain strong relationships with our suppliers and seek to obtain volume purchasing benefits.

We operate a fair and competitive tender process and we are committed to paying our suppliers and subcontractors promptly.

There are rigorous and regular site-level and divisional build cost reviews.

We continue to investigate alternative sources of supply where possible and utilise alternative production methods or materials where it is appropriate to do so.

Key build, commercial and technical controls have been confirmed with a monthly evidence and self-attestation process implemented to drive consistency in operation.

Development in the year

Key commercial controls continued to be embedded in the year, with improved reporting capability to monitor build costs and margins, supporting a reducing trend to the overall risk assessment. Additional second- and third-line assurance over the commercial controls also helped to drive consistency across divisions.

Link to strategic priorities

- 1 Quality
- 3 Operational/Commercial

6. Cyber security and business continuity

Residual: High Appetite: Medium/Low Movement in year: Increasing

Risk description

Data breaches, ransomware or phishing attacks lead to the loss of operational systems, market-sensitive information or other critical data, which risks non-compliance with data privacy requirements.

Advancement of artificial intelligence impacts data security breaches or leads to misuse in our business. This in turn results in a higher risk of fraud and financial penalties with a potential impact on reputation.

Actions/mitigations

We employ network security measures and intrusion detection monitoring, including virus protection on all computers and systems, and carry out security-breach tests. We utilise customer relationship management systems for storing sensitive data to prevent negligent misuse by employees. We operate in a cloud environment with resilient IT providers, reducing centralised and physical risk exposure.

This is complemented by employee training on data protection and internet security, data classification, retention policies and toolsets with appropriate and responsive procedures embedded to respond to data privacy matters, and IT disaster recovery plans.

The IT Cyber Security and Data Sub-Board Committee, chaired by the Chief Financial Officer, meets throughout the year to address cyber security matters, assess threat levels and to develop appropriate policies and procedures.

We are Cyber Essentials Plus certified and are subject to regular external and internal audit reviews, for example against the National Institute of Standards and Technology Cybersecurity Framework.

Development in the year

A new cyber security training provider was brought on in the year, increasing the frequency and breadth of training provided to employees, with follow-up of any non-compliance for mandated elements.

There has been a specific focus on insider threat, and additional planning and training completed for crisis management. Additional tooling has also been procured to enhance ongoing monitoring of the network and vulnerabilities.

Despite additional controls and cyber maturity being established in the period, it is still felt that the level of sophistication, and so potential impact of an attack, warrants an increase to a high risk rating, particularly given the increasing reliance on systems and processes.

Link to strategic priorities

- 3 Operational/Commercial

7. Attracting and retaining our skilled people

Residual: High/Medium Appetite: Medium Movement in year: Reducing

Risk description

An increasing skills gap in the industry at all levels results in difficulty recruiting the right and diverse mix of people for vacant positions.

We do not have the right culture and environment to attract and retain talent, resulting in increased employee turnover and the requirement to induct and embed new employees, alongside increased cost of wages as a result of inflation.

Loss of knowledge within the Group results in inefficiencies, productivity loss, delays to business operations, increasing costs, and an overuse of, or reliance on consultants and the supply chain.

Actions/mitigations

Enhanced recruitment and onboarding processes support introduction to the business, ways of working and culture.

Management and leadership training programmes introduced to a wide cohort across the Group.

We monitor pay structures and market trends to ensure we remain competitive against our peers.

We monitor employee turnover, absence statistics and action feedback from exit interviews and employee surveys.

Regular communication from executive leadership to all employees drives engagement.

Development in the year

Attrition rates remain above target levels within certain parts and roles of the business. The level of change and demands of the business transformation plan is still a contributor to this. We have appointed a Chief People Officer who will join in March 2026 to further mitigate this risk. Overall, the level of risk is assessed as reducing as we move away from the first phase of the business transformation plan, but remains above appetite.

Link to strategic priorities

- 3 Operational/Commercial

Principal risks continued

8. Solvency and liquidity

Residual: Medium Appetite: Low Movement in year: No change

Risk description

Cash headroom is affected by economic pressures that result in delayed receipts and potentially lower sales in the short to medium term.

Commitments to significant land and build obligations are made ahead of revenue certainty.

Commitments to significant remediation costs as a result of the Developer Remediation Contract.

Fall in sales during economic slowdown and lack of available debt finance.

Reduction in margins as average selling prices fall, inability to restructure appropriately, and unsustainable levels of work in progress.

The Group fails to meet the three banking covenants that the Group's borrowings are subject to, which are tested on a six-monthly basis.

Actions/mitigations

Cash generation is a key focus for the Executive Committee. Cash performance is measured against forecast, with variance analysis issued weekly. Cash performance is considered in detail at divisional board level.

We scrutinise the cash terms of land transactions, while private and housing association sales offer us the potential for early cash inflow.

Throughout the year there has been a working capital reduction action plan in place.

We generally control strategic land rather than own it, and have limited capital tied up on the balance sheet. These sites are subject to regular review and diligent appraisal before being drawn down.

Development in the year

We have continued to focus on the balance sheet, with improved inventory management and cost control. This has been supported by the successful disposals of land parcels from larger sites as we take action to right-size our land bank.

In November 2025, the Group renewed its revolving credit facility, and the maturity was extended to four years, to October 2029.

The Group will meet all its banking covenants in the going concern and viability statement periods in the base case. We continued to monitor forecast covenant compliance on a monthly basis. In its severe but plausible downside projections, the Group would meet all its banking covenants except the interest cover ratio. See note 1 to the consolidated financial statements on going concern.

Link to strategic priorities

- 3 Operational/Commercial
- 4 Land

9. Laws, policies and regulations

Residual: High Appetite: Low Movement in year: No change

Risk description

Future regulatory changes impact our ability to make medium- and longer-term decisions.

Failure to effectively implement regulations including the Future Homes Standard, the Environment Act 2021, the New Homes Quality Code, the Building Safety Act 2022, and Building Safety Levy Regulations could impact the Group.

Actions/mitigations

We engage with the government directly and through the HBF and memberships of various industry groups, and build relationships in key local authority areas.

We continue to assess and plan for emerging regulation and developments in readiness for potential regulatory change.

Legal Instruction Notes set out the standards of how we do business, which all employees must follow, to ensure compliance with applicable law and commercial requirements, and consistency in the way our operations are conducted.

Horizon scanning is formally completed with a regulatory compliance tracker and risk register maintained to assess impact and determine actions to ensure compliance where applicable.

Development in the year

This continues to be an high risk with considerable existing and emerging regulation facing the housebuilding sector.

We have little control over the regulatory environment, but in mitigation we continue to ensure completion of regulatory and compliance training and have updated the Legal Instruction Notes process in the year to ensure widespread awareness of requirements.

A dedicated team continues to focus on Building Safety Act 2022 requirements, and in the year a specific workstream has focused on the effectiveness of competition law controls.

The fraud risk register was reviewed and updated, and actions were undertaken to ensure reasonable procedures to prevent fraud were in place.

Link to strategic priorities

- 1 Quality
- 2 Customer
- 3 Operational/Commercial
- 4 Land

10. Climate change and sustainability

Residual: Medium Appetite: Medium Movement in year: No change

Risk description

Failure to continue enhancing our sustainable practices and processes, and to respond effectively to the expanding range of climate and sustainability requirements, could affect our ability to meet regulatory expectations, stakeholder demands and our long-term net zero ambitions.

Climate and sustainability risks include regulatory and reporting changes, expectations on embodied carbon and biodiversity, cost or supply constraints for low carbon materials, and physical impacts such as severe weather, rising temperatures, flooding, drought and pressure on water resources. These risks extend to the implementation of biodiversity net gain and delivery against wider nature and reporting commitments.

Failure to manage these risks could result in higher costs, build programme delays, challenges in planning and reputational damage.

Actions/mitigations

Our Sustainability Committee oversees our sustainability strategy, including our approach to climate change, and monitors performance against our targets. We continue to adapt our approach to new and emerging requirements, including the Future Homes Standard, biodiversity net gain and the UK Sustainability Reporting Standards.

We remain active members of the Future Homes Hub, supporting innovation and the delivery of sustainable homes and communities. Engagement

with our supply chain continues to strengthen through the Supply Chain Sustainability School.

Near- and long-term science-based targets guide our decarbonisation pathway, and climate and sustainability considerations are increasingly embedded into land acquisition and design. Executive Director remuneration includes greenhouse gas reduction measures to reinforce accountability.

Development in the year

This risk has been expanded to reflect wider sustainability considerations, including biodiversity net gain and increasing reporting requirements. Air source heat pump deployment increased across our sites, supporting preparation for the Future Homes Standard. We are adapting our data processes for new disclosures, including our commitment to voluntarily report against the Future Homes Hub's environmental metrics.

We strengthened our approach to biodiversity net gain, working closely with ecologists and building relationships with offsite biodiversity habitat providers. We remain on track against our 2030 science-based emission targets.

Link to strategic priorities

- 1 Quality
- 2 Customer
- 3 Operational/Commercial
- 4 Land

Principal risks continued

11. Land availability and planning

Residual: High Appetite: Medium/Low Movement in year: No change

Risk description

Failure to maintain a supply of suitable strategic land with planning consent at the right economic terms to support our growth ambitions.

Acquired land is delayed in the planning process where local authorities and public sector resources are constrained.

Regulatory planning and environmental requirements continue to evolve with the National Planning Policy Framework developments. Environmental requirements such as nutrients, phosphates and water neutrality, flood risk assessment requirements and biodiversity obligations are increasing. This increases the challenge of providing quality and affordable homes in the locations required.

Actions/mitigations

We have expertise within our strategic land teams to ensure we acquire sites in the best locations aligned to our strategic objectives.

We build strong relationships with key land suppliers, landowners and agents, and local authorities.

Land acquisitions are subject to appraisal and viability assessment through our formal approval process prior to bid submission and exchange of contracts.

The planning status of all our sites is regularly reviewed.

Development in the year

We have seen encouraging improvements in the planning environment, but overall, the planning process continues to be challenging and time consuming.

Competition for immediate land in certain divisions also remains high, inflating prices beyond acceptable positions.

Overall the risk assessment remains high.

Link to strategic priorities

 Land

12. Combustible materials and legacy obligations

Residual: High/Medium Appetite: Medium/Low Movement in year: No change

Risk description

Failure to address the issues faced by residents impacted by combustible materials and fire safety in a timely manner, which could significantly impact our brand and reputation. There is heightened political and public awareness with government publication of remediation progress.

This is a complex area where it is often difficult to identify and implement remedies quickly, particularly with multiple stakeholders contributing to this complexity, and limited availability of qualified resource to undertake works. Given this, costs can be more difficult to estimate and control.

The Group has a large number of legacy obligations with completed site remedial works and management companies' requirements, which need significant management.

Actions/mitigations

The Special Projects division is responsible for the remediation of fire safety risks. Robust controls and processes associated with remediation are in place and are overseen by the Chief Executive Officer and Chief Financial Officer.

Assessments consider if faulty workmanship or design was a factor in the requirement for potential remedial works and, if appropriate, we seek to recover these costs directly from the supply chain involved.

Cost variance review meetings assess each live project, monitoring cost movements and project risks and opportunities against provision levels to ensure they remain sufficient. The monthly divisional board meeting covers the extent of the portfolio, project risks and progress.

Development in the year




The Group has now completed the assessment of all buildings within the scope of the Self Remediation Terms, with the exception of two buildings where access is being finalised with the freeholder.

Operational delivery and progressing projects at a pace aligned to the Remediation Acceleration Plan remains a risk. The principal challenges are agreeing scope with management companies and freeholders in a timely manner and securing their consent to access the buildings.

Legacy sites have required additional focus in the period. A risk assessed and prioritised list of sites has been prepared and additional resource has been directed to the area to manage necessary works.

Reflecting the scale of works still to complete around combustibles and legacy sites, the risk remains high.

Link to strategic priorities

-  Quality
-  Customer
-  Operational/Commercial

13. Execution and success of Project Elevate

Residual: Medium Appetite: Medium/Low Movement in year: New

Risk description

Failure to achieve our strategic objectives and drive transformational change across the organisation to improve operational effectiveness, quality and customer service.

Failure to adapt to evolving market conditions, shifting customer demands and broader stakeholder needs.

Failure to address these risks could impact our competitiveness, market share and a number of other principal risks, such as attracting and retaining our skilled people. This could lead to financial decline if we fall behind more agile competitors who adapt more successfully to a changing landscape.

Actions/mitigations

The business transformation plan, Project Elevate, has clearly defined objectives and detailed action plans with set milestones developed and assigned Executive Committee leads by workstream.

A Project Elevate Steering Board meets regularly to review progress and address any progress issues.





Development in the year

Progress against milestones remains positive, particularly with the development of a target operating model and organisational restructure. New house type designs aligned to target mid-premium strategy are complete and ready for use in planning applications. Revised land investment decision-making tools were launched ensuring land bank purchases will also align to strategic priorities.

Focus on overhead reduction and reducing margin leakage continues into 2026.

With design of workstreams and development of actions completed in 2025, efforts now shift towards acceleration and maximising benefits from initiatives.

Link to strategic priorities

-  Quality
-  Customer
-  Operational/Commercial
-  Land

Task Force on Climate-related Financial Disclosures (TCFD)

Climate change continues to present physical, regulatory and economic risks, and the global trajectory remains off track to limiting warming to 1.5°C. We remain committed to reducing our emissions and strengthening resilience across our business and value chain.

Our net zero target for 2045 is aligned with a 1.5°C pathway as defined by the Science Based Targets initiative, and we continue to work with partners across our value chain to support decarbonisation. Climate change has been a principal risk for the Group since 2021, with our first voluntary TCFD disclosure published that year and our first full disclosure in 2022.

Supported by external experts, we continue to enhance our climate risk assessment and adapt our approach as scientific, regulatory and economic understanding evolves. The following pages present our disclosures in line with the TCFD recommendations. In accordance with Listing Rule 6.6.6(8), we consider our disclosures to be consistent with the TCFD framework. Page references are provided in the table below. In assessing consistency, we referred to the TCFD's October 2021 guidance, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' document.

TCFD pillar	Recommended disclosure	Page(s)
Governance	A. Board oversight	46
Disclose the organisation's governance around climate-related risks and opportunities.	B. Management's role	46
Strategy	A. Risks and opportunities	47-50
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	B. Impact on organisation	48
	C. Resilience of strategy considering climate scenario analysis	48
Risk management	A. Risk identification and assessment process	51
Disclose how the organisation identifies, assesses and manages climate-related risks.	B. Risk management processes	51
	C. Integration into overall risk management	51
Metrics and targets	A. Climate-related metrics	52
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	B. Scope 1, 2, 3 greenhouse gas emissions	23-24, 52
	C. Climate-related targets	23-24, 53



Task Force on Climate-related Financial Disclosures (TCFD) continued

Governance

A. Board oversight of climate-related risks and opportunities

The Board has overall responsibility for risk management, including climate-related risks and opportunities. The Chief Executive Officer holds ultimate Board-level accountability for sustainability and climate matters. At each main Board meeting, the Group Company Secretary provides updates on sustainability strategy and performance, covering initiatives to mitigate climate impacts, progress against greenhouse gas (GHG) emissions targets, regulatory developments and the implications of wider environmental issues such as biodiversity, water and timber sourcing.

Climate change has been a principal risk for the Group since 2021, and the Board considers climate-related issues as part of its review of business strategy and risk management policies. Oversight is supported by the Audit and Risk, Remuneration and Nomination Committees. Additionally, the Sustainability Committee, chaired by the Chief Executive Officer, provides quarterly updates to the Board and Executive Committee on climate-related risks, opportunities and performance against sustainability targets. In 2026, we plan to deliver a climate training session for the Board and Executive Committee, led by our Head of Sustainability and external advisors, to further enhance Board and management-level capability and understanding.

Table 1 summarises the governance structure and climate-related decision-making touchpoints.

B. Management's role in assessing and managing climate-related risks and opportunities

Executive responsibility for sustainability, including delivery of climate-related work, rests with the Group Company Secretary, who sits on the Executive Committee. Monthly updates to the Executive Committee cover a range of sustainability topics, including climate change, biodiversity, progress against emissions targets and responses to emerging sustainability regulations. Two Executive Committee members are Executive Directors on the Group's Main Board, strengthening the link between management and Board-level oversight.

The Sustainability Committee oversees the development and implementation of the sustainability strategy. Its responsibilities include monitoring performance against climate-related key performance indicators and GHG reduction targets, reviewing the Climate Change Policy and related policies annually, identifying climate risks and opportunities, and ensuring compliance with current and emerging legislation. Committee discussions are informed by updates from the sustainability team and by external advisors as required, with decisions integrated across relevant business functions.

The Climate Risk Working Group supports the assessment and monitoring of climate-related risks and maintains the Group climate risk register. Members participated in climate scenario workshops during the year to enhance internal capability. Divisional teams assess site-specific risks, such as flood risk and overheating, and incorporate these into project planning and divisional risk registers, which are reviewed twice yearly under the Group's risk management framework.

Table 1. Governance framework and climate touch points throughout the business

Board and Executive Committee oversight	The Board		
	<ul style="list-style-type: none"> Overall responsibility for sustainability strategy, performance and risk management, including climate-related risks and opportunities 		
	Audit and Risk Committee	Remuneration Committee	Nomination Committee
	<ul style="list-style-type: none"> Reviews principal and emerging risks, including climate, on a semi-annual basis Oversees Internal Audit plan, including climate-related audits 	<ul style="list-style-type: none"> Aligns and approves incentives with sustainability and climate-related targets 	<ul style="list-style-type: none"> Considers sustainability and climate expertise in Board and executive appointments
	Executive Committee		
	<ul style="list-style-type: none"> Oversees principal risks and divisional risk management, including climate-related risks 		
	Sustainability Committee	Safety, Health and Environment (SHE) Committee	Divisional boards
	<ul style="list-style-type: none"> Met four times in 2025 Oversees sustainability strategy delivery and performance, including climate risks, opportunities and targets 	<ul style="list-style-type: none"> Oversees management of safety, health and environmental risks, including environmental risk management on site 	<ul style="list-style-type: none"> Meet monthly and are responsible for identifying and managing climate-related risks at divisional and site level Review divisional risk registers semi-annually
Management oversight	Climate Risk Working Group		Functional Forums
	<ul style="list-style-type: none"> Assesses climate-related risks and opportunities, maintains the climate risk register and supports scenario analysis 		<ul style="list-style-type: none"> Drive implementation across technical, procurement, commercial, land, planning and customer functions

Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy

A. Climate-related risks and opportunities identified over the short, medium and long term

Climate change continues to create both risks and opportunities for the Group across our operations and supply chain. Climate change has been recognised as a principal risk since 2021, and the nature and severity of potential impacts depend on global and national progress towards decarbonisation.

In 2025, we held a climate scenario workshop with external experts and updated our climate risk register. This covered both transition and physical risks, alongside opportunities, across the short, medium and long term.

Transition risks: These arise from the shift to a low carbon economy, including regulatory changes, the Future Homes Standard, embodied carbon expectations, carbon pricing, energy market changes, reporting requirements, and evolving customer and investor expectations.

Physical risks: These include acute weather events (e.g. storms and surface water flooding) and chronic changes such as rising temperatures, water scarcity and overheating risk. Physical risks were assessed across the UK regions where we operate.

Consistent with the TCFD, we evaluated three climate scenarios to explore potential impacts on our operations and financial planning. These scenarios are not forecasts but provide insight into a range of plausible futures. While climate models provide guidance, they also have limitations and may overestimate or underestimate certain variables. Our modelling used recognised climate pathways and datasets, including NGFS scenarios and UK-specific economic, regulatory and technology transition assumptions, reviewed with our consultants to reflect plausible impacts on costs, demand and regulatory exposure. We continue to refine our approach as data and methodologies evolve.

Our climate modelling time horizons align with the UK net-zero target by 2050 and our internal target of 2045. Table 2 provides further detail on why these time horizons were selected.

Table 2. Time horizons used for climate scenario analysis

Time horizon	Time period	Description
Short term	0–3 years	Covers the current operating environment and aligns with our business planning cycle. Existing legislation is expected to remain in place.
Medium term	3–10 years	Aligns with anticipated legislative change and our 2030 science-based targets, representing a period of increased regulatory and market transition risk.
Long term	> 10 years	Long-term impacts are subject to greater uncertainty. Physical climate risks are expected to become more significant over this period. Considering risks through to 2050 supports exploration of potential future impacts from evolving physical and transition risks, which may differ from current experience.

Table 3. Climate scenario analysis summary:

	Scenario 1: Orderly transition	Scenario 2: Disorderly transition	Scenario 3: Hot house earth
Scenario source	RCP 1.9, SSP 1	RCP 2.6/4.5, SSP 2	RCP 8.5, SSP 5
Scenario description	Co-ordinated global action broadly aligns with a 1.5°C pathway. Physical risks rise but remain moderate. Strong growth in demand for low carbon products.	Mitigation starts late. Regulatory and market shifts accelerate after 2030, leading to abrupt transitions, implementation uncertainty and increasing physical impacts.	Fragmented action leads to warming above 4°C. Severe physical risks dominate, including drought, water stress, overheating and increased flood and storm impacts.
Business impacts			
Products & services	Tighter regulation and customer demand accelerate improvements in home energy performance and low carbon materials. Biodiversity and water efficiency measures become standard.	Significant policy change requires quick upgrades to building performance and materials. Temperature overshoot risks increase the need for adaptation, including flood mitigation and water-efficient design.	Limited regulatory drivers for decarbonisation, but strong customer demand for resilience features such as overheating mitigation, water efficiency and flood protection.
Supply chain	Rising demand for low carbon materials affects cost and availability. Carbon pricing and moderate physical risks impact suppliers. Circular initiatives reduce virgin material use.	Rapid regulatory change and market shifts create supply constraints and price volatility for low carbon materials.	Acute and chronic physical risks disrupt supply chains. Material availability and pricing become more volatile.
Operations	Higher carbon pricing increases energy and fuel costs. Physical impacts may require operational changes. Biodiversity and water management support site resilience.	Delayed policy action leads to steep increases in energy and fuel costs. More frequent localised disruption from physical impacts.	Greater disruption from heatwaves, storms and flooding increases build programme risk. Physical impacts reduce the suitability of some land for development and increase the need for adaptation measures at site level.
Access to capital	Strong climate resilience and credible transition progress support access to affordable capital, including sustainability-linked finance.	Lenders place increasing weight on climate governance, transition planning, biodiversity and supply chain resilience.	Access to capital tightens as physical risks escalate. Weak resilience increases financing costs and reduces investor appetite.
Customers & markets	Growing demand for energy-efficient, low carbon homes with clear sustainability attributes.	Demand remains strong but regulatory change requires clear customer communication and support.	Customer priorities shift towards adaptation and resilience, shaping expectations on flood risk, overheating and water use.

RCP: Representative Concentration Pathway

SSP: Shared Socioeconomic Pathway

Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy

B. Impact of climate-related risks and opportunities on business, strategy and financial planning

Insights from our scenario analysis continue to inform our strategy, capital allocation and operational planning. Climate-related risks are integrated into land acquisition decisions, technical design, procurement and resource-efficiency initiatives, helping ensure that anticipated regulatory and market developments are reflected early in development appraisals.

Anticipated Future Homes Standard requirements and the continued transition to all-electric homes are reflected in land appraisals, including assumptions on specification, infrastructure requirements and build costs.

We continue to reduce emissions across our value chain while improving the performance and resilience of our product. In 2025 we continued to engage closely with our energy consultants on our home designs, and progressed our adoption of air source heat pumps. All houses are designed to achieve a minimum EPC B rating and 98% of completions achieved an Environmental Impact Rating of A or B, supporting lower operational energy costs and reduced operational emissions for customers.

Climate-related risks also affect direct and indirect costs, including fuel and energy use on sites, lower carbon material specifications and potential weather-related delays or material damage. Opportunities arise from improved resource efficiency, operational savings and increasing customer demand for energy-efficient homes, supported by products such as green mortgages. These factors inform operational efficiencies, investment decisions and our wider transition planning.

C. Resilience of strategy, considering different climate-related scenarios, including 2°C or lower


Our strategy is designed to remain resilient across a range of climate-related scenarios, including those aligned with limiting warming to below 2°C. Our analysis indicates that:

- **Short-term transition risks** remain manageable through existing mitigation measures, including preparedness for the Future Homes Standard and the electrification of new developments.
- **Medium-term transition risks** may increase as regulatory requirements evolve, particularly in relation to embodied carbon expectations, reporting obligations and potential carbon pricing mechanisms, which could affect material costs, technology choices and internal resourcing.

- **Physical climate risks** become more significant in higher warming scenarios, particularly relating to overheating, flood risk and water scarcity, with potential implications for site design, infrastructure requirements and build programming.

To maintain resilience, we undertake horizon scanning, participate in industry initiatives and engage with suppliers to anticipate regulatory, technological and market developments. Divisional risk assessments and site-specific considerations, such as flood risk, drainage and climate adaptation measures, ensure these risks are embedded in operational decision-making and capital allocation.

There has been no material impact on financial reporting judgements or estimates arising from climate-related matters in the 2025 Annual Report and Accounts. We will continue to update our assessment as data, methodologies and regulatory expectations develop, in line with emerging UK Sustainability Reporting Standards disclosure requirements.

 Read more on page 125



Task Force on Climate-related Financial Disclosures (TCFD) continued

Risk management

Table 4: Transition risks

Risk area	Risk description	Primary Financial Driver	Management Response
Policy and Legal			
Carbon pricing mechanisms	Carbon taxes and pricing mechanisms are key policy tools to reduce GHG emissions and support the transition to net zero. Rising carbon prices could increase direct fuel and energy costs and indirectly raise supply chain costs, particularly through upstream Scope 3 emissions. Highest impact scenario: Orderly transition, reflecting increasing carbon prices as policy and markets adjust to support net zero.	Higher cost of sales from carbon pricing and increased procurement costs passed through by suppliers. Time horizon: Medium to long term Risk score: High	We are committed to reducing GHG emissions across all scopes in line with our science-based targets. Through active engagement with supply chain partners and industry bodies, we aim to reduce upstream Scope 3 emissions, helping to mitigate exposure to carbon pricing mechanisms. Regulatory developments are monitored and factored into operational and procurement decisions.
Mandates on and regulation of products and services	Emerging regulation to reduce emissions could affect home specifications, including additional construction costs to meet standards such as the Future Homes Standard. Further low carbon and embodied carbon requirements, along with increased reporting obligations, may be introduced at national or local authority level. Highest impact scenario: Disorderly transition, reflecting accelerated regulatory changes, tightened emissions standards and increased reporting expectations.	Higher cost of sales to comply with evolving regulatory standards. Time horizon: Short to long term Risk score: Medium	Relevant teams monitor regulatory developments and consultations. Engagement with government bodies, the Home Builders Federation and the Future Homes Hub supports preparedness. Anticipated regulatory costs, including those linked to the Future Homes Standard, are reflected in land acquisition and project appraisal processes.
Technology			
Transition to low carbon technology	Adoption of lower carbon technologies may present challenges for customers unfamiliar with new systems. Rapid uptake could strain supply chains, create skills shortages and increase after-sales costs. Grid capacity constraints in some locations may require infrastructure upgrades. Highest impact scenario: Disorderly transition, reflecting accelerated deployment of low carbon technologies.	Higher cost of sales from technology adoption, supply constraints and after-sales support. Time horizon: Medium to long term Risk score: Medium	We work closely with suppliers to introduce low carbon technologies ahead of regulatory deadlines. Early engagement with local authorities and energy providers helps identify grid constraints and plan infrastructure upgrades during the planning stage, reducing cost and delivery risk.
Market			
Increasing cost of raw materials	Growing demand for materials with lower embodied carbon may increase prices and volatility for key inputs such as timber. Physical climate risks could also disrupt supply chains, affecting availability, lead times and costs. Highest impact scenario: Orderly transition, reflecting accelerated adoption of low carbon materials and disruption to supply chains.	Higher cost of sales associated with energy and raw materials. Time horizon: Medium to long term Risk score: Medium	Our Procurement team engage regularly with supply chain partners to manage availability risks and assess climate risk exposure and sustainability performance, supporting continuity of supply and cost management.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Risk management

Table 5. Physical risks

Risk area	Risk description	Primary Financial Driver	Management Response
Chronic Physical			
Rising mean temperatures	Rising mean temperatures may increase the risk of overheating in homes, requiring enhanced design and mitigation measures that could affect home specifications and increase construction costs. Highest impact scenario: Hot house earth, reflecting higher long-term warming and increased frequency of heatwaves.	Higher cost of sales arising from additional overheating mitigation measures. Time horizon: Long term Risk score: Medium	The Group Technical team works with energy consultants to address overheating risk through design, including window sizing, orientation and ventilation, to reduce solar gains in the summer while providing effective means to remove heat from the home, supporting occupant comfort and long-term resilience.
Changing precipitation patterns	Increased frequency and severity of droughts and flooding could create planning and development constraints, requiring enhanced flood mitigation and stricter water efficiency measures, potentially increasing construction costs and affecting site viability. Highest impact scenario: Hot house earth, reflecting increased physical climate impacts and limited global mitigation.	Higher cost of sales associated with flood mitigation and water efficiency measures. Time horizon: Long term Risk score: Medium	Flood risk assessments are undertaken at land acquisition. Homes are designed to achieve water consumption below 105 litres per person per day, exceeding current Building Regulations. Close collaboration between Land, Technical, Commercial and Build teams supports deliverability while meeting planning requirements.

Table 6. Opportunities

Opportunity area	Opportunity description	Primary Financial Driver	Management Response
Products and Services			
Greater demand for sustainable homes	The transition to net zero and increased focus on energy security are expected to support demand for energy efficient, lower carbon homes. Financial incentives, including green mortgages, may further enhance customer demand and affordability. Highest impact scenario: Orderly transition, reflecting policy support, consumer awareness and financial market alignment with net zero objectives.	Increased revenue from demand for lower emission homes. Time horizon: Short to long term Opportunity score: High	We are committed to reducing emissions associated with the operational use of our homes while enhancing their energy efficiency and most homes meet green mortgage criteria. During the sales process, customers are supported in understanding the energy efficiency and sustainability features of their homes, strengthening value perception and sales resilience.
Market			
Green finance	Increased availability of green and sustainability-linked finance may provide opportunities to access capital on more favourable terms for organisations with strong sustainability performance. Highest impact scenario: Orderly transition, reflecting increasing alignment of capital markets with climate and sustainability objectives.	Lower financing costs. Time horizon: Short to long term Opportunity score: Low	We maintain transparent engagement with investors and lenders on our strategy and sustainability performance. Our revolving credit facility includes sustainability-linked metrics that influence financing terms, helping to align funding with our sustainability objectives.


Task Force on Climate-related Financial Disclosures (TCFD) continued

Risk management

A. Processes for identifying and assessing climate-related risks

Climate-related risks and opportunities are identified and assessed through our risk management framework. Formal risk reviews are conducted semi-annually by the Board, Audit and Risk Committee, Executive Committee and divisional boards. Climate risk is supported by a dedicated Climate Risk Working Group, which carries out a detailed assessment at least annually.

Our 2025 climate risk assessment applied qualitative and quantitative approaches to evaluate transition and physical risks and opportunities across short-, medium- and long-term horizons. An extensive list of risks and opportunities was considered, with detailed analysis completed on those most material, as presented in the risks and opportunities tables.

 Read more on pages 49-50.

Risks and opportunities are prioritised based on their likelihood, potential impact and time horizon, enabling focus on those with the greatest strategic and operational relevance. All identified risks and opportunities are documented within a dedicated climate risk register, which informs the consolidated principal risk register overseen by the Audit and Risk Committee.


Scenario analysis is used to support risk identification and assessment by stress-testing the resilience of our strategy under different climate pathways, including orderly, disorderly and higher warming scenarios. This helps to identify emerging regulatory, market and physical climate drivers that could affect our business model over time.

B. Processes for managing climate-related risks

Climate change is recognised as a principal risk and is managed through established risk governance structures. Oversight of material climate-related risks sits at a Group level, supported by divisional teams and functional specialists across sustainability, technical, procurement, finance and risk. External expertise is used where appropriate, including for flood risk assessment, overheating analysis and low carbon home design.

Mitigation measures are developed in response to prioritised risks and embedded into business processes. These include land acquisition controls (such as assessing flood risk, water stress and biodiversity requirements), technical design standards, supply chain engagement to manage embodied carbon exposure and monitoring of energy and fuel use on construction sites.

Transition risks, including evolving regulations, embodied carbon expectations and future low carbon design requirements, are managed through early planning, specification reviews and incorporation of cost impacts into land appraisals. Physical risks, such as flood risk, overheating and severe weather events, are managed through site-specific assessments, adaptation measures and development of more resilient home designs.

 Further detail on specific risks, opportunities and mitigation actions is provided in the climate-related risks and opportunities tables on pages 49-50.

C. Integration into overall risk management

Climate-related risks are fully integrated into the Group's risk management framework and are considered alongside other principal risks during semi-annual risk reviews by the Board, Audit and Risk Committee and Executive Committee. These reviews inform assessments of the Group's ongoing viability and long-term resilience.

Insights from our annual climate risk assessment, including scenario analysis results and prioritised risks and opportunities, inform the Group's principal risk register and divisional risk assessments. Divisions also assess site-specific climate-related risks, such as flood risk and overheating, at project level and reflect these within divisional risk registers, which are reviewed twice yearly.

This integrated approach helps embed climate-related risks and opportunities within strategic decision-making, capital allocation and operational planning.

 Further information on the Group's principal risks and the risk management framework can be found on pages 38-44.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Metrics and targets

A. Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process

Table 7: Climate-related metrics, targets and performance indicators

Target/metric	Performance	Links to climate-related risks and opportunities
Climate and energy		
Reduce absolute scope 1 and 2 (location-based) GHG emissions by 60% by 2030 (2019 base year)	65% reduction in absolute scope 1 and 2 GHG emissions compared with the 2019 base year	<ul style="list-style-type: none"> Carbon pricing mechanisms Enhanced emissions-reporting obligations
Reduce scope 3 GHG emissions intensity by 55% by 2030 (2019 base year)	18% reduction in scope 3 GHG emissions intensity compared with the 2019 base year	<ul style="list-style-type: none"> Mandates on and regulation of existing products and services Use of energy-efficient technology Greater demand for sustainable homes
Achieve net zero across the value chain by 2045	Reduction in GHG emissions as detailed above Continued supply chain engagement and investigation of further carbon reduction opportunities	
Environmental Impact Rating of our homes	98% of our homes built in 2025 received an Environmental Impact Rating of A or B	
Procure 100% renewable electricity by 2025	91% of scope 2 electricity procured from renewable tariffs	<ul style="list-style-type: none"> Carbon pricing mechanisms Greater demand for sustainable homes Green finance
Natural resources and waste		
Waste		
Reduce waste intensity (t/100 sq. m) by 15% by 2025 (2019 base year)	35% reduction in waste intensity compared to 2019	<ul style="list-style-type: none"> Carbon pricing mechanisms
Divert at least 95% of waste from landfill	Diverted 99% of waste from landfill	
Water		
Homes designed to use 105 litres per person per day (lpppd)	Standard house type specification is less than 105 lpppd	<ul style="list-style-type: none"> Changing precipitation patterns Greater demand for sustainable homes

B. Scope 1, 2 and 3 GHG emissions and energy consumption statement

Table 8: GHG emissions and energy consumption statement

GHG scope 1 and 2 emissions data	2025 Location-based	2025 Market-based	2024 Location-based	2024 Market-based
Scope 1 (tCO ₂ e)	1,839	1,839	2,030	2,030
Scope 2 (tCO ₂ e)	1,103	215	1,075	354
Total scope 1 and 2 (tCO ₂ e)	2,941	2,054	3,105	2,384
Scope 1 and 2 intensity (tCO ₂ e/100 sq. m)	1.88	1.32	1.83	1.41
GHG scope 3 emissions data		2025 Location-based	2024 Location-based	
Scope 3 (tCO ₂ e)	328,896		406,345	
Purchased goods and services and capital goods	130,483		142,516	
Use of sold products	190,960		255,415	
Other scope 3 emissions ¹	7,453		8,413	
Scope 3 intensity (tCO ₂ e/sq. m)	2.11		2.39	
Energy consumption data		2025	2024	
Scope 1 and 2 Group-wide energy use (kWh)	18,993,490		18,433,516	
Scope 1 and 2 energy use intensity (kWh/100 sq. m)	12,169		10,862	

¹ Other Scope 3 emissions have been grouped together within the table. The categories included are: 3. Fuel and energy-related activities; 4. Upstream transportation and distribution; 5. Waste generated in operations; 6. Business travel; 7. Employee commuting; 12. End of life treatment of sold products.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Metrics and targets


C. Targets used to manage climate-related risks and opportunities and performance against targets

The Group is committed to achieving net-zero emissions by 2045, in line with the Paris Agreement's 1.5°C target. Our transition pathway is underpinned by science-based near (2030) and long-term (2045) targets approved by the Science Based Targets initiative. Our long-term science-based targets include:

- Reducing absolute Scope 1 and 2 emissions by 90% by 2045, from a 2019 base year
- Reducing Scope 3 emissions intensity by 97% by 2045, from a 2019 baseline, with residual emissions neutralised through high integrity offsets.

We report Scope 1, 2 and 3 emissions annually to track progress. These metrics provide a clear view of climate-related risks and opportunities and guide decision-making and investment priorities to ensure we remain on track to meet our targets.

In addition to emissions reduction, we have established complementary targets addressing areas of significant environmental impact. These metrics focus on the areas where our actions can have the greatest influence, providing a targeted and practical approach to climate risk management.

 Further details, including our decarbonisation measures and progress against targets, are provided on pages 23-24.

GHG emissions calculation methodology

We report on emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, covering sources within our operational control. GHG emissions are also referred to as carbon emissions within this report.

Scope 1 and 2 emissions

In accordance with the GHG Protocol's Corporate Standard, we disclose both location-based and market-based scope 2 emissions:

- Location-based emissions – calculated using the UK government's GHG Conversion Factors for Company Reporting 2025. Our science-based targets are based on location-based emissions.
- Market-based emissions – calculated using tariff-specific factors provided by our energy suppliers, which may be more or less carbon intensive than the location-based factor.

All electricity and gas data for sites and offices under our control is supplied by our utilities management partner. Meter readings for non-plot supplies are obtained quarterly, while plot data is recorded at customer handover. Shared office utilities are apportioned based on occupied floor area. Site diesel, hydrotreated vegetable oil and liquefied petroleum gas (LPG) usage is recorded from supplier data, and business travel emissions are tracked through fuel card data and expense claims.

Scope 3 emissions

Scope 3 emissions are calculated in line with the GHG protocol across nine applicable categories. The most significant categories are:


- Purchased goods and services – emissions from our supply chain not accounted for in the standard house type material bill of quantities, calculated using a spend-based approach.
- Capital goods – emissions from materials in our bill of quantities, calculated using the OneClick LCA® embodied carbon tool.
- Use of sold products – emissions from regulated and unregulated energy. Regulated energy is calculated using the dwelling emission rate in line with Building Regulations. Unregulated energy is estimated using RICS whole life carbon guidance and adapted to estimate the residential energy consumption where primary data is unavailable.

The remaining six applicable Scope 3 categories are detailed in Table 8 on page 52, with emissions grouped as 'other scope 3'. Six categories were deemed not applicable, including upstream leased assets, downstream transportation and distribution, processing of sold products, downstream leased assets, franchises and investments.

Our baseline year for emissions reduction targets is the financial year 2019. For operational joint ventures, we include GHG emissions from site compounds and the homes we deliver directly, using the operational control approach.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR disclosure aligns with our GHG emissions calculation methodology. It covers scope 1 and 2 emissions and energy consumption data, including electricity, gas, diesel, LPG and business travel associated with our Group-operated fleet. All figures relate to UK operations.

 Further information on energy and fuel reduction initiatives is provided on pages 23-24.

Verification statement by Verco Advisory Services

Verco Advisory Services Ltd has reviewed Crest Nicholson's GHG calculations using the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol: A Corporate Accounting and Reporting Standard. Verco has provided limited assurance for all emission scopes and operational energy consumption data against ISO 14064. Based on its review of Crest Nicholson's GHG emissions inventory for 1 November 2024 to 31 October 2025, Verco has determined that there is no evidence that the GHG assertion is not materially correct. Furthermore, Verco finds no evidence that Crest Nicholson's assertion is not a fair and accurate representation of Crest Nicholson's actual emissions. Verco finds that the information submitted by Crest Nicholson is consistent with the WRI/WBCSD GHG Protocol's methodology and reporting guidance and conforms to generally accepted GHG accounting standards.



Non-financial and sustainability information statement

The following table summarises the information required by Sections 414CA and 414CB of the Companies Act 2006 and sets out where relevant information can be found throughout this report.

Reporting requirement	Description of policies and standards ¹	Related principal risks	Relevant information to understand our impact, policy, due diligence and outcomes	Page(s)
Environmental matters	■ Sustainability policy	2. Safety, health and environment	Stakeholder engagement	20-21 and 66-69
	■ Climate change policy	9. Laws, policies and regulations	Protect the environment	23-26
	■ Sustainable procurement policy	10. Climate change and sustainability	Task Force on Climate-related Financial Disclosures	45-53
	■ Sustainable timber policy		s172 statement	64-65
	■ Supply chain code of conduct			
	Our policies are designed to support activities that preserve and enhance the natural environment			
Employees	■ Employee code of conduct	2. Safety, health and environment	Stakeholder engagement	20-21 and 66-69
	■ Health and safety policy statement	7. Attracting and retaining our skilled people	Our commitment to health and safety	29
	■ Speaking up policy		Our people	30-32
	■ Equality and diversity policy		s172 statement	64-65
			Speaking up	81
	Our policies set out our commitment to developing our employees and to providing a safe and diverse working environment.			
Human rights	■ Employee code of conduct	2. Safety, health and environment	Stakeholder engagement	20-21 and 66-69
	■ Anti-slavery and human trafficking statement	3. Supply chain	Responsible practice	28-29
	■ Human rights policy	7. Attracting and retaining our skilled people	s172 statement	64-65
	■ Speaking up policy		Speaking up	81
	■ Supply chain code of conduct			
	■ Privacy policy			
	Our policies set out our commitment to human rights and the steps taken to reduce risk.			
Social matters	■ Sustainability policy	2. Safety, health and environment	Stakeholder engagement	20-21 and 66-69
	■ Supply Chain Code of Conduct	4. Reputation, customer service and quality	Make a positive impact on our communities	27
		12. Combustible materials and legacy obligations	s172 statement	64-65
	Our policies demonstrate our commitment to delivering lasting societal value for our stakeholders and throughout the supply chain.			
Anti-bribery and corruption	■ Anti-bribery and corruption policy	9. Laws, policies and regulations	Anti-fraud and anti-bribery	81
	■ Speaking up policy		Speaking up	81
	■ Supply chain code of conduct			
	Our policies detail the expected conduct from our employees and the supply chain.			
Business model				15-17
Non-financial KPIs				34
Principal risks and uncertainties				40-44
Climate-related financial disclosures				45-53

¹ Policies and standards are available on our website corporate.crestnicholson.com/policies

Viability statement

The UK Corporate Governance Code 2018 requires the Directors to have assessed the Group's current position and its emerging and principal risks and uncertainties over a longer period than the 12 months required by the going concern statement.



The following statement is made in accordance with the UK Corporate Governance Code 2018.

As in prior years, the Board considers that a three-year period continues to remain an appropriate timeframe for this assessment. While the nature of the material issues, opportunities and risks faced by the Group limits the Directors' ability to reliably predict the longer term, detailed trading and cash flow forecasts are maintained and regularly scrutinised over the three-year period to October 2028.

As set out on in note 1 of the financial statements, the Directors have modelled a base case and Severe But Plausible (SBP) downside model which shows a breach of the interest cover covenant during the going concern period to 30 April 2027 under the SBP scenario. The going concern model is then further extended through to October 2028 utilising the rolling three-year forecast for the income statement, balance sheet, cash flow and key financial ratios at each reporting date. These forecasts serve as the assessment for the viability statement. The Group benefits from a forward order book of sales, providing a level of confidence in near-term revenue delivery.

The cause of the potential breach of the interest cover covenant is the sensitivity of the Group's earnings before interest and tax (EBIT) to changes in the wider economy alongside Group-specific risk factors. The Group has £315m of available debt facilities, the maturity of which has been extended in 2025, and a high quality land bank that can either be utilised to build houses or disposed of to other housebuilders to generate further liquidity. Given these factors, and that the Group maintains good relationships and a regular dialogue with its lenders, the Directors remain optimistic about the Group's prospects.

In November 2025, the Group renewed its £250m revolving credit facility with its existing lenders, extending the maturity to October 2029, and maintained the expiry date of its senior loan notes of £65m, of which £50m is due to be repaid in August 2027.

Conclusion


Based on the assessment, the Directors have concluded there is a material uncertainty in respect of going concern for the period through to April 2027 in that, under the SBP scenario, they would require a covenant amendment from their lenders. Taking into account the assets that back the Group alongside longer-term opportunities, the Directors expect to be able to meet liquidity and covenant requirements in the longer term, continue in operation and meet its liabilities as they fall due over the assessment period to 31 October 2028.



Reporting against the 2018 UK Corporate Governance Code (the Code).

The Group has applied the principles and complied in full with the provisions of the Code for the financial year ended 31 October 2025. Details are set out within this report, the Directors' remuneration report and the Directors' report, as shown below.

Chairman's introduction	57	Board performance	70
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Board of Directors	59	Audit and Risk Committee report	74
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 The Code is available on the FRC's website at [frc.org.uk](https://www.frc.org.uk)

Governance

The Board has ultimate responsibility for our long-term success and for delivering sustainable shareholder value. The Board has focused on overseeing the development and delivery of the strategy in 2025 in line with the business transformation plan.



Chairman's introduction



“
The Board has played a crucial role in the development, inception and integration of the new mid-premium strategy.

Strategic transformation

This past year has marked a critical chapter in our journey. Guided by a refreshed strategy and a clear vision for long-term value creation, we have undertaken significant transformation across our operations, culture, and governance. These changes were designed to strengthen our resilience, sharpen our competitive edge, and ensure we remain fit for the future.

Governance has played a central role throughout this evolution. The Board has actively engaged in shaping and overseeing the strategic direction, while maintaining rigorous oversight of accountability. This report outlines how our governance practices have supported the development of the business transformation plan, and how they continue to underpin sustainable growth, responsible decision-making, and long-term success.

Preparing for upcoming changes

We will report against the updated 2024 UK Corporate Governance Code in our next Annual Report. As our financial year starts in November, we have to comply with provision 29 when we report on our 2027 financial year in early 2028. However, our work to meet this requirement is well underway and we will report on progress on this next year.



See page 79 in the Audit and Risk Committee report for further details.

Board changes

2025 was a stable year for the composition of the Board, supporting Martyn Clark as he embedded his vision for the business. As we looked ahead to 2026, we planned for Octavia Morley reaching the end of her nine-year tenure in her roles as Senior Independent Director and Chair of the Remuneration Committee, and commenced a search for a new Non-Executive Director. We were delighted to welcome Gillian Kent to the Board in November 2025, following a rigorous and transparent appointment process. Gillian brings a breadth of experience across a number of disciplines, with a strong background in IT and cyber, and will complement the range of skills and experience on the Board. Gillian will take on the roles of Senior Independent Director and Chair of the Remuneration Committee when Octavia steps down at the 2026 Annual General Meeting.

Board effectiveness

The external review of Board performance was postponed last year, given the significant changes in the Group's executive management.

We engaged Gould Consulting to carry out an external evaluation of the Board's and Committees' performance. The results of the review show that the Board continues to perform effectively, and our plan for continuous improvement has been refined with the outputs.

Shareholder engagement

I have been pleased to meet with a number of our shareholders during the year to discuss a range of topics, and understand their views and priorities. The Directors' remuneration policy will be proposed for approval at the 2026 Annual General Meeting, and Octavia Morley, Chair of the Remuneration Committee, has engaged extensively with shareholders on its development.

We invite shareholders to our Annual General Meeting on 25 March 2026. Further details are set out in the Notice of Meeting which accompanies this Annual Report.

On behalf of the Board, I would like to thank shareholders for their continued support, and the Board welcomes further engagement during 2026. Should you wish to engage with myself or my fellow Directors, please do so via the Group Company Secretary.

Iain Ferguson CBE
Chairman

Role of the Board

The Board

The Board sets the Group's strategy to promote the long-term sustainable success of the Group in line with its purpose, values and culture. The Board provides leadership within a framework of strong governance, risk management and effective controls. It oversees the performance and progress of the Group against the business plan and forecasts.

Non-Executive Chairman

Iain Ferguson CBE

The Chairman leads the Board and acts as the Group's representative with major shareholders and other stakeholders, seeking their views on governance, strategy and performance. He facilitates an environment for overall Board and individual Director effectiveness, driving a culture that supports constructive discussion, challenge and decision-making.

Chief Executive Officer (CEO)

Martyn Clark

The CEO is responsible for leadership of the Group, development of the strategy for Board approval, and delivery of performance against the strategy. He leads the Executive Committee and the Group's divisions and Group functions. He is responsible for the Group's health and safety performance, and sustainability policies and practices.

Chief Financial Officer (CFO)

Bill Floydd

The CFO leads the Group Finance function and oversees divisions' financial control functions. He is responsible for the Group's financial reporting, financial controls, tax strategy and investor relations. He manages the Group's risk profile, oversees risk management actions and effective internal controls.

Senior Independent Director (SID)

Octavia Morley

The SID acts as a sounding board for the Chairman and is a trusted intermediary for other Directors. She is available to discuss concerns with stakeholders that cannot be resolved through the normal channels of the Chairman or the Executive Directors. She is responsible for leading the Chairman's performance evaluation.

Independent Non-Executive Directors (NEDs)

David Arnold, Louise Hardy, Gillian Kent, Maggie Semple OBE

The role of the NEDs is to bring an external perspective, sound judgement and objectivity to the Board's deliberations and decision-making. They constructively assist and challenge the development of Group strategy, providing independent insight, support and specialist advice, and review the performance of the Executive Directors.

Group Company Secretary

Penny Thomas

The Group Company Secretary provides advice and assistance to the Directors on all governance matters, ensuring that Board procedures are followed, and all relevant statutory and regulatory requirements are met. She supports the Chairman in developing the Board agenda, considering Board effectiveness and ensuring the Board receives timely and relevant information.

Board Committees

Audit and Risk Committee

- Oversees external financial reporting and disclosures, and monitors internal controls and risk management.
- Reviews the effectiveness and independence of the external and internal auditors.
- Reviews Internal Audit reports, findings and actions.

Nomination Committee

- Reviews the balance, diversity, independence and effectiveness of the Board, and monitors succession planning for the Board and the Executive Committee, alongside talent management.
- Oversees the selection and appointment of new Directors to the Board.

Remuneration Committee

- Sets the remuneration policy for the Executive Directors and Executive Committee members, with focus on aligning remuneration with the enhancement of shareholder value and delivery of the Group's strategy.
- Considers employee pay when setting remuneration for the Executive Directors.

Executive Committee

Provides executive leadership to deliver the Group's strategy and manages the operations of the Group on a day-to-day basis.

Oversees health and safety compliance, strategy, operational and financial matters, customer experience, build quality

performance, sales and marketing, technology, sustainability, legal matters, business ethics and culture, and people strategy.

Management Committees

Divisional boards


Each division is run by a divisional board comprising functional directors responsible for specific disciplines. They consider the operational matters and key risks of the division, monitor and control costs at a divisional level and ensure high levels of safety performance, build quality and customer experience.

Investment Committee

Chaired by the CEO, the Investment Committee oversees land acquisitions and disposals, planning application submissions, Section 106 agreements and operational commencements on sites.


Safety, Health and Environment (SHE) Committee

Chaired by the CEO, the SHE Committee oversees the management of the Group's SHE risks. It monitors performance against the Group's SHE strategy and sets associated policies, procedures and safety initiatives.

 Read more about SHE on page 29.

Sustainability Committee

Chaired by the CEO, the Sustainability Committee proposes sustainability strategy to the Board and oversees the management of the Group's sustainability risks. It monitors performance against the Group's sustainability strategy and recommends associated targets, policies and initiatives.

 Read more about Sustainability on pages 22-29

Board of Directors



Iain Ferguson CBE

Chairman

Appointed: September 2019

Experience: Iain was Chief Executive Officer of Tate & Lyle plc, later chairing Berendsen plc and Stobart Group Ltd. He was also Senior Independent Director of Balfour Beatty plc and Non-Executive Director at Greggs plc. In addition, Iain was Lead Independent Director at the Department for Environment, Food & Rural Affairs (DEFRA), Chair of Wilton Park (Agency of the Foreign and Commonwealth Office) and a Member of the PricewaterhouseCoopers LLP UK Advisory Board. In 2003, Iain became a Commander of the British Empire for his services to the food industry.

What Iain brings to the Board: Iain is a highly experienced public company Chairman, Non-Executive Director and former FTSE 100 CEO. He has extensive and diverse leadership experience and a sound and practical understanding of corporate governance. Iain has a deep appreciation of capital markets and investor sentiment which he brings to Board deliberations, in addition to financial expertise and construction experience.

External appointments: Chairman of Genus plc and Chairman at externally managed investment trust Personal Assets Trust plc.



Martyn Clark

Chief Executive Officer

Appointed: June 2024

Experience: Prior to joining the Group, Martyn was at Persimmon plc for nine years, holding several senior roles in the South Division including Regional Chairman before his appointment as Group Chief Commercial Officer in 2022. He also spent 28 years at Bloor Homes.

What Martyn brings to the Board: Martyn's extensive knowledge of the housebuilding industry and strong leadership experience enable him to lead the Group in its next phase of growth.

External appointments: None.



Bill Floydd

Chief Financial Officer

Appointed: November 2023

Experience: Bill joined the Group from a consumer-focused listed background, having been Chief Financial Officer at Watches of Switzerland Group plc and Rank Group plc. Prior to this, he was the Chief Financial Officer responsible for the UK and Ireland business of Experian plc and held a number of senior finance roles at Logica plc. Bill is a chartered accountant, having qualified with Price Waterhouse.

What Bill brings to the Board: Bill brings a wealth of senior financial and commercial expertise having previously served as Chief Financial Officer across a range of sectors. He has extensive experience within the public listed environment and strong leadership qualities essential to delivering growth.

External appointments: None.



Octavia Morley

Senior Independent Director


Appointed: May 2017

Experience: After working in management roles at companies including Asda Stores Ltd, Laura Ashley plc and Woolworths plc, Octavia was Chief Executive then Chair at LighterLife UK Ltd, Managing Director at Crew Clothing Co. and Chief Executive at OKA Direct Ltd. Octavia also served as a Non-Executive Director and Chair of the Remuneration Committee at John Menzies plc and Card Factory plc.


What Octavia brings to the Board: Octavia has a variety of experience in senior operational and non-executive roles in retail and multi-site companies, both privately owned and publicly listed. She brings customer experience insight to the Board, gleaned through her previous retail and consumer roles.

External appointments: Chair of Banner Ltd, Senior Independent Director of Marston's plc and Senior Independent Director of Curry's plc.

KEY to committee membership

- A** Audit and Risk Committee **R** Remuneration Committee  Chair of Committee
N Nomination Committee **E** Executive Committee

Board composition¹

 One Chairman independent on appointment

 Two Executive Directors

 Five independent Non-Executive Directors

¹ As at 28 January 2026

Board of Directors continued



David Arnold
Non-Executive Director

Appointed: September 2021

Experience: David is Chief Financial Officer of Grafton Group plc, having joined Grafton in September 2013. He was previously Group Finance Director of Enterprise plc from 2010 to 2013, and Group Finance Director of Redrow plc from 2003 to 2010. David has previously held senior finance positions with Six Continents plc and Tarmac plc.

What David brings to the Board: David is an established plc board director, who brings extensive finance, property and commercial experience to the Group.

External appointments: Chief Financial Officer of Grafton plc.



Louise Hardy
Non-Executive Director

Appointed: January 2018

Experience: Louise was European Project Excellence Director at Aecom and Infrastructure Director for CLM, which was the consortium partner for the London 2012 Olympic Delivery Authority. Louise has been a Non-Executive Director at Genuit Group plc and the Ebbsfleet Development Corporation. Louise is a fellow of the Institution of Civil Engineers and of the Chartered Management Institute.

What Louise brings to the Board: Louise has a wealth of relevant experience in the delivery of complex infrastructure projects and experience as a non-executive director of other publicly listed companies. Louise is the Non-Executive Director responsible for employee engagement.

External appointments: Non-Executive Director of Balfour Beatty plc and Travis Perkins plc.



Gillian Kent
Non-Executive Director

Appointed: November 2025

Experience: Gillian has had a far-reaching career of over 25 years in digital businesses with functional experience in building markets and brands for products and services. She was Chief Executive of Propertyfinder, the real estate portal, and spent 15 years with Microsoft, including three years as Managing Director of MSN UK. Gillian also has extensive experience as a non-executive director and remuneration committee chair, including roles at Marlowe plc, Dignity plc, SIG plc, Ascential Plc, National Accident Helpline Group Plc (NAHL Plc) and Pendragon Plc.

What Gillian brings to the Board: Gillian brings a broad range of skills and knowledge related to digital media, customers, brand and marketing. She has broad experience of over a decade serving on remuneration committees in a variety of industries, including consumer marketing and construction products.

External appointments: Non-Executive Director and Chair of the Risk Committee of THG plc, Non-Executive Director and Chair of the Remuneration Committee of Mothercare plc and Senior Independent Director of STV Group plc.



Dr Maggie Semple OBE
Non-Executive Director

Appointed: January 2024

Experience: Formerly an academic, Maggie began advising governments on education in the 1990s. She went on to hold several non-executive director positions in different organisations such as Her Majesty's Court Service, the Criminal Cases Review Commission, the Ministry of Justice (Chair of Audit, Risk and Compliance) and McDonald's Restaurants.

Maggie is the owner of three businesses – MS Advisory Group Limited, a global niche consultancy firm, Maggie Semple Limited, a luxury bespoke women's-wear brand, and I-Cubed Group Limited, of which she is a co-founder. Maggie is an author, and she writes on inclusion matters.

What Maggie brings to the Board: Maggie has a wealth of experience in executive and non-executive roles across a number of different sectors and offers great insight to the Board.

External appointments: Non-Executive Director of Phoenix Group Holdings plc, Owner of MS Advisory Group Limited and Maggie Semple Limited, Co-Founder of I-Cubed Group Limited and Honorary Bencher of Middle Temple.

Board tenure (years)¹

Iain Ferguson	6y 4m
Martyn Clark	1y 7m
Bill Floyd	2y 1m
Octavia Morley	8y 8m
David Arnold	4y 4m
Louise Hardy	8y 0m
Gillian Kent	0y 2m
Maggie Semple	2y 0m

¹ As at 28 January 2026

Penny Thomas

Group Company Secretary

Appointed: September 2023

Experience: Penny is a chartered company secretary and governance professional. She has significant experience as a company secretary in a number of FTSE 250 companies, including the real estate sector.



Board activities

The Board's year

The Board has ultimate responsibility for our long-term success, for delivering sustainable shareholder value, and overseeing our contribution to wider society. It is responsible for setting our purpose, values and strategy and ensuring that our culture is aligned with them.

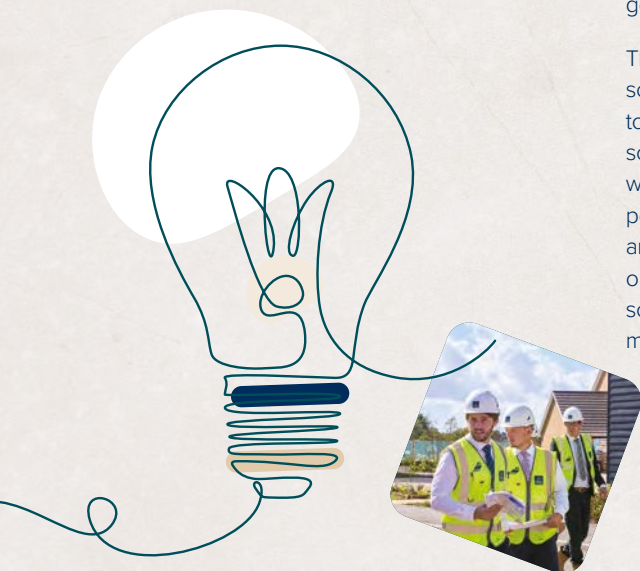
The Board plans an annual programme of business prior to the start of each financial year. This ensures that essential topics are covered and that time is built into the agenda to give the Board the opportunity to have in-depth discussions on key issues. Board papers are circulated via a secure Board portal in advance of meetings to ensure that there is adequate time for them to be read, which facilitates robust and informed discussion and good decision-making.

The Board has a formal schedule of matters specifically reserved for its consideration and approval. This schedule and other key governance documents can be viewed at corporate.crestnicholson.com/governancedocuments.

The Board met six times during the year as scheduled, excluding sub-committee meetings to approve the financial results. In between scheduled meetings, the Board held calls which provided useful updates on operational performance and external market developments and ensured that the Board remained in touch on all current topics. Regular meetings were scheduled for the Non-Executive Directors to meet without the Executive Directors present.

Attendance at scheduled Board meetings

Director	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Iain Ferguson	6/6		3/3	5/5
Martyn Clark	6/6			
Bill Floyd	6/6			
David Arnold	6/6	4/4	3/3	5/5
Louise Hardy	5/6	4/4	3/3	5/5
Octavia Morley	6/6	4/4	3/3	5/5
Maggie Semple	6/6	4/4	3/3	5/5



Board activities continued

Strategy and performance

The Board held regular meetings during the year to review and contribute to the development of the Group's new strategic priorities and the ongoing work to implement the business transformation plan.

The Board held its annual off-site meeting in September 2025, setting aside a full day to reflect on the implementation of the mid-premium strategy. The day started with an update from an industry body, covering the housebuilding political and policy landscape, economic and industry-specific challenges, affordable housing, building safety, workforce issues and the Future Homes Standard.

The Board received detailed updates on Project Elevate and progress on implementing the underlying streams of work, including optimisation of the land bank, house design, planning and plotting, partnerships, build quality, sales and marketing, customer operations, overheads, controls and working capital, talent development and culture. The integration of sustainability actions and goals was considered throughout.

The Board reviewed the Group's performance at each meeting which included actual and projected completions, financial and non-financial metrics, land sales and acquisitions and progress on fire remediation and legacy sites.

Key decisions in the year

- Approved the launch of the new strategic priorities and long-term objectives.
- Approved the annual budget and business plan, the payment of interim and final dividends, the Group's financial statements and the 2024 Annual Report and Accounts.
- Confirmed the Group's 2024 viability and going concern statements.




Risk management and internal controls

The Board reviewed the Group's risk appetite and significant and emerging risks at key points during the year. The Group's risk management framework and internal control framework were reviewed in depth.

Key decisions in the year

- Approved an additional principal risk related to Project Elevate.
- Approved the appointment of a new Group Head of Internal Audit and Risk.
- Concluded that the risk management framework and internal control framework were effective.

 Read more in the Audit and Risk Committee report on page 79.

Governance

The Board received regulatory and governance updates, and compliance with the UK Corporate Governance Code was reviewed. The Board Committees oversaw matters related to pensions and employee share plans. An external board performance review was conducted.

Key decisions in the year

- Updated the Matters Reserved to the Board and key policies.
- Approved changes to Non-Executive Director fees.
- Approved the Modern Slavery Act statement.

 Read more in Board performance on page 70.

Board activities continued

Culture

Monitoring culture and ensuring it is aligned with the new strategic priorities was a key focus area for the Board in 2025. The business transformation plan required consideration of our purpose and values, to align with the direction for the Group. Work on values and culture is ongoing and will be launched in the coming months.

The Board used a number of different tools to monitor culture.

- Customer and quality metrics – customer satisfaction and high quality homes are at the heart of the mid-premium strategy. Attention to these areas is critical to our success, and is monitored via external metrics such as HBF customer satisfaction surveys and NHBC reportable items.
- Employee voice meetings

Read more on page 68.

- Employee engagement survey – the Board received a detailed report on the annual employee engagement survey in March 2025. The results provided a baseline against which to measure future surveys as the business transformation progresses. Insights from employees were used to direct Board attention to areas where improvement was required.
- Executive Director monthly briefings – an all-employee forum where the CEO and CFO update the business on current activities and answer questions from employees. These are used to understand the issues that are important to the workforce.
- Safety, Health and Environment updates and performance metrics.

Key outcomes in the year

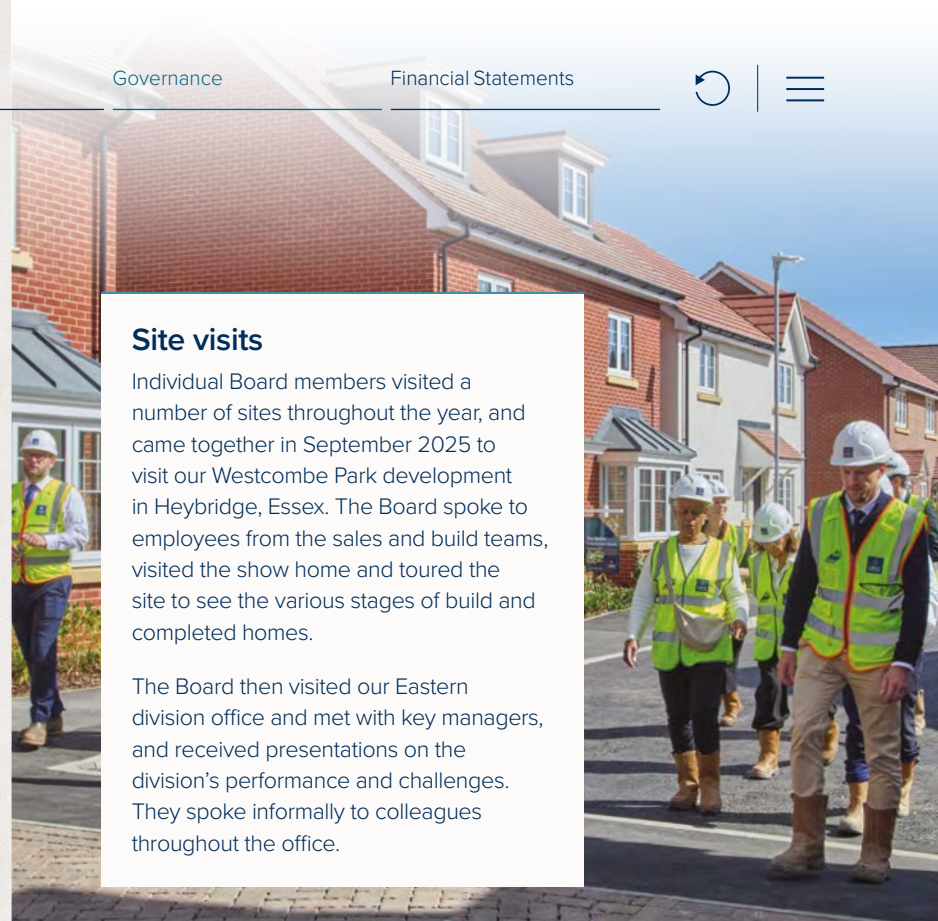
- 75% of employees participated in the employee survey and an engagement score, which measures employee sentiment, of 75% was recorded.
- Customer satisfaction score increased by 0.17 over the year.
- Reportable items decreased by 26% during the year.



Site visits

Individual Board members visited a number of sites throughout the year, and came together in September 2025 to visit our Westcombe Park development in Heybridge, Essex. The Board spoke to employees from the sales and build teams, visited the show home and toured the site to see the various stages of build and completed homes.

The Board then visited our Eastern division office and met with key managers, and received presentations on the division's performance and challenges. They spoke informally to colleagues throughout the office.



Section 172 statement


Board decision-making

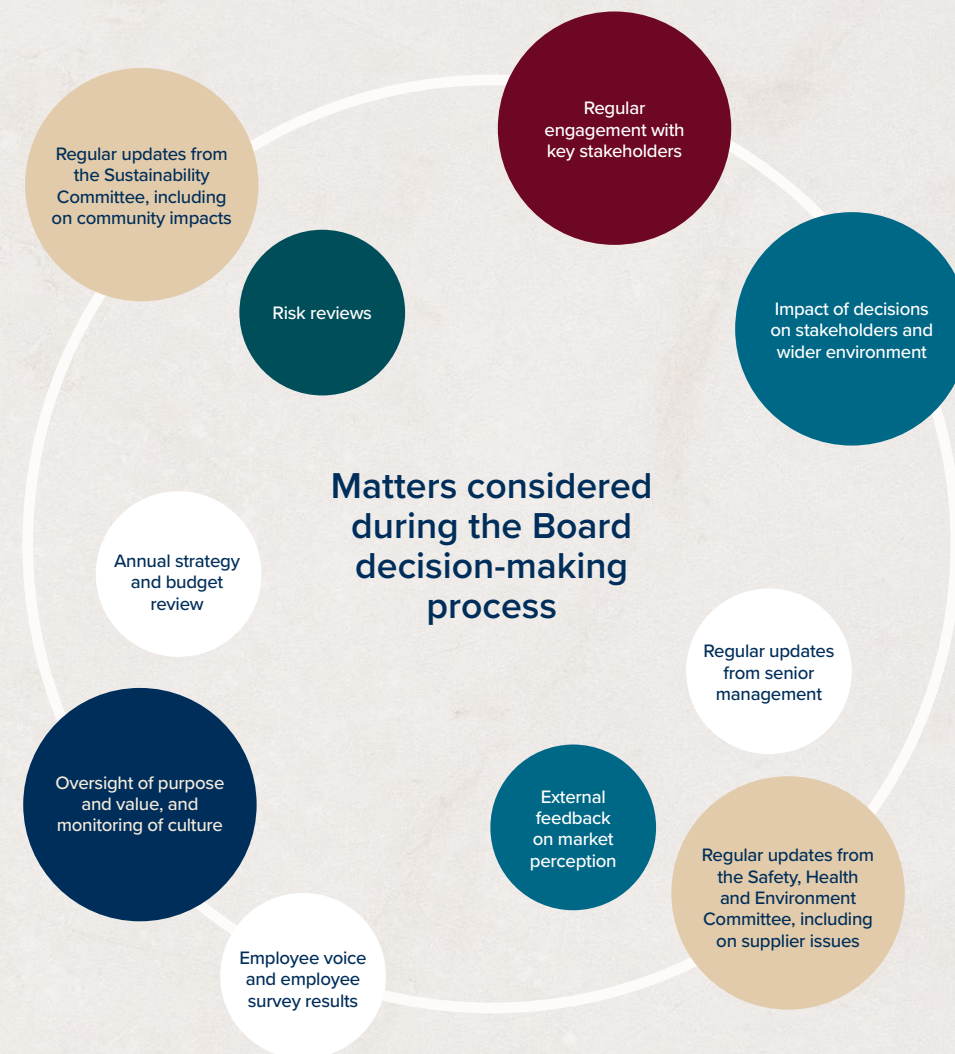
Section 172 of the Companies Act 2006 requires the Directors to act in a way that promotes the success of the company for the benefit of its shareholders as a whole, while having regard to the interests of other stakeholders such as employees, customers, suppliers, and the impact on the community and the environment.

It is the Board's duty to lead by example and ensure fair and responsible decision-making. The Board acknowledges that it may have to make decisions that affect one or more stakeholder groups negatively. In challenging markets it is even more important to reflect upon the need to act fairly and with integrity.

The matters influencing Board decision-making are illustrated opposite.

The Board regularly reviews the stakeholder engagement activities undertaken by it and the Group as whole. The following pages set out how the Board has engaged with key stakeholder groups during the year, and how their views have been taken into account and influenced Board decision-making.

 Read more on key stakeholders and Group engagement on pages 20-21.



Section 172 statement continued

Case study: Business transformation plan

The Board considered the Group's strategy in depth early in the year and decided that, with a new Chief Executive Officer, it was an opportune time to review it. The Board oversaw the development and implementation of the strategy and business transformation plan to move to the mid-premium market, while considering the interests of stakeholders in the decision-making process.

The strategy was discussed and developed by the Board. The strategy discussions considered the factors set out in s172 as follows:

Long-term outlook

The purpose of the business transformation plan is to move the Group's positioning to the mid-premium market with a focus on build quality, customer experience and operational efficiency. The Board considered the potential outcomes of the programme over a three- to five-year period and going forward set the 2029 mid-premium targets to measure performance improvement.

The outcomes of the programme implementation to date have been positive, with a 0.17 increase in customer satisfaction and an 26% reduction in reportable items.

Effects on the company's employees

The Board discussed the effect on employees overall and considered the cultural effects of the programme.

Employees are crucial to the implementation of the business transformation plan. To explain the programme to all employees, and to emphasise their importance and how they could contribute, the CEO and CFO hosted a series of roadshows around the divisions. They were accompanied by members of the Executive Committee who are all project sponsors. The sessions were interactive and provided an opportunity for questions, and ensured that employees understood the rationale for the transformation.

Relationships with suppliers, customers and others

It is in the best interests of all our supply chain partners that the business remains able to generate cash and profits, and the Board considered factors that would enhance these relationships.

Impact on the community and environment

The Board ensured that the business transformation plan aligned with our overall sustainability goals, taking the opportunity to enhance community and environment outcomes alongside strategic priorities.

Maintaining high standards of business conduct

Ethical business and high operational standards benefit all stakeholders. The Board noted the alignment of the new strategic priorities with high standards of conduct, from land acquisition and planning through to construction and the customer journey.

Acting fairly between shareholders


The long-term benefits of the business transformation plan are intended to support future earnings for the benefit of all shareholders. Shareholders were introduced to the programme on the Capital Markets Day in March 2025, with both an in-person presentation and publication of material on our website.



Stakeholder engagement

Stakeholder engagement during the year

The Board engaged with stakeholders during the year, both directly and via reporting from the Executive Committee and other senior leaders.

 Read descriptions of the key stakeholder groups see pages 20-21.



Employees


Our success depends on the skills, talent and output of our employees, and we provide a safe, inclusive, fulfilling and high-performing workplace.

How the Board engaged during the year

- Louise Hardy acted as Non-Executive Director responsible for employee engagement, including employee voice meetings.
- Received updates on employee matters and regularly discussed culture, employee turnover, training and development.
- Considered the output of the employee engagement survey and factored this into decision-making.
- The Chairman opened the Leadership Conference, providing insight into how the Board operates and spending time speaking with employees.
- Site and office visits.

Key outcomes

- 75% participation by employees in the annual employee survey, with an engagement score, which measures employee sentiment, of 75%.
- Increased SHE compliance score of 93.4%

 Read more in Our people on pages 30-32 and Listening to employees on page 68.



Investors


Our investors and lenders provide stewardship and finance and receive a return on their investment.

How the Board engaged during the year

- The Chairman and Senior Independent Director consulted with the Group's institutional investors on strategic, governance and sustainability matters.
- Investor Relations updates included feedback from investor roadshows and market analysts at each Board meeting.
- The Chair of the Remuneration Committee consulted with investors on the proposed 2026 Directors' remuneration policy.

Key outcomes

- All resolutions passed at the 2025 Annual General Meeting with over 80% of votes in favour.
- We remained a constituent of the FTSE4Good Index series and were rated A- in the CDP climate change disclosure.

 Read more in Investor engagement on page 69.



Customers

Our revenue comes from individual customers and larger institutions that we partner with, in return for high quality homes in thriving communities.

How the Board engaged during the year

- Received regular updates on actions taken to enhance the customer experience from the CEO, Group Customer Operations Director and the Group Sales and Marketing Director.
- Reviewed metrics on build quality and customer satisfaction scores at each meeting, providing insights into strategic issues.

Key outcomes

- Appointment of a Group Customer Operations Director and Group Design Director.
- Regained 5 star status from the Home Builders Federation (HBF).
- Reduced reportable items across the Group by 26%.

 Read more in the Chief Executive Officer's statement on pages 4-8 and Delivering outstanding customer experience on page 11.



Stakeholder engagement continued

**Suppliers**

Our suppliers and subcontractors provide quality goods and services and gain sustainable relationships and partnership expertise.

How the Board engaged during the year

- Received regular updates on the Group's supply chain, including payment practices, material costs and availability.
- Reviewed and approved the anti-slavery statement which applies to our supply chain.

Key outcomes

- 85% of Group suppliers actively engaged with the Supply Chain Sustainability School.
- Average time taken to pay suppliers was 35 days (2024: 38 days).
- Maintained our status as a Living Wage employer and continued to engage with subcontractors on their compliance with the standard.

 Read more in Responsible practice on page 28.

**Communities and environment**

We create thriving communities and enhance local environments.

How the Board engaged during the year

- Reviewed product development changes to enhance home design and specifications.
- Received updates on safety initiatives and performance, and community programmes.
- Received updates on sustainability and monitored progress against published targets.

Key outcomes

- 65% reduction in scope 1 and 2 greenhouse gas emissions compared with the baseline year of 2019.
- 98% homes built during the year with an Environmental Impact Rating of A or B.

 Read more in Protect the environment on pages 23-26 and Make a positive impact on communities on page 27.

**Government and other bodies**

Engagement with government and industry bodies is critical to a two-way understanding of the environment in which we operate.

How the Board engaged during the year

- Representation on the leadership council of the Future Homes Hub.
- Meetings with industry bodies including the Home Builders Federation.
- Meetings with government ministers, MPs and local councillors.

Key outcomes

- Significant contributions to Future Homes Hub investigations, influencing the creation of realistic standards that industry can work to, including whole life carbon conventions and water efficiency targets.
- Provided direct feedback on how to improve Home Energy Modelling software for industry implementation to help ensure that it is practical and effective for use.

 Read more in Government regulation and sustainability on page 19.



Stakeholder engagement continued

Listening to employees



“Listening to our employees is one of the most important things we can do as a Board.

Louise Hardy
Non-Executive Director

Actively and directly hearing employee feedback provides valuable insight about our operations and assists the Board in its development of strategy to help the business grow, as well as creating a positive culture where employees feel valued, heard and engaged.

As the Non-Executive Director responsible for employee engagement, my objectives this year were to:

- ensure that the Board heard from a wide cross-section of colleagues, and that their views were considered and represented when making decisions
- monitor the continuing implementation of the Culture Action Plan that was introduced in 2024 and monitor the culture overall in the organisation
- engage with employees on remuneration in a Directors' remuneration policy year.

Employee voice meetings were held in January and again in September, across multiple venues. Site and office employees from each of the divisions, across all grades, with both short and long service attended, giving me an opportunity to hear a wide range of views.

The forum discussed topics including employee policies, working practices and procedures, new starter induction, training and communication. Employees told us that they particularly appreciated the monthly business briefings by the Executive Directors.

Octavia Morley, the Senior Independent Director and Remuneration Committee Chair, also attended the September meetings to talk about the Directors' remuneration policy that is being proposed for shareholder approval at the 2026 AGM.

Iain Ferguson, Chairman of the Board, opened the Leadership Conference, welcoming senior leaders from across the Group who met to discuss culture, change and future strategy. Iain also led a session on the Board, outlining what our role is and our vision for the future.

I would like to thank all of our colleagues who have taken part and provided helpful input during the year, and look forward to continuing these conversations in 2026.



How the Board has listened and responded to employees in 2025

Communication

Forum attendees talked about how to bring site and office employees closer together. To share with our office colleagues what happens on site, visits were arranged to take those office employees who do not regularly visit sites out to a development and explain the build process.

Board updates

It is important that people matters discussed at Board level are shared with everyone and, going forward, the monthly business updates will include reports from the Board after each meeting. This signals the importance the Board and senior management put on listening to our people.

Stakeholder engagement continued

Investor engagement

Our investor stakeholders include institutional shareholders, retail shareholders, lenders, analysts and the financial media. The Chief Executive Officer and Chief Financial Officer engage proactively and constructively with shareholders throughout the year with a structured programme, and provide regular feedback to the Board.

The Chairman and Senior Independent Director are always available to shareholders to discuss governance and strategic matters and consulted with the Group's major investors during the year.

Committee Chairs are available to engage with shareholders on significant matters related to their area of responsibility.

Investor meetings

The Chief Executive Officer, Chief Financial Officer and Head of Investor Relations attended around 50 meetings during the year. The main event was a Capital Markets Day in March 2025 to launch the new mid-premium strategy, attended by a number of analysts and institutional shareholders.

Key themes discussed at these meetings included interest rates and macroeconomic factors such as consumer confidence and the planning process. Other areas discussed included our new strategic priorities, land sales and optimisation, operational efficiency, customer services and sales, the move to the mid-premium market and its dynamics, balance sheet and liquidity, fire remediation and culture.

The Chair of the Remuneration Committee engaged with shareholders on matters related to the 2026 Directors' remuneration policy. The Chairman met with investors during the year on general governance matters.

Lenders

Executive Directors met with our lenders throughout the year, keeping them updated about the financial and operational progress of the Group, discussing sustainability and governance and receiving market feedback. Detailed conversations were held with lenders involved in the renewal of the revolving credit facility.

Retail shareholders

Retail shareholders are encouraged to access the Group's investor website which has the latest analyst consensus, forecasts and trading updates

on the Group's strategy. During the year, we changed Registrar to MUFG Corporate Markets and, in November 2025, a mobile application was launched to support retail shareholders with managing their accounts.

Annual General Meeting (AGM)

All Directors, including the Chairs of the Committees, attended the 2025 AGM and were available to answer shareholder questions. Shareholders were encouraged to vote by appointing the Chair of the meeting as proxy if they were unable to attend in person, and all resolutions were passed.

The 2026 AGM will be held at our offices on 25 March 2026.

The 2025 Investor Relations Programme

November 2024	January 2025	February 2025	March 2025	April 2025	June 2025	October 2025
Site visits Sell-side analysts site visits to Brightwell's Yard, Farnham and Windsor Gate.	2024 full-year results investor roadshow The 2024 results announcement was followed by a roadshow, with meetings held either in person or virtually, with investors primarily based in London and Edinburgh.	2024 Annual Report published The 2024 Annual Report and financial statements were published along with the Notice of Annual General Meeting.	Capital Markets Day Institutional investors and analysts were invited to attend a presentation and site visit at our Windsor Gate development.	Annual General Meeting The 2025 AGM was held at the Crest Nicholson offices in Addlestone. Shareholders were invited to attend, ask questions and vote on the resolutions.	Full-year dividend paid The half-year results announcement was followed by a roadshow, with meetings held either in person or virtually, with investors primarily based in the UK.	Interim dividend paid

Board performance

2025 performance review

The UK Corporate Governance Code requires the Board to review its performance on an annual basis and to complete an externally facilitated review every three years.

Given significant changes in the Group's executive management in 2024, it was decided to delay the external review due that year to 2025. Gould Consulting had undertaken the last external review in 2021 and were re-appointed. The Board considered the benefit of using the same consultant for both reviews which would highlight any differences in the Board's response following significant composition changes since 2021. Gould Consulting have no other connection to the Group or its Directors.

The internal review that took place in 2024 highlighted priorities related to succession planning and embedding culture. Progress on succession planning is described in the Nomination Committee report on pages 71-73. Progress on culture is described in the Board activities section on page 63.

Chairman's performance

The Senior Independent Director, Octavia Morley, led the review of the Chairman's performance. She spoke to the Non-Executive Directors individually and as a group to gain their views.

External review process

August 2025

Gould Consulting were provided with Board and Committee papers and reviewed the outputs of the prior year review.

The Chairman and Group Company Secretary worked with Gould Consulting to create a questionnaire tailored to the Board's priorities and activities, including the business transformation plan and the implementation of the new strategic priorities. This comprised questions requiring ratings alongside open questions allowing narrative responses.

September 2025

Gould Consulting attended Board and Committee meetings to observe interactions and discussions. All Board members and Executive Committee members completed questionnaires.

October 2025

Gould Consulting interviewed all Board members to follow up on matters raised in the questionnaires and to test improvement ideas raised by other Directors.

They interviewed the Executive Committee as a group for their views.

November 2025

Gould Consulting prepared a comprehensive report including a summary of aggregated responses to the questionnaire with anonymised verbatim comments, and recommendations arising from the observations and interviews. The report was discussed with the Chairman, CEO and Group Company Secretary.

December 2025

The final output was discussed at a Board meeting, with Gould Consulting in attendance to answer questions.

What the Board does well

What the Board does well

How it does it

Composition

The Board has a balance of Non-Executive and Executive Directors with a good range of skills.

Succession planning for the rotation off the Board in 2026 by Octavia Morley was completed with the addition of Gillian Kent as a Non-Executive Director.

Support to Executive Directors and Executive Committee

The Board has a wide range of skills and experience across a variety of different sectors and offers support to the senior management. There are good communication links between the Executive and Non-Executive Directors.

Transitioning of Executive and Non-Executive Directors

Over the past two years, there have been a number of transitions on the Board: CEO, CFO and two Non-Executive Directors. Succession and induction have been well managed to enable new Board members to start to contribute effectively in the shortest possible time.

Areas for the Board to focus on in the year ahead

What the Board could do better

Actions

Culture

To improve direct engagement with employees and give a better understanding of the Group's culture, Non-Executive Directors will undertake individual site visits in addition to the group visits already organised.

Additional reporting will be implemented, with a standing item at Board meetings on culture change.

Communication with management

To strengthen the links with the Executive Committee, a buddy system will be introduced, and new Directors and Executive Committee members will have more opportunities for interaction.

Strategy

To continue to focus on the implementation of the strategy and Project Elevate, with detailed reporting at each Board meeting including specific target dashboards.

Succession

To continue paying rigorous attention to succession planning, particularly for Non-Executive Directors.

Focus will be given to the Executive Committee and talent development.

Nomination Committee report



Committee members

Iain Ferguson CBE, Committee Chair

David Arnold




Louise Hardy

Gillian Kent (from 1 November 2025)

Octavia Morley

Maggie Semple OBE

Further information

-  Details of Committee attendance can be found on page 61.
-  Information on the skills and experience of Committee members can be found on pages 59-60.
-  The Terms of Reference for the Committee can be found at corporate.crestnicholson.com/governance

Year in review

I am pleased to present this year's Nomination Committee report which sets out how the Committee discharged its responsibilities during the year.

As we navigate a journey of transformation, it is ever more critical that we ensure that the Group has effective leadership, with the right balance of skills, experience, diversity, independence and knowledge at the Board and Executive Committee levels from the immediate future into the long term.

A key focus for the year was Board succession. As Octavia Morley will reach nine years' service in 2026, a search for an additional Non-Executive Director was undertaken. This culminated in the appointment of Gillian Kent to the Board in anticipation of her taking on the roles of Senior Independent Director and Chair of the Remuneration Committee in 2026.

Iain Ferguson CBE

Nomination Committee Chair

Roles and responsibilities of the Committee

- Reviews the structure, size, diversity and composition of the Board to ensure that it remains effective, balanced and qualified to deliver the Group's strategy.
- Leads the selection and appointment process for Directors and ensures that it is formal, rigorous, transparent and merit-based.
- Ensures relevant and tailored inductions are provided for new Directors.
- Reviews the composition of the Executive Committee and senior management roles, to ensure a talented and diverse pipeline of future leaders.
- Oversees emergency succession planning for the Board and Executive Committee.
- Sets the Board's policy on diversity and inclusion.
- Reviews Non-Executive Directors' time commitments, independence, external appointments and conflicts of interest.
- Reviews the effectiveness of the Board.

Attendees

Attendees at each meeting comprised the Committee Chair and members, who are all independent Non-Executive Directors, and the Executive Directors by invitation as appropriate.

On the agenda in 2025

Revisions to the Executive Committee

The Committee considered and approved an expanded Executive Committee membership. New members have brought expertise in IT, Sales and Marketing, Commercial and Technical, Customer Operations and Investor Relations.

Board performance

The output of the 2024 Board performance review was augmented into a full Board action plan to support the implementation of the strategic priorities.

On the agenda in 2026

Succession planning

The Committee will continue to focus on Board succession, looking ahead to Louise Hardy completing nine years' service in 2027.

Board action plan

The Committee will lead the implementation of actions arising from the external Board performance review, including strengthening the Board's connections with the Executive Committee and embedding culture change to support the business transformation plan.

Nomination Committee report continued

Board composition and succession planning

The Committee reviews the balance of skills, experience, independence and knowledge on the Board, to ensure the right individuals are in place to support the effective planning and implementation of the Group's strategy.

Board skills and experience¹

■ Direct experience ■ Indirect experience



¹ As at 28 January 2026

Election and re-election to the Board

When considering Directors for re-election, careful consideration was given to each of the Non-Executive Directors' existing commitments and time required to fulfil their obligations to the Group, including any changes to their external appointments.

As part of this process, particular consideration was again given to Iain Ferguson's two Chair mandates (Crest Nicholson Holdings plc and Genus plc). He holds a further Chair mandate at an externally managed investment trust, Personal Assets Trust plc. The externally managed nature of the trust gives rise to lower time commitment than the other appointments.

The Board remains satisfied that the external appointments of the Chairman and Non-Executive Directors do not impede their ability to allocate sufficient time to the Group to discharge their responsibilities. This was demonstrated through attendance at both scheduled and ad hoc Board meetings.

All the Non-Executive Directors are considered to be independent.

Gillian Kent is standing for election by shareholders at the Annual General Meeting in March 2026. All other Directors are standing for re-election at the Annual General Meeting on the recommendation of the Committee with the support of the Board, other than Octavia Morley who intends to step down from the Board following nine years of service.

Diversity and inclusion

There is a Board Diversity Policy which is reviewed annually by the Committee. The Policy reflects a recognition that a diverse Board improves operational performance. The Policy has targets, in line with the Listing Rules, that at least:

- 40% of the Board be female
- one of the Senior Board positions (Chairman, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) be female
- one Director be appointed to the Board from an ethnic minority background.

Board gender balance

■ Male: 50%
■ Female: 50%



Executive management² gender balance

■ Male: 60%
■ Female: 40%



The Board meets the targets set in the Board Diversity Policy.

The charts below show the gender and ethnicity balance of the Board and executive management as at 28 January 2026. For further information on diversity in the business see page 30 and for Listing Rules disclosures see page 106.

Board ethnicity balance

■ White British or other white: 87.5%
■ Other ethnic groups: 12.5%



Executive management² ethnicity balance

■ White British or other white: 90%
■ Other ethnic groups: 10%



² Executive management is defined as members of the Executive Committee.

Nomination Committee report continued

Appointment and onboarding

The search for a new Non-Executive Director who would take on the roles of Senior Independent Director and Remuneration Committee Chair when Octavia Morley steps down, commenced in early 2025. The Board was mindful of both the operational needs of the business and compliance with the UK Corporate Governance Code throughout the process.

Criteria

A detailed specification was developed, having considered the particular skills, experience and background required. These included experience of working closely with shareholders on remuneration policy, wider remuneration matters and other governance issues, empathy for the customer perspective and a genuine interest in the housebuilding sector.

Search

The Committee considered a number of external search organisations to assist with the process. Korn Ferry was retained to conduct the search. Maintaining the diversity of the Board was a crucial factor, not just in terms of gender and ethnicity, but also related to background, approach, skills and style. The longlisting and shortlisting processes were robust and remained diverse throughout. Korn Ferry also act as advisor to the Remuneration Committee but have no other connection to the Company or the Directors.

Interviews

A number of shortlisted candidates were interviewed by the Chairman, the Remuneration Committee Chair and the Chief Executive Officer. The preferred candidate met with the remaining members of the Board to complete mutual due diligence.

Conflicts of interest

The Committee reviews any actual and potential conflicts of interest on behalf of the Board.

All Directors have a duty to avoid conflicts of interest, and where they arise to declare conflicts to the Board. The Board has a process to identify and manage Directors' conflicts or potential conflicts of interest, including those resulting from significant shareholdings, so that the influence of third parties does not compromise or override independent judgement.

Directors' interests were reviewed by the Board at each meeting and Directors are required to complete an annual declaration. New conflicts arising between meetings are dealt with at the time by the Chairman and the Group Company Secretary. The Board confirmed that there are no appointments or interests held by the Directors that are conflicts of interest.

Onboarding

Documentation

A 'bible' of company documentation was provided for Gillian Kent to access as required as she got to know the business. This included recent Board meeting papers, prior year results and reports, key policies, corporate governance documents and key development brochures.

Meetings with Directors and executives

Over the first few weeks, meetings were held with individual Directors and members of the Executive Committee. This provided an

understanding of the culture, values, strategy, recent developments, financial performance, key challenges and opportunities of the business.

Meetings with external advisors

Meetings were organised with Group advisors, with particular focus on the Remuneration Committee consultants.

Site visits

Gillian Kent visited a number of sites across the divisions over a period of months in order to meet colleagues and understand activities and issues in the build phase of developments.

Recommendation and offer

After due consideration of feedback from the interviews, the Committee recommended the appointment of Gillian Kent to the Board. The appointment was announced in October 2025 and Gillian joined the Board on 1 November 2025.

Audit and Risk Committee report



Committee members

David Arnold, Committee Chair

Louise Hardy




Gillian Kent (from 1 November 2025)

Octavia Morley

Maggie Semple OBE

David Arnold is the Director with recent and relevant financial experience. The Board is satisfied that the Committee as a whole has competence relevant to the sector.

Further information

-  Details of Committee attendance can be found on page 61.
-  Information on the skills and experience of Committee members can be found on pages 59-60.
-  The Terms of Reference for the Committee can be found at corporate.crestnicholson.com/governance

Year in review

I'm pleased to present this year's Audit and Risk Committee report which sets out how the Committee discharged its responsibilities during the year.

The Committee's core activities are focused on ensuring the accuracy of the Group's financial statements and disclosures, and the effectiveness of risk management and internal controls, as well as overseeing the internal audit function.

A key focus for the year was the transition of the external audit team. Having re-appointed PwC as external auditor in 2024, the Committee worked closely with the new audit partner to familiarise her with the business and build on the audit plan recommendations.

David Arnold

Audit and Risk Committee Chair

Roles and responsibilities of the Committee

- Monitors the integrity of the Group's financial statements and disclosures related to financial performance, including assessing significant financial reporting judgements.
- Reviews the effectiveness of the Group's internal controls and risk management, including processes around fraud detection, anti-bribery and corruption, and anti-money laundering.
- Monitors the effectiveness and objectivity of the external auditor.
- Challenges and approves the annual external audit plan and monitors progress.
- Oversees matters relating to the external auditor's appointment, fees, independence and provision of non-audit services.
- Monitors and reviews the independence, objectivity and effectiveness of the Internal Audit function.
- Evaluates and agrees the Internal Audit plan and reviews Internal Audit findings.

Attendees

Attendees at each meeting comprised the Committee Chair and members, who are all independent Non-Executive Directors, and by invitation the Chief Executive Officer, the Chief Financial Officer, the Group Head of Internal Audit and Risk, the external auditor, and other members of the Executive Committee and senior management as appropriate.

On the agenda in 2025

Financial reporting and going concern

The Committee closely monitored and discussed the material uncertainty related to going concern, reviewing management's assumptions and modelling of a severe but plausible downside case.

Appointment of Group Head of Internal Audit and Risk

Due to the resignation of the previous Group Head of Internal Audit and Risk, a search was undertaken to identify and appoint a replacement. This was concluded and Russell Garden joined the Group in September 2025.

On the agenda for 2026

Internal control framework

The Committee will focus on supporting and monitoring work by management to refine the operating framework in preparation for compliance with provision 29 of the 2024 UK Governance Code.

This will include identifying and evaluating key controls, reviewing the management attestation process and gaining assurance in the maturity of the risk management and internal control frameworks.

Audit and Risk Committee report continued

Review of the 2025 financial statements

The Committee reviewed the full-year and half-year financial statements. The reviews included key accounting judgements (see pages 76-77), compliance with relevant legal and financial reporting standards and external audit findings, including accounting and audit adjustments.

Following the margin forecasting error identified by management in the Eastern division, the Committee:

- considered the impact on the 2025 financial statements, including the effect on prior years and the restatement of previously reported results
- reviewed the remedial steps taken by management and considered whether they were sufficient and appropriate to avoid similar issues arising again
- discussed with the Group's external auditor the impact on the scope of their work as a result of these issues.

The Committee reviewed and agreed management's base case model for the going concern period (through to 30 April 2027), and the assumptions for a Severe But Plausible (SBP) downside case. The Committee also considered the Group's viability modelling through to October 2028.

The SBP downside conditions incorporated potential macroeconomic scenarios which could be experienced by the UK, industry-wide dynamics, and Group-specific risks. The assessment also evaluated the anticipated effectiveness of proposed mitigating actions that are within the Group's control.

While the Group forecasts to meet all its covenants in the base case scenario, the cumulative impact of the assumptions and mitigations in the SBP downside case indicates that the Group would not meet its interest cover covenant during the going concern period, with the first measurement date in April 2026.

The Group maintains good relationships and a regular dialogue with all its lenders and is confident that an amendment to its covenants would be secured if necessary, however, this is not guaranteed and therefore this represents a material uncertainty related to going concern. In all scenarios, except for where the interest cover covenant is breached and a covenant amendment is not agreed, the Group forecasts adequate liquidity.

Notwithstanding the material uncertainty related to going concern outlined above, the Committee satisfied itself that the going concern basis of preparation continues to be appropriate and made recommendations to the Board in this regard. The Group's viability statement is on page 55. See note 1 to the consolidated financial statements on going concern.

2025 Annual Report and Accounts – fair, balanced and understandable

At the request of the Board, the Committee considered whether the 2025 Annual Report and Accounts was fair, balanced and understandable and provided the information necessary for stakeholders to assess the Group's position, performance, business model and strategy.

To form its opinion, the Committee reflected on information provided by the Chief Financial Officer, who was supported by members of Group Finance, the Company Secretary's team, Investor Relations, Sustainability, HR and Communications functions, who regularly reviewed the report drafting process. The Committee took into account reports from the external auditor on the outcomes of their half-year review and annual audit.

The Committee considered whether the key messages in the narrative reflected the financial reporting, and checked whether any critical material had been omitted that should have been included.

The Committee concluded that:

- the financial statements complied with applicable financial reporting standards and any other required regulations
- material areas of significant judgement had been given due consideration by management and reviewed with the external auditor
- the application of acceptable accounting policies and practices was consistent across the Group
- the disclosures provided were clear, and as required by financial reporting standards
- the reporting and commentary provided a fair and balanced view of Group performance.

The Committee subsequently made a recommendation to the Board, which in turn reviewed the report as a whole, confirmed the assessment and approved publication.



Audit and Risk Committee report continued

Key accounting judgements considered in the 2025 full-year financial statements

Key issues	Committee review and decision
<p>Valuation of inventory</p> <p>Inventory is the most significant balance on the consolidated statement of financial position and is held at the lower of cost and net realisable value (NRV). A forecast is maintained for the NRV of each development and this contains several key assumptions. Due to the influence of external factors and the cyclical nature of the housing market, there is a risk that the calculation of a development's NRV may be subject to estimation error, leading to inventory being held at an incorrect value when an impairment charge to reduce its value would be appropriate.</p> <p>Value £1,056.1m</p>	<p>Management regularly reviews the selling prices and build costs of all the Group's housing stock, including the impact on future forecasts for developments not yet under construction, considering latest market valuations. Where forecasts determine that a site may no longer generate a positive margin, an impairment is recognised in the consolidated income statement.</p> <p>During the year £3.7m of impairment was charged, the majority of which related to legacy developments. £10.3m of impairment was used in the year on housing units sold, resulting in a net movement in the NRV provision of £6.6m in the year. See note 18 to the financial statements.</p> <p>The Committee reviewed and understood the controls in place concerning NRV, including the minimum hurdle rates management requires before projects are approved and how management monitors NRV on an ongoing basis. Where impairment was recognised during 2025, the Committee challenged management to ensure that appropriate assumptions were in place, in particular around expected levels of sales prices and build costs.</p> <p>Outcome: The Committee was satisfied that the inventory carrying value, and associated impairment, was appropriate.</p>
<p>Margin recognition and forecasting</p> <p>The Group's margin recognition framework is based on the margin forecast for all phases of development, including those not owned but controlled under option. These margins, which drive the recognition of costs as revenue is taken, reflect estimated selling prices and costs for each development. This methodology guides the allocation of total forecast costs, matching both land and build costs of a development, to each component of revenue. There is a risk that the margin forecast for the site, and the margin subsequently recognised on revenue, is not appropriate and reflective of the final profit achieved by a development.</p>	<p>Sales prices and build costs are inherently uncertain as they are influenced by changes in external market factors, such as the availability and affordability of mortgages, changes in customer demand and availability of labour and materials.</p> <p>The Committee recently reviewed management's internal control processes, the main areas of estimation, and challenged management to improve the process. Management has undertaken a number of control improvements since 2023, including implementing a new specialist ERP system, the appointment of a Group Commercial Director to oversee the Cost Value Recognition (CVR) process, and a significant increase in oversight from Group functions. The CVR process has benefited from improved rigour, and consistency across the Group has increased as a result, as demonstrated through Internal Audit findings reported to the Committee in the year.</p> <p>The CVR process identified a specific legacy cost forecasting issue related to a multi-phase site in the Eastern division. This matter has been addressed with a prior year adjustment reflected in the accounts. All sites have now been reviewed during the period to the level expected in line with the defined CVR process. See note 28 to the financial statements for further details.</p> <p>Outcome: The Committee was satisfied that the processes, controls and work by management to gain comfort over the build cost position and revenue have been improved, are functioning more effectively, and the margins recognised were appropriate.</p>

Audit and Risk Committee report continued

Key issues	Committee review and decision
<p>Combustible materials provision</p> <p>The provision relates to forecast costs associated with remedial works to be performed on legacy buildings with potential fire safety issues due to combustible materials and where the Group has a legal or constructive obligation to remediate.</p> <p>The Directors have used third-party surveys as the primary basis for the estimated remedial costs, Building Safety Fund (BSF) cost information, other external information and internal assessments, as well as considering the impacts of build cost inflation to review external surveys and update where management identify new information not yet recognised in the latest external survey. These estimates are inherently uncertain due to the highly complex and bespoke nature of the buildings, actual costs differing from the amounts notified by the BSF costed projects, and because fire safety assessments in progress may require different levels of remediation and associated costs than those currently estimated.</p> <p>Value £202.8m</p>	<p>The Group recognised a net exceptional combustible materials related charge of £12.8m in the year, in addition to that recognised in prior years. The year end provision balance was £202.8m. This increase reflects updates in the estimates as a result of the Group now completing external surveys of costs in respect of all buildings in scope of the Developer Remediation Contract, as well as forecast changes in build costs and the imputed interest on the provision balance, net of amounts released in the year where surveys found no further work was required.</p> <p>This is a complex area with judgements in respect of the extent of those properties within the scope of the Group's combustible materials commitments, and the provision could be extended as the interpretation of government guidance continues to evolve, or due to cost estimation changes. By contrast, the Group has already recovered, and expects to continue to recover, some costs from architects and subcontractors involved in the construction of these schemes, but does not recognise these recoveries until they are received.</p> <p>The Committee reviewed and challenged the appropriateness, quantum, adequacy and completeness of the provision, taking into account government guidance in this area, experience gained since 2019 and potential exposure over the population of legacy developments.</p> <p>Outcome: The Committee was satisfied that the provision and related disclosures were appropriate. Due to the size and nature of the individual items within the charge, the Committee agreed with management's opinion to continue to treat the combustible materials charge, and associated recoveries, as an exceptional item.</p>
<p>Completed sites costs</p> <p>During 2024, the Group became aware of certain build defects on four sites that were completed prior to 2019 when the Group closed its Regeneration and London divisions. The Group subsequently completed a thorough review of all completed sites assisted by third-party consultants and recognised a one-off completed sites costs related charge. Of this, some amounts related to developments no longer part of the core strategy, which were considered exceptional. We continue to treat material movements related to sites that are not part of the core strategy as exceptional.</p> <p>Completed sites costs include accruals for costs to complete outstanding site infrastructure and amenities, and completed site provisions for costs to complete remedial works on buildings where faults have been identified and the Group is responsible for remediation. At 31 October 2025, the Group held completed site accruals of £20.2m and completed site provisions of £14.4m.</p> <p>Value £34.6m for completed site accruals and provisions combined</p>	<p>The Group considered the appropriateness of the presentation between pre-exceptional and exceptional items of the prior year completed sites charge to the income statement and the classification of the closing completed sites accrual on the statement of financial position.</p> <p>Completed sites costs require a number of estimates and assumptions in their calculation. The Group has estimated the costs to complete outstanding site infrastructure and amenities within developments and the cost of remediation required where faults have been identified. The Group has internal controls that are designed to ensure an effective assessment is made of the estimated costs to finalise completed developments.</p> <p>The Committee reviewed the presentation of the income statement charge between pre-exceptional and exceptional, and the classification of liabilities between accruals and provisions.</p> <p>Outcome: The Committee was satisfied that the income statement and statement of financial position disclosures were appropriate.</p>
<p>Going concern</p> <p>As part of the process for the preparation of the financial statements, management modelled a set of scenarios for the Committee and the Board to consider in order to be able to make a statement of going concern.</p> <p>The base case and Severe But Plausible (SBP) downside case, including aggregates of multiple factors, were modelled. The base case scenario considered the period through to 30 April 2027, the going concern period, reflecting the Group's current financial position and the prevailing economic landscape, taking into account that the Group has already secured a proportion of sales for 2026 by way of its forward order book.</p> <p>The SBP downside conditions incorporate potential macroeconomic challenges experienced by the UK, industry-wide dynamics, and Group-specific risks. The assessment also evaluated the anticipated effectiveness of proposed mitigating actions that are within the Group's control.</p>	<p>The Committee considered the detailed modelling prepared by management of the base case and the SBP downside case, challenging them on the risk factors being applied. The Committee also considered the detailed risk mitigation options and considerations.</p> <p>Outcome: The Committee considered the going concern statement in light of the detailed review of the base case and SBP downside case. After detailed consideration, the Committee satisfied itself that the going concern basis of preparation continued to be appropriate and made recommendations to the Board in this regard acknowledging the disclosure of a material uncertainty around going concern was required.</p>

Audit and Risk Committee report continued

External audit

The Committee considered a number of areas in relation to the external audit, including the auditor's performance in discharging the full-year audit and the half-year review, their independence and objectivity, and their re-appointment and remuneration.

PwC has acted as external auditor to the Group since 2015 and was re-appointed as auditor from 2025 following a competitive tender process. Details of this were set out in the 2024 Annual Report. A new lead audit partner, Diane Walmsley, was appointed and shadowed the previous partner throughout the 2024 year end process as part of her onboarding. The Group complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 with respect to both the approach to the tender of the external audit and the provision of non-audit services during the year.

PwC provided the Committee with its strategy, scope and plan for undertaking the year end audit, alongside proposed Audit Quality Indicators (AQIs). AQIs are designed to assess the quality of the audit and have been developed by PwC alongside management to assist the Committee in measuring both management's and PwC's performance. Lessons learned from 2024 AQI outcomes were incorporated into the 2025 audit plan.

The plan described the proposed approach to the audit and materiality levels, and identified the key areas of audit risk. The Committee reviewed and challenged the basis for the audit plan before agreeing the proposed approach and scope of the external audit.

Scheduled meetings allowed time for the Committee and the external auditor to meet without management being present and the Committee's Chair had regular contact with the external audit partner outside of meetings. PwC met with the Chief Financial Officer and the Group Finance team at regular intervals during the audit process.

Independence and non-audit services

The Committee assessed PwC's independence from the Group during the year. It reviewed reports from PwC on its internal quality controls and assurances confirming that all partners and employees involved with the audit were independent of any links to the Group.

The Committee carried out its annual review of the Group policy for the provision of non-audit services and concluded that it had been implemented consistently. The policy is aligned with the regulatory framework for statutory audit. It sets out the types of non-audit service for which the use of the external auditor is prohibited (including accounting and valuation services) and provides a list of activities that are permitted non-audit services that require the approval of the Committee prior to any service being provided.

Non-audit services approved by the Committee and carried out by PwC during the year consisted of the review of the half-year results, which the Committee considers supports PwC's work on the statutory full-year audit.

Total fees payable for these non-audit services were £140,000 (2024: £130,000). The ratio of fees for non-audit services to those for audit services for the year was 12% (2024: 8%), within the 70% cap in the FRC's guidance.

External audit 2024 assessment process

- PwC presented findings from the annual FRC review on Audit Quality Inspections of audits carried out by PwC.
- The Committee discussed and agreed at the planning stage the draft list of specific risks to audit effectiveness and quality and proposed Audit Quality Indicators (AQIs).
- The Committee assessed audit planning work in respect of specific audit quality risks and ensured that matters of key interest were addressed in the audit plan.
- PwC reported against audit scope, and subsequent meetings provided the Committee with an opportunity to monitor progress and raise questions.
- The Committee discussed both internally and with PwC the extent to which PwC demonstrated professional scepticism and challenged management's assumptions through the audit process.
- Private discussions took place regularly between the Committee and representatives from PwC to encourage open and transparent feedback by both parties.
- The Committee assessed final audit work and reporting along with the overall conclusion reached regarding significant audit risks.
- Regular meetings were held between the Chair of the Committee, the Chief Financial Officer and the audit engagement partner.
- All Committee members, key members of management, and those who regularly provide input into the Committee or have regular feedback with the external auditor were asked for feedback on PwC's performance.
- Feedback was discussed, along with the conclusion and transparency of reporting, and performance against agreed AQIs. An overall conclusion on audit effectiveness and quality was reached and opportunities for improvement were brought to the attention of PwC.
- The Committee, having considered all relevant matters, concluded that it was satisfied that auditor independence, objectivity and effectiveness has been maintained.

Both the Group and PwC operated robust processes to prevent auditor independence being compromised when carrying out any non-audit work. The Committee considered the nature and level of non-audit services provided by the external auditor and was satisfied that the objectivity and independence of the external auditor was not compromised by the non-audit work undertaken during the year.

PwC also provides audit services to the Group's defined benefit pension scheme. The associated fees are met by the scheme, and this is therefore not a non-audit service provided to the Group. See note 5 to the consolidated financial statements.

Effectiveness and quality of external audit

An annual review of external audit effectiveness is undertaken at the conclusion of each year end audit, as described above.

The review of the 2024 audit concluded that the audit process and the audit team continued to perform well. Their key strengths included a good understanding of the business, timely communication and clear demonstration of professional scepticism and challenge.

Audit and Risk Committee report continued

Risk management and internal control

The Committee, on behalf of the Board, is responsible for ensuring that effective risk management and internal controls are in place across the Group. The risk management and internal control frameworks are designed to identify, assess, manage and monitor the risks that could impact the achievement of the Group's strategic objectives. Management is accountable for designing and implementing the frameworks and for ensuring they are embedded throughout the organisation.

Effectiveness of risk management and internal controls

In the year, the Committee continued to support the Board with the assessment and monitoring of risk management and internal controls. This included assessing the principal and emerging risks facing the Group, (as set out on pages 39-44, monitoring the effectiveness of mitigations in place for those risks, and ensuring overall that risks remained within the appetite set by the Board. Where outside of the risk appetite, the Committee continued to challenge the business to develop additional mitigations and enhance controls to further reduce risk.

To enable the Committee to discharge this responsibility, risk management and internal control reporting was presented to all meetings covering financial, operational and compliance risks and controls, with specific reporting in the year covering:

- updates to the risk management and internal control frameworks
- half- and full-year reporting indicating movements to the principal risk profile

- principal risks benchmarked against sector peers
- tracking and updating of emerging risks
- updates on key risk actions and mitigation plans
- additional risk and assurance reporting on specific principal risk areas, including cyber security and sustainability
- Internal Audit assessments of design and operating effectiveness of controls for principal risks and divisional key controls
- updates on Cost Value Recognition (CVR) control improvements and subsequent audits of the CVR controls.

Where appropriate, employees responsible for functional areas associated with principal risks were asked to present updates to the Committee. The Committee considered the outputs of the Chief Financial Officer's review of the internal control framework, including the review of self-assessment attestations completed for the year end.

Previously identified controls that were not working effectively in two divisions related to the management and forecasting of build costs and margins. A new ERP system was rolled out at the end of 2023 to strengthen key controls, and further controls and cultural improvements have been implemented across the business. Cost movements do still occur, with the prior year adjustment being identified due to improvements in the CVR process. Cost movements in another division in relation to one specific activity were not appropriately recognised and this was identified and corrected as part of the year end process. Further enhancements to the control environment are planned for the year ahead.

Provision 29 Corporate Governance reform readiness

A change to the 2024 UK Corporate Governance Code is to provision 29, that will require boards to monitor and review all material controls, and to make a declaration on their effectiveness in the annual report; or to disclose plans to address material deficiencies in control should they exist at the balance sheet date. The Committee has been updated on progress to ensure readiness as set out below. Additional disclosures will be included from the financial year commencing 1 November 2026.

Key steps completed

- Operating framework: established and updated to define entity level controls, governance, key processes, and mandated policies across all areas and functions; with links to overall strategy and Group values.
- Divisional controls framework: minimum control requirements set and validated for all divisions to ensure consistency.
- Functional key control frameworks: risk and control matrices developed for key functions.
- Key control attestations: completed for 2025 with control owners confirming effectiveness or improvement areas.
- Third-line assurance: Internal Audit testing of divisional and functional key control effectiveness.

Focus for 2026

- Rationalise the internal control framework to material and key controls.
- Refine and improve quality of control evidence.
- Complete a review of risk management framework maturity.
- Develop and embed second-line assurance activities for key controls.
- Enhance management information and ongoing reporting on control effectiveness.

As a result, the effectiveness of the risk management and internal control systems overall and of material controls that mitigate principal risks has also been assessed and the Committee is satisfied with their effectiveness, confirming they would provide reasonable, if not absolute, assurance against material misstatement or loss.

While satisfied overall with the effectiveness of risk management and internal controls, the maturity of both continues to be a focus area for the Committee, particularly linked to preparations for the updated provision 29 requirements.

Cyber security

The Committee received regular updates on cyber security risk management. The Group is Cyber Essentials Plus certified, which includes independent testing. The Committee was satisfied that the Group's cyber security framework was operating at a level appropriate for its industry, size and potential security threats.

Audit and Risk Committee report continued

Internal Audit

The Group Head of Internal Audit and Risk reports directly to the Committee Chair, providing independent and objective assurance over the risk management and internal control frameworks. Internal Audit's mandate is Group-wide, with activities determined by the Internal Audit plan, approved annually by the Committee. In approving the plan, the Committee ensures it is aligned to the strategic priorities of the business and is developed to address Group and divisional key risk areas.

2025 Internal Audit plan

The primary focus of the 2025 plan was to provide assurance over the key financial, operational and compliance divisional controls of the operating framework. To provide assurance over principal risks, audits also assessed key fire remediation processes and controls, land bank viability, sales processes and the management of completed sites. Cyber security and IT third-party risks were addressed by external assurance providers, supporting the delivery of the audit plan.

The audit plan assessed progress to address previous internal and external audit internal control recommendations, with a specific focus on enhanced commercial site cost and forecast review processes and controls.

All audits assessed the design, operating effectiveness and efficiency of the control environment, providing assurance to management and the Committee that controls remain fit for purpose and are being applied consistently across the business. Progress

against the plan was monitored at every Committee meeting, with higher risk audit reports discussed. Where processes and controls could be enhanced, improvement actions were agreed with management. Management was responsible for addressing all actions raised by Internal Audit, and the status of action implementation was reviewed by the Committee at all meetings.

In the year, the Committee confirmed actions were implemented to address all higher risk audit findings. The audit plan was adapted as required throughout the year to ensure it remained appropriately risk based, with updates informed by areas with higher risk findings, any emerging risks and the status of improvement actions. All updates to the plan were approved by the Committee and it confirmed that Internal Audit had sufficient budget and resources to deliver the appropriate audit plan.

Changes to the Internal Audit team

The previous Group Head of Internal Audit and Risk left the business in June 2025, with their successor, Russell Garden, starting in September 2025. During the intervening period, the audit plan was re-prioritised, ensuring it remained risk based with sufficient coverage. To maintain assurance reporting, additional second line assurance was requested to report to the Committee, particularly on the effectiveness of key commercial controls.

Since joining, in addition to delivering the remainder of the 2025 audit plan, the new Group Head of Internal Audit and Risk has prioritised a review of the effectiveness of risk management and readiness for provision 29, with actions developed to progress both areas in 2026.



Internal Audit effectiveness and independence

The Committee reviewed Internal Audit effectiveness, considering quality, independence, objectivity and expertise and confirmed that the Internal Audit function was effective and appropriate for the business. An Internal Audit methodology is in place which aligns with the updated Global Internal Audit Standards and Internal Audit Code of Practice. This provides a quality benchmark for the performance of Internal Audit work. An internal gap analysis against the IIA Global Standards and Code of Practice confirmed only minor areas to be developed that have been incorporated into the Internal Audit quality assurance improvement programme, on which updates are regularly reported to the Committee.

Independence of the function is ensured through reporting lines to the Chair of the Committee, ensuring the Head of Internal Audit and Risk could report any impairment to objectivity or independence. Private meetings are held with the Committee and separately with the Chair without management present and Internal Audit liaises directly with the external auditors throughout the year.

Audit and Risk Committee report continued



Policies and behaviours

The Board and Committee are committed to the highest standards of ethical behaviour, honesty and integrity in the Group's business practices.

Employees and supply chain partners are made aware of the Group's strategy and how their behaviours impact delivery.

The Group operates and maintains policies and procedures which set out required actions in more detail. These policies and procedures are supported by regular mandatory online training. The Committee oversees the implementation of these policies, reviews any incidents arising and receives regular reports on training progress.

Supply chain partners are required to sign up to the Group's Supply Chain Code of Conduct and to abide by relevant policies.

Information security training

The Group upgraded its information security training programme during the year. All employees must complete monthly mandatory online training related to various aspects of information security, including phishing and other social engineering risks. Phishing tests are carried out at regular intervals. The Committee received reports on training compliance rates and phishing testing at each meeting.

Anti-fraud and anti-bribery

The Group has an anti-bribery and corruption policy and an anti-fraud policy which all employees must follow. The anti-fraud policy was updated during the year to include elements related to the new 'failure to prevent fraud' offence under the Economic Crime and Corporate Transparency Act 2023. The fraud risk register was updated and further mitigations planned. Group-wide fraud prevention measures were prepared, including updated training, clear communication from senior management and refreshed related policies and procedures.

Employees are required to comply with the Group's gifts and entertainment policy and must declare any actual or potential conflicts of interest, which are reviewed by the Group Company Secretary.

The Group has in place robust anti-money laundering policies, processes and oversight, supported by anti-money laundering guidance.

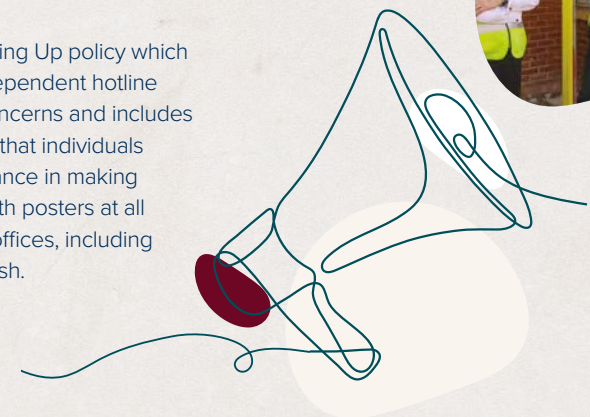
Mandatory training is provided on these policies and procedures to all employees.

Speaking Up

The Group operates a Speaking Up policy which provides details of a free independent hotline that can be used to report concerns and includes confidential support services that individuals could use if they need assistance in making a report. This is advertised with posters at all sites in shared areas and all offices, including in languages other than English.

The Speaking Up policy is written in accessible language to support employees, supply chain and subcontractors. The policy details the appropriate lines of communication, and an escalation procedure enables any reports to be dealt with effectively and efficiently. Employees and supply chain partners are encouraged to report any concerns of malpractice in an open and honest way.

The Committee is responsible for reviewing the Group's speaking up arrangements with regard to reporting actual or suspected wrongdoing, including breaches of law, regulations and Group policies. The Committee received updates on these matters at each of its meetings and concluded that the arrangements remain effective.



Directors' remuneration report



Committee members

Octavia Morley, Committee Chair

David Arnold




Iain Ferguson CBE

Gillian Kent (from 1 November 2025)

Louise Hardy

Maggie Semple OBE

Further information

-  Details of Committee attendance can be found on page 61
-  Information on the skills and experience of Committee members can be found on page 59-60.
-  The Terms of Reference for the Committee can be found at corporate.crestnicholson.com/governance

Year in review

I am pleased to present this year's Directors' remuneration report (Report) which sets out how the Committee considered the performance of the Group in determining remuneration outcomes for 2025, the Directors' remuneration policy being proposed for shareholder approval at our AGM on 25 March 2026 (2026 Policy) and its operation for the first year of the policy period.

At our March 2025 Capital Markets Day, we introduced our new strategy to deliver growth in our performance to 2029 and beyond and a shift to the mid-premium market. We set out our 2029 mid-premium targets to increase sales volumes, improve growth margin, reduce overheads and increase our return on capital employed (ROCE).

As the current Policy has reached the end of its three-year cycle, the Committee considered the 2026 Policy carefully, taking into account the new strategy, corporate governance

developments, institutional investor views and market practice. The review concluded that, to support the business strategy and incentivise our new management team for the next policy cycle, Long-Term Incentive Plan (LTIP) awards should be replaced with Restricted Share Awards. More information about this and the rationale for the approach can be found on pages 83-84.

We consulted with our larger institutional shareholders holding the equivalent of 70% of our share capital and the corporate governance advisory bodies. Where those that responded had questions, I met with them and we followed up with written responses. As a result of investor feedback, we have strengthened the performance underpin. I would like to thank the shareholders with whom we have consulted, for their time and support.

My letter continues on the following pages.

Attendees

Attendees at each meeting comprised the Committee Chair and members, who are all independent Non-Executive Directors and the Group's Chairman, who was independent on appointment, and by invitation the Chief Executive Officer, Chief Financial Officer and the Committee's independent advisor, Korn Ferry.

On the agenda in 2025

2026 Policy review

The Committee reviewed and consulted with shareholders and employees on the 2026 Directors' remuneration policy which is being proposed for shareholder approval at the 2026 AGM.

Remuneration outcomes and operation of the 2026 Policy

The 2025 bonus scheme outcomes and final vesting of 2023 LTIP awards were considered, and the salary levels for the Executive Directors and Chairman were reviewed.

On the agenda for 2026

Succession of Remuneration Committee Chair

Ensure a smooth handover from Octavia Morley to Gillian Kent.

Remuneration

Finalise the annual bonus structure for 2026 as well as the population and grant levels below Board level and, if approved at the 2026 AGM, grant the Restricted Share Awards.

Stakeholder engagement

Ongoing consideration of employee pay and engagement with employees and shareholders, via letter and employee forums.

Directors' remuneration report continued

2025 Remuneration outcomes

In determining whether the outcomes for 2025 were appropriate and that the Policy had operated as intended, the Committee considered overall performance and the incentives payable across the Group, the relativities in pay between employees and the Executive Directors, noting the impact of roles and seniority on pay, and the wider stakeholder experience.

Annual bonus

The 2025 bonus targets were 30% on adjusted profit before tax (APBT), 30% on net debt, and 40% on a range of non-financial measures focusing on customer service, build quality and employee engagement.

The Group's performance was impacted this year by challenging market conditions, with softening consumer confidence and weak demand for affordable homes.

APBT performance was £26.5m which was below threshold.

Net debt performance was £38.2m which equated to 25.2% achievement.

On customer service, the Group achieved an HBF rating of 4.20 which was the stretch target equating to 20% of the overall bonus.

Build quality was 0.26 reportable items for the NHBC and 4.46 for Premier Guarantee score. Overall the two scores equated to an achievement of 8.63%.

Our employee engagement score, which measures employee sentiment, increased by 6% during the year, which equated to an achievement of 10%.

Based on the performance against targets, the Group's performance resulted in an overall formulaic outcome of 63.83% of maximum against all measures. However, to enable the payment of the other performance measures, the Group's APBT must achieve a threshold level set by the Committee. As this threshold was not met, no bonus is payable.

2026 Policy review

The Committee undertook a detailed policy review during 2025. The 2026 Policy was developed by the Committee taking into account:

- clear alignment with financial and operational performance as well as the Group's strategy
- institutional investor views and the broader corporate governance environment
- market practice, particularly the move to more bespoke incentive arrangements
- the remuneration arrangements, policies and practices for the workforce throughout the Group
- promotion of high levels of Executive Director share ownership to align to the long-term interests of shareholders
- the importance of attracting, retaining and incentivising high-calibre executives.

We have a new Chief Executive Officer and an expanded Executive Committee, and the Board set out ambitious targets to drive both short-term recovery and long-term growth at the Capital Markets Day in March 2025. The Committee evaluated the remuneration policy and in particular, assessed the effectiveness of our LTIP in supporting the business strategy and incentivising management.

As a result, under the new policy, we propose replacing the conventional LTIP structure with Restricted Share Awards. These long-term share awards, subject to service and the Committee being satisfied that overall performance is in-line with the progress towards the 2029 mid-premium targets (the 'performance underpin'), allow management to focus on delivering the strategy within their control rather than meeting precise LTIP targets over a three-year period. This approach prioritises achieving strategic goals as soon as possible while navigating uncertainty in the UK housing market recovery.

The Committee initially communicated details of the proposed 2026 Policy to major shareholders during the summer, and employee consultation exercises were incorporated as part of our employee voice meetings in the autumn.

Most of the feedback from stakeholders related to the structure of the financial element of the performance underpin conditions for the Restricted Share Awards, and particularly the link to our 2029 mid-premium targets.

As a result of this feedback, the Committee reflected on the assessment they would undertake as regards the performance underpin and included in the 2026 Policy an annual progress review, the incorporation of a balanced scorecard approach and a stronger link between the financial health measures and progress towards our 2029 mid-premium targets.

The Committee reviewed the market positioning of the long-term incentive element and overall remuneration package against our comparator set and we are comfortable that, under the 2026

Policy, both are in line with the sector, and we are mindful of the significant recovery that the Board expects this team to deliver.

The Committee believes that Restricted Shares will be a more suitable incentive vehicle for this policy cycle because they:

- will only be eligible to vest subject to satisfactory achievement of the performance underpin
- ensure strong alignment of interest with investors through delivery of shares from the outset. As the Executive Directors are relatively new, their shareholdings are relatively low and in-flight incentives are unlikely to deliver any meaningful value, so there is little financial lock-in and alignment. Shareholding guideline requirements have been increased, to strengthen alignment further
- fit with our Group culture and practice below Board, where we have used Restricted Shares as part or all of the long-term incentive for the past two years. We would like to have consistency throughout the senior management levels and believe that Restricted Share Awards will enhance our ability to attract and retain talent during a recovery period
- are simple and transparent. This is important for management while we refocus the business. In addition, shareholders have a clearer view of remuneration quantum, which will be significantly lower on a maximum remuneration basis.

Directors' remuneration report continued

Once progress towards the 2029 mid-premium targets is firmly established, shareholder value has been restored, and management has a baseline of shareholdings, the Committee will consider the reintroduction of an LTIP with conventional three-year performance targets. Therefore, it is anticipated that the use of Restricted Share Awards will be for a maximum of one policy cycle only. The Committee will continue to monitor the effectiveness of the Policy and, if circumstances warrant, may consider whether an early revision to the Policy is appropriate.

The award level for Restricted Shares will be 100% of salary, which is half of the maximum opportunity under the existing shareholder-approved policy for LTIPs. This approach is consistent with the Investment Association's guidance and wider investors' expectations. As a result, target-level remuneration will be slightly higher than the application of the current policy, but the resultant maximum remuneration will be significantly lower. We will monitor the share price at the time of grant to ensure that the number of shares awarded at this grant level remains appropriate.

The Restricted Shares will be subject to a three-year vesting period and a performance underpin. Details of the performance underpin can be found on page 88. If, in the Committee's view, there has been insufficient progress against each of the performance underpin measures with an improving overall trajectory towards our external targets, the award may be scaled back on vesting, potentially to zero. There will also be detailed disclosure each time an award vests on the Committee's assessment of the financial underpin. Once vested, Restricted Shares would also be subject to a two-year holding period.

The other changes proposed to the policy are:

- an increase to the minimum in-employment shareholding requirement to 250% of salary from 200% of salary
- an increase to the notice period for new Executive Directors to twelve months. Current Executive Directors will remain at nine months.

2026 remuneration

The Committee reviewed remuneration for 2026, taking into consideration the new strategy and how remuneration could be aligned with the achievement of the key targets outlined.

Salary

An average salary increase of 3% was applied in January 2026 for employees including the Executive Directors.

Restricted shares

Awards to Executive Directors at 100% of salary will be made in March 2026, subject to approval of the 2026 Policy by shareholders at the 2026 AGM.

Annual bonus

For 2026, the annual bonus opportunity for Martyn Clark and Bill Floydd remains unchanged at 150% of base salary.

Performance measures will be based on 60% financial measures (30% adjusted profit before tax (APBT) and 30% on net (debt)/cash and 40% on non-financial measures (20% customer service, 10% build quality and 10% on ESG metrics).

Fair pay

Employee remuneration continued to be an area of focus for the Committee during the year. The policy in relation to the broader workforce remuneration was reviewed in the year alongside the 2026 Policy review and there continued to be good alignment with the remuneration approach for Executive Directors, with consistent salary increase and bonus payments. The introduction of Restricted Share Awards to the 2026 Policy will further strengthen this alignment.

We ensure our employees' remuneration packages are attractive, aligned to our strategy and positioned to enable us to retain our workforce and attract new talent.

Conclusion

I would like to thank our shareholders for their ongoing support on our approach to remuneration.

The Committee believes the 2026 Policy will enable it to effectively retain and motivate its executive team, ensuring recovery of business performance and the delivery of our long-term strategy and 2029 mid-premium targets.

We hope that you will support the 2026 Policy and the Directors' remuneration report at the 2026 AGM.

Octavia Morley

Remuneration Committee Chair

28 January 2026

Delivering sustainable returns – our 2029 mid-premium targets

Units	Gross margin	Return on capital employed	Overheads
2,300+	20%+	13%+	c.7%

Directors' remuneration report continued

Remuneration at a glance



2025 annual bonus performance snapshot

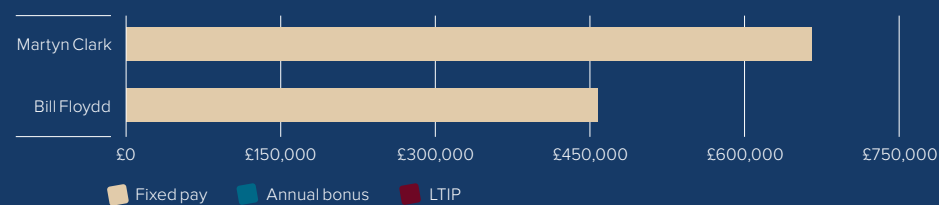
Bonus payout

0%

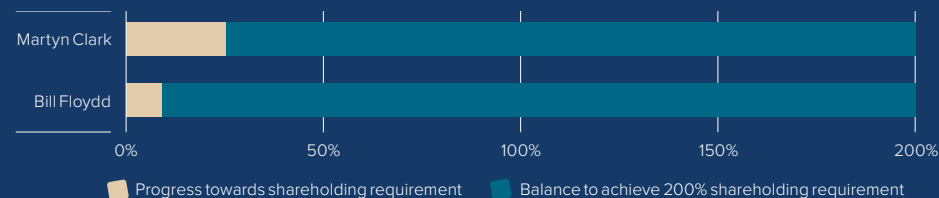
Performance measure	Outturn	% achieved
APBT ¹	£26.5m	0%
Net (debt)/cash	£(38.2)m	25.2%
Customer service ²	4.20%	20%
Build quality ³	0.26/4.46	8.63
Increase in employee engagement score	6%	10%

¹ As shown on page 167² HBF satisfaction score as at 31 October 2025³ Average NHBC reportable items and Premier Guarantee Quality Score

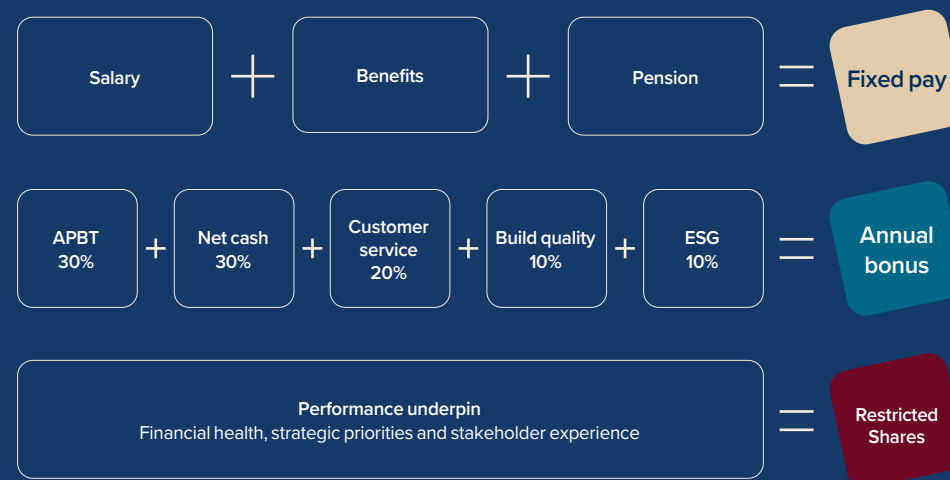
Executive Directors' total remuneration for 2025 (excluding buy-out)



Executive Directors' shareholding 2025



Remuneration framework for 2026



Directors' remuneration report continued

Directors' remuneration policy

2026 Directors' remuneration policy

The Directors' remuneration policy sets the overall framework for the remuneration of the Directors of the Group and is designed to attract, retain and incentivise our Executive Directors in such a way as to promote the long-term success of Crest Nicholson and be aligned with our shareholders' and other stakeholders' interests. Simplicity and transparency are key.

Subject to shareholder approval, the 2026 Policy which follows, will apply from 25 March 2026 for a period of three years, unless changes are required earlier. All remuneration payments and payments for loss of office must be consistent with the terms of the Policy in place at that time.

If the Group wishes to make a payment which is not consistent with the Policy, it must seek shareholder approval for that payment before the payment can be made.



Decision-making process for the determination, review and implementation of the 2026 Policy

The Committee periodically reviews the policy and its implementation to ensure it continues to effectively incentivise and reward the Executive Directors to achieve our strategy. The views of our shareholders and corporate governance advisory bodies are taken into account in determining the policy and implementation each year, as well as the UK Corporate Governance Code, market practice, and the general pay levels and policies across the Group. The Committee also considers the views of management and its independent remuneration consultants, but no individual is involved in discussions about their own remuneration.

The operation of the policy is considered each year in light of strategic priorities. Annual bonus metrics and targets are also reviewed against internal and external reference points to ensure they remain appropriate.

The changes to the policy for approval in 2026 are set out below:

	Proposed Change	Rationale
Long Term Incentive Plan (LTIP)	<p>Replace LTIP with Restricted Shares with a performance underpin.</p> <p>Maximum award limit reduced to 100% of salary from 200%.</p>	<p>Restricted Shares will ensure that management can focus on the long-term delivery of the new strategy, rather than achieving precise targets for selected measures over a three-year performance period under an LTIP. The Restricted Shares will be subject to a three-year vesting period, and a performance underpin for vesting. A two-year post-vesting holding period will apply.</p> <p>The award level for Restricted Shares will be 100% of salary, which is half of the maximum opportunity under the 2023 Policy.</p>
Shareholding requirement	Increase minimum in-employment shareholding requirement to 250% of salary from 200%.	To reinforce the alignment with shareholders' long-term interests, the in-employment shareholding requirement will be increased to 250% of salary.
Directors' service contracts	Replace current maximum of a nine month notice period with a new maximum of a twelve month notice period, applicable to new recruits only.	Twelve months' notice is more market standard and this will ensure there is full market competitiveness in this regard for future appointments.

Directors' remuneration report continued

Directors' remuneration policy continued

Remuneration Policy table

Element and link to strategy	Operation (including maximum opportunity)
Base salary for Executive Directors Recognises individual experience, responsibility and performance. Provides an appropriate level of fixed pay without over-reliance on variable pay. Essential to recruit, incentivise and retain the best people in the market to execute the Group's strategy.	Salaries are normally reviewed annually, or when there is a change in position or responsibility. The exact positioning of salary depends on a variety of factors, including: <ul style="list-style-type: none"> ■ the specific nature of the role and responsibility ■ individual experience and performance ■ cost of living increases and inflation ■ Group performance ■ relativities to other Group employees ■ market practice among other UK housebuilders and other listed companies of similar size and complexity more widely. A new Director may be appointed at a salary less than the prevailing market rate but which may increase over a period to the desired positioning, subject to satisfactory performance. While the Committee is guided by increases applied to employees in general, it retains discretion to apply an above-employee increase to a Director's salary. This may occur, for example, should there be a change in: the scope of an individual's role, the complexity of the business or market, or the size or value of the business that the Committee believes justifies a further adjustment of salary.
Benefits Provides a competitive level of benefits and encourages the wellbeing and engagement of our people.	A range of benefits are provided, including but not limited to: <ul style="list-style-type: none"> ■ family private medical insurance ■ company car or car allowance ■ income protection ■ personal accident insurance ■ life assurance ■ annual health check ■ holiday and sick pay. The cost of these benefits varies over time depending on their cost in the market and individual circumstances. Directors who are required to move for a business reason may, where appropriate, be provided with relocation assistance. Other benefits in line with those received by employees generally may also be offered at the discretion of the Committee, such as long service awards or recognition of life events. The Group may operate all-employee share incentive plans including Sharesave (SAYE), Share Incentive Plan (SIP) and other HMRC tax-approved all-employee schemes. Directors may participate in these on the same terms as other employees. As a general principle, benefits are not provided to Non-Executive Directors. However, there may be exceptional circumstances under which the Group provides a benefit, for example, private medical cover, either with or without their meeting the cost (at the Group's negotiated rate).
Pension Provides retirement planning and protection to employees and their family during their working life.	Executive Directors may participate in the Crest Nicholson defined contribution pension scheme or, where deemed appropriate, receive cash in lieu of all or some of such benefit. A contribution will be payable in line with the pension contribution available to the majority of the workforce, currently 6% of salary.
Annual bonus Incentivises and rewards individuals to execute the Group's strategy and achieve objectives linked to its strategic priorities. Deferred element encourages longer-term shareholding and links part of annual bonus payment to the further success of the Group and stakeholder and shareholder interests.	The maximum bonus opportunity is capped at 150% of salary for Executive Directors, with on-target performance receiving 50% of maximum and up to 25% of the maximum payable for threshold performance where practicable. <ul style="list-style-type: none"> ■ Two-thirds of the bonus is paid in cash. ■ One-third of the bonus is paid in shares (post tax, national insurance and other statutory deductions) and subject to a holding period of three years (Deferred Shares). Deferred Shares will receive the dividends paid by the Company from time to time. Performance framework At least half of the bonus will be linked to one or more financial metrics with the remainder linked to non-financial metrics, normally measured over a period of one financial year. Non-financial metrics will be based on relevant operational, business, ESG or personal objectives. The Committee may use its discretion to amend the bonus outcome if it believes that it does not properly reflect overall underlying business performance, an individual's contribution or some other factor.

Directors' remuneration report continued

Directors' remuneration policy continued

Element and link to strategy	Operation (including maximum opportunity)
<p>Restricted Share Awards</p> <p>Incentivises long-term shareholder value creation and supports the progress towards the 2029 mid-premium targets.</p> <p>Drives and rewards achievement of the new strategy.</p> <p>Provides an immediate meaningful shareholding, strengthening the alignment of interests between management and shareholders.</p>	<p>Restricted Share Awards will take the form of conditional share awards. Restricted Shares normally vest on the third anniversary of grant subject to the Committee's assessment of the 'performance underpin', and (other than in good leaver situations) provided the Director remains in office with the Group.</p> <p>Award levels will be at a maximum of 100% of salary.</p> <p>Amounts equivalent to any dividends or shareholder distributions made during the vesting period may be awarded in respect of vested or exercisable Restricted Shares, normally in the form of shares/cash.</p> <p>A two-year post-vesting holding period will apply to all vested Restricted Share Awards.</p> <p>Performance underpin</p> <p>The extent to which Restricted Shares may vest is subject to a performance underpin, which will be assessed over a three-year period (with progress reviewed annually by the Committee). This will be measured on a balanced scorecard approach against three specific areas, as follows:</p> <ul style="list-style-type: none"> ■ Financial health: Volume growth, operating margin, return on capital employed and balance sheet strength assessed by progress towards our 2029 mid-premium financial targets. ■ Strategic priorities: Delivery of key operational strategic objectives over the vesting period to strengthen the business. Our strategic priorities are: <ul style="list-style-type: none"> – build exceptional quality homes efficiently – deliver outstanding customer experience – underpinned by operational and commercial excellence – optimise value of the land portfolio. ■ Stakeholder experience: Consideration of our key stakeholders, including employees, customers, and shareholders, with a specific focus on the shareholder experience over the performance period and further progress against our net zero 2045 ambition to reduce waste and enhance biodiversity at our sites. <p>If, in the Committee's view, there has been insufficient progress against any of the three headings above with an improving overall trajectory towards our external targets, the award may be scaled back on vesting, potentially to zero.</p>
<p>Fees for Non-Executive Directors</p> <p>Remunerates appropriately based on individual experience, time commitment and responsibilities.</p>	<p>Non-Executive Directors' fees are paid in cash and/or shares and are not performance related.</p> <p>Fees are reviewed annually and set taking into consideration the time commitment and responsibilities of the role, the sector and wider market practice.</p> <p>Fees are determined and approved by the Board upon a recommendation from the Executive Directors. The Board Chairman's fee is set by the Committee. No Director is involved in setting his or her own fee.</p> <p>Additional fees may be payable in relation to extra responsibilities or time commitments undertaken, for example chairing a Board Committee and/or holding the position of Senior Independent Director or where there is a temporary increase in the time commitment required of Non-Executive Directors.</p> <p>Any reasonable expenses incurred in carrying out duties will be fully reimbursed by the Company including any personal taxation associated with such expenses.</p>
<p>Minimum shareholding requirement</p> <p>Encourages long-term commitment and alignment with shareholder interests.</p>	<p>In-service requirement</p> <p>Executive Directors are expected to build up and retain a significant shareholding equivalent to at least 250% of their base salary.</p> <p>Executive Directors are required to retain 50% of vested shares and awards after sale of shares for tax, national insurance or other statutory deductions until the requirement is met.</p> <p>Post-service requirement</p> <p>An Executive Director shall continue to hold shares equivalent to 200% of their base salary for a period of two years following termination of their employment. If an Executive Director holds less than 200% of their base salary at the date of cessation, they must continue to hold that lower level for the same period of two years.</p> <p>Shares purchased by an Executive Director from their own funds will not be required to be held.</p> <p>The Committee may, in exceptional circumstances, exercise its discretion to adjust the holding requirement.</p>

Directors' remuneration report continued

Directors' remuneration policy continued

Malus and clawback

Bonus (cash and Deferred Shares) and Restricted Share Awards are subject to malus and clawback at the Committee's discretion over the time periods detailed below and may apply in the following circumstances:

- | | |
|--|--|
| <ul style="list-style-type: none"> ■ serious misconduct ■ material misstatement of financial statements ■ material breach of health and safety or environmental regulations ■ error in calculation | <ul style="list-style-type: none"> ■ corporate failure ■ material failure of risk management ■ serious reputational damage arising from misconduct ■ events that are similar in nature or outcome to those above |
|--|--|

	Malus	Clawback
Bonus		Up to three years from the date of payment
Restricted Share Award	Until the award vests, or, in the case of an option, when it first becomes exercisable.	Up to three years from the date of payment

Repayments may be made through a reduction in future bonus or share awards on vesting, or by direct repayment.

Remuneration policy for other employees

The 2026 Policy described in the table on pages 87-88 applies specifically to the Group's Executive Directors and Non-Executive Directors. The Committee believes that it is appropriate that the reward of the Group's senior management be linked to Group performance and aligned with the growth of shareholder value. The same remuneration and benefits framework is operated across the Group:

Area	Policy and operations
Salary	The 2026 Policy applied to Executive Directors is applied in the same way to the wider workforce.
Benefits	The 2026 Policy applied to Executive Directors is applied in the same way to the wider workforce. Certain benefits apply at higher levels based on seniority, relate to specific roles or have shorter or no waiting periods.
Annual bonus	Annual bonus schemes operate throughout the Group at all levels of seniority. Performance targets and the amount which can be earned are based on seniority and the nature of the role and responsibilities.
Restricted Shares	Share-based long-term incentive arrangements also apply to senior management at a reduced opportunity level commensurate with the seniority and level of responsibility of participants.
SAYE and SIP	All eligible employees are invited to participate in the Crest Nicholson Sharesave scheme, Crest Nicholson Share Incentive Plan or any other all-employee scheme operated by the Company.

When making remuneration decisions for Executive Directors, the Committee considers the wider economic environment and conditions within the Group. In particular, the Committee is sensitive to pay and employment conditions across the wider workforce and carefully considers the employee salary increase budget when making reward decisions for Directors. The Committee considers industry benchmarking in the context of monitoring its overall position on Director and employee pay.

Statement of consideration of employment conditions elsewhere in the Group

The Committee reviewed the remuneration framework applicable to all employees to ensure alignment with the 2026 Policy across the Group in terms of types of benefits and variable pay relative to role grades and disciplines. At the employee voice meetings led by Louise Hardy, Non-Executive Director responsible for employee engagement, during September 2025, the Chair of the Committee attended and engaged with employees on remuneration matters.

Directors' remuneration report continued

Directors' remuneration policy continued

Approach to recruitment remuneration

The table below sets out the components that would be considered for inclusion in the remuneration package of an Executive Director on appointment, and the approach the Committee will adopt in respect of each element.

Area	Policy and operation
Overall	<p>For an external appointment, the Committee will take account of an individual's remuneration package in their prior role, the market positioning of the package and their skills and experience. The Committee will not pay more than necessary to facilitate the recruitment of an individual.</p> <p>For an internal appointment, the Committee may initially position remuneration below market level and increase overall pay levels over a period of time to achieve alignment with market levels for the role, subject to Group and individual performance.</p>
Base salary	Salary level will be set taking into account the skills and experience of the individual, responsibilities of the role and salaries paid for similar roles in comparable organisations. The direct comparability or otherwise of those other roles will be a material factor.
Pension and benefits	Directors will be eligible to participate in Crest Nicholson's benefit plans and the Crest Nicholson defined contribution pension scheme or salary supplement scheme in accordance with the 2026 Policy.
Annual bonus	<p>Directors will be eligible to participate in the discretionary annual bonus scheme as set out in the 2026 Policy table, up to the policy maximum of 150% of salary.</p> <p>Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions to the current Executive Directors in the first performance year of appointment.</p>
Restricted Shares	<p>An Executive Director will be eligible to be awarded Restricted Shares as set out in the 2026 Policy table, up to the policy maximum of 100% of salary.</p> <p>A Restricted Share Award may be made shortly following an appointment.</p>
Replacement awards	<p>The Committee may grant an Executive Director replacement awards to compensate for forfeited remuneration (including bonus and long-term incentive awards) from previous employment.</p> <p>Should replacement awards be made, the awards granted would be no more generous in terms of quantum or vesting period than the awards due to be forfeited.</p> <p>In determining the quantum and structure of these commitments, the Committee will seek to replicate the fair value of the award and, as far as is practical, the timing and performance of the remuneration foregone.</p> <p>For an internal appointment, any variable pay element awarded in respect of their prior role may be permitted to pay out according to its terms.</p>
Other	The Committee may agree that the Group will meet certain relocation or other transitional expenses deemed appropriate.

Directors' remuneration report continued

Directors' remuneration policy continued

Service contracts and policy on payment for loss of office

For Executive Directors, twelve months' notice of termination is required from either party and this will be the approach for all new appointments. The notice period for current Executive Directors will remain at nine months. The table below sets out the Committee's policy on termination arrangements for Executive Directors. References to good or bad leavers below are examples of how the 2026 Policy could work and are not definitive.

Area	Policy and operation
Overall	<p>Because terminations do not always fit neatly into defined categories, when considering the suitable treatment of a termination, the Committee will have regard to all relevant facts and circumstances available at the time, including the reason, contractual obligations and incentive plan rules.</p> <p>The Committee is firmly set against rewarding failure. The Committee retains discretion for payments to be made in good faith in relation to very specific legal circumstances, such as the discharge of an existing legal obligation in respect of salary, benefits and other contractual entitlements, damages for breach of obligation and a settlement or compromise of any claim or potential claim arising with the termination of a person's office or employment. In any event, the Committee will only make such payments where it considers it to be in the best interests of the Group and its shareholders, with full disclosure of any such payments in the following year's Directors' remuneration report.</p>
Contractual payments	<p>Crest Nicholson may terminate service contracts immediately by making a payment in lieu of notice consisting of base salary, pension and any contractual benefits for the unexpired period of notice. This payment will normally be made as instalments over the period.</p> <p>If Crest Nicholson elects to make this payment by instalments, the Executive Director normally has a duty to seek alternative employment and, where practical, any remuneration received from a new role will be offset against the payment.</p>
Annual bonus	<p>In the event of termination for a reason other than resignation or gross misconduct for material performance or conduct concerns, a Director may be entitled, at the discretion of the Committee, to a bonus in respect of the year in which their employment terminates.</p> <p>Payment would normally be reduced on a pro rata basis to reflect the portion of the bonus year in active service, be paid at the usual time and be subject to an assessment of performance over the period.</p> <p>For any bonus payable in shares, these shares will normally continue to be subject to the holding period post cessation of employment.</p> <p>Good leavers are those leaving under predetermined circumstances such as retirement (proved to the satisfaction of the Board), redundancy, ill-health, death or disability (proved to the satisfaction of the Board), or those deemed by the Board in its absolute discretion to be good leavers given the circumstances surrounding termination. All other leavers would be bad leavers.</p>
Restricted Shares and legacy LTIP awards	<p>Individuals would be defined as good or bad leavers, with good leavers being those leaving under predetermined circumstances such as retirement (proved to the satisfaction of the Board), redundancy, ill-health, death or disability (proved to the satisfaction of the Board), or those deemed by the Board in its absolute discretion to be good leavers given the circumstances surrounding termination. All other leavers would be bad leavers.</p> <p>If an individual is categorised as a good leaver then, other than in exceptional circumstances, the award will vest on the normal vesting date, reflecting an assessment of the performance underpin and reduced pro rata to reflect the reduced service period. The post-vesting holding period would also continue to apply, other than in exceptional circumstances.</p> <p>Legacy LTIP awards will, other than in exceptional circumstances, vest on the normal vesting date, reflecting the extent to which performance targets have been met. The number of shares would normally reflect the reduced service period or performance period, pro rata, and any amounts equivalent to any dividends or shareholder distributions made during the vesting period. The post-vesting holding period would also apply, other than in exceptional circumstances.</p> <p>If an individual is determined to be a bad leaver, their unvested awards will lapse in full.</p>
Shareholding requirements	The Committee would enforce the post cessation of employment shareholding requirements, as described in the 2026 Policy.
Other	The Committee may provide for outplacement services where it considers that this is reasonable.

Legacy arrangements

For the avoidance of doubt, authority is given to the Committee to honour any commitments entered into with current or former Directors under a previous shareholder-approved remuneration policy that has been disclosed to shareholders in previous Directors' remuneration reports.

Directors' remuneration report continued

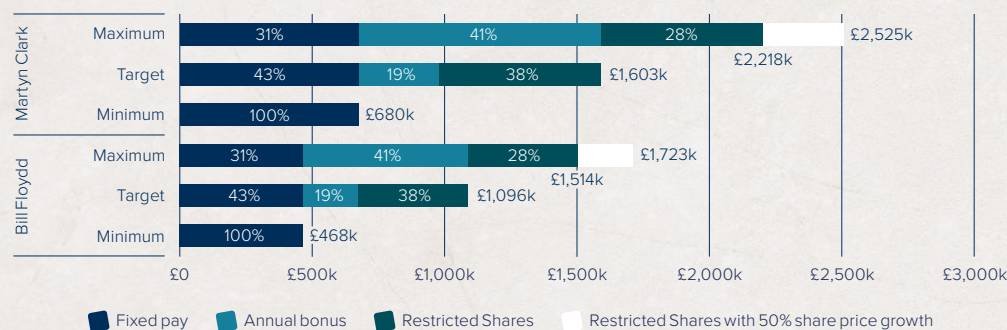
Directors' remuneration policy continued

Performance conditions and target setting

Performance metrics for incentives, weightings and targets are considered annually for the year ahead. The Committee considers the application of the prevailing policy in the prior year and whether, in light of the strategy, market practice or the remuneration policy for the wider workforce, changes are required for the year ahead. Targets for the annual bonus are reviewed and consideration is given as to whether these remain appropriate or need to be recalibrated. The specific performance targets seek to be stretching to incentivise and reward improved performance. Shareholders' views may be sought depending on the changes proposed.

Illustration of application of Policy in 2026

The composition and structure of the remuneration package for Executive Directors in three performance scenarios is set out in the chart below:



Key and assumptions

Minimum: fixed remuneration consisting of current annualised salary, pension (plan contribution or cash supplement) and benefits.

Target: fixed remuneration as detailed above, plus 50% of maximum as target bonus opportunity, and full vesting of the maximum Restricted Share Award representing 100% of salary.

Maximum: fixed remuneration together with the maximum annual bonus opportunity of 150% and vesting of 100% of the Restricted Share Award representing 100% of salary. The graph also shows what would happen should Crest Nicholson's share price increase by 50%, increasing the value of the Restricted Share awards.

Other than illustrating 50% share price growth, share price movement and dividend accrual are excluded.

How the Committee will use its discretion

Incentive plans will be operated in line with the rules of each plan, together with relevant laws and regulations. However, it is important that the Committee retains appropriate discretion (as is customary) over the administration and operation of incentive plans.

Discretion includes, but is not limited to, the following in relation to incentive schemes:

- changes or adjustments required in certain circumstances (e.g. change of control, rights issues, special corporate or dividend events, or change in business strategy)
- determination of vesting (or payment) and the treatment of leavers and vesting for leavers
- as permitted by HMRC and other regulations, in respect of SAYE, SIP or any other all-employee schemes.

In relation to incentive schemes, including annual bonus and LTIP, the Committee may adjust performance targets and/or measures where these have ceased to be appropriate. Such adjusted targets or measures will not be materially less difficult to satisfy. Any use of this discretion would, where relevant, be explained in future Directors' remuneration reports and may be subject to consultation with major shareholders where appropriate.

Statement of consideration of shareholder views

As part of developing the 2026 Policy, the Committee consulted with its major shareholders and noted that the majority of feedback was positive. The feedback received was taken into account in the formulation of the 2026 Policy. Further details of shareholder engagement in relation to the design of the 2026 Policy are set out earlier in the Chair's letter.

Directors' remuneration report continued

Implementation of the Policy in 2026

Executive Directors' base salary

Executive Director salary increases are aligned to the average increase for the wider workforce. In 2026, the increase for the wider workforce will be 3% of salary.

Director		2026 salary (annual)
Martyn Clark	Increase of 3% awarded from 1 January 2026	£618,000
Bill Floydd	Increase of 3% awarded from 1 January 2026	£420,240

Non-Executive Directors' fees

Non-Executive Director fees are reviewed on an annual basis. Fees will be increased by 3% from 1 January 2026.

Director	Role	Base fee	Role/ Chair fee	2026 fee (annual)
Iain Ferguson	Chairman	£222,917	N/A	£222,917
David Arnold	Audit and Risk Committee Chair	£57,423	£9,476	£66,899
Louise Hardy	Non-Executive Director responsible for employee engagement	£57,423	£5,572	£62,995
Gillian Kent ¹	Non-Executive Director	£57,423	N/A	£57,423
Octavia Morley ²	Senior Independent Director and Remuneration Committee Chair	£57,423	£18,952	£76,375
Maggie Semple	Non-Executive Director	£57,423	N/A	£57,423

1 These figures may change subject to Gillian Kent's election at the March 2026 AGM, and confirmation of her appointment as Senior Independent Director and Chair of the Remuneration Committee. Any updates will be disclosed in the 2026 Annual Report.

2 Pro rata fee up to the leave date will be disclosed in the 2026 Annual Report.

Pension

The Executive Directors receive 6% of salary, the same level of pension as the majority of the workforce. Executive Directors can elect whether to contribute some of the benefit directly into the Group's defined contribution pension plan and receive any balance (or all the benefit) as cash.

Restricted Share Awards

The Committee intends to award Restricted Shares to the value of 100% of base salary to Executive Directors if the 2026 Policy is approved by shareholders. Awards are subject to a three-year service period and a two-year post-vesting holding period.

The extent to which Restricted Shares may vest will be subject to a robust performance underpin, as described in the 2026 Policy table on page 88, which will be assessed over a three-year period (with progress reviewed annually by the Committee).

Annual bonus

For 2026, the annual bonus opportunity for Martyn Clark and Bill Floydd is 150% of salary. Targets are considered to be commercially sensitive and will be disclosed in the 2026 Directors' remuneration report. The Committee will review performance in the context of wider stakeholder experience over the performance period when determining bonus payments. One-third of any bonus earned will be paid in shares which are subject to a three-year holding period.

The Committee has reviewed and agreed the combination of measures and weighting in line with the Group's strategy and these are set out below. The Committee is satisfied that the annual bonus scheme framework is applied in a similar way to employees across the Group, tailored to roles and functions.

Performance measure	Measure detail	Links to strategy	Weighting (% of total bonus opportunity)
Financial			
APBT	Performance is measured between threshold and maximum	3 4	30
Net (debt)/cash	Performance is measured between threshold and maximum	3 4	30
Non-financial			
Customer service	HBf satisfaction score as at 31 October 2026	1 2	20
Build quality	Average NHBC reportable items and Premier Guarantee Quality Score	1 2 3	10
ESG	GHG emissions (tCO ₂ e) and waste intensity (t/Equivalent Units)	1 2 3 4	10

Links to strategic priorities

- 1 Building exceptional quality homes efficiently

3 Underpinned by operational and commercial excellence
- 2 Delivering outstanding customer experience

4 Optimising value of the land portfolio

Directors' remuneration report continued

Annual report on remuneration

The information in this Report is audited where indicated, and otherwise unaudited.

2025 Remuneration payable to Executive Directors (audited)

Director		Salary ¹ £000	Benefits ² £000	Bonus £000	LTIP £000	Retire- ment benefits ³ £000	Other ⁴ £000	Total pay £000	Total fixed pay £000	Total variable pay £000
Martyn Clark	2025	600	29	–	–	36	290	955	665	290
	2024 ⁵	250	12	–	–	15	325	602	277	325
Bill Floyd	2025	407	26	–	–	24	–	457	457	–
	2024	388	23	100	–	23	–	534	434	100

- Where salaries are adjusted for benefits which are provided via salary exchange, such salaries are quoted as the gross figure disregarding the effect of salary exchange.
- The figure shown includes the value of car benefit, private medical insurance, group income protection, personal accident, life assurance and an annual health check.
- Salary supplement of 6% (employee majority rate). No Director has a prospective interest in a defined benefit scheme.
- Payments related to the buy-out awards to Martyn Clark. Full details can be found on page 97.
- Martyn Clark was appointed to the Board as Chief Executive Officer on 3 June 2024. Remuneration is shown from this date.

2025 Non-Executive Directors' fees (audited)

Director	2025 £000	2024 £000
Iain Ferguson	216	212
David Arnold	65	64
Louise Hardy	61	60
Octavia Morley	74	73
Maggie Semple ¹	56	45

- Maggie Semple joined the Board on 1 January 2024. The fee for 2024 shown is pro rata for the period of service during the year.

Pay for performance 2025 (audited)

Annual bonus targets and outcomes

The 2025 annual bonus scheme followed a similar format to previous years, albeit with an increased weighting towards non-financial targets. The financial targets for 2025 were APBT and net debt (60%) as well as non-financial measures (40%) focusing on customer service, build quality and employee engagement. The maximum target for each element was set to stretch and challenge the Executive Directors with achievement calculated on a straight-line basis between threshold and target, and target and maximum/stretch. The maximum bonus potential was 150% of salary.

While appropriately stretching targets had been set based on forecasts relating to the financial and market outlook at the end of 2024, the APBT target was not met this year.

Therefore, the formulaic bonus outcome for 2025 was 63.83% of maximum. However, taking into account that the threshold level of APBT was not met to enable payment of the other metrics, the final bonus payout will be zero against the maximum bonus potential of 150%.



Directors' remuneration report continued

Annual report on remuneration continued

The results for each element of the annual bonus targets and actual performance outcome for each are set out below:

	Measure (weighting)	Description and link to strategy	Target			Performance	
			Threshold (25% of maximum)	On target (50% of maximum)	Stretch and maximum (100% of maximum)	Actual performance outcome	% of salary after APBT threshold applied
Financial targets	Adjusted profit before tax (30%)	Adjusted profit before tax as shown on page 167. 1	£30m	£34m	£38m	£26.5m	0
	Net (debt)/cash (30%)	Cash and cash equivalent plus non-current and current interest-bearing loans and borrowings as at 31 October 2025. 1 3	£(90)m	£(65)m	£(40)m	£(38.2)m	25.2
Non-financial targets	Customer service (20%)	The HBF satisfaction score as at 31 October 2025. 1 3 4	4.05	4.15	4.20	4.20	20
	Build quality (10%)	Average NHBC reportable items and Premier Guarantee Quality Score. Two measures are shown to reflect that two service providers are used. 1 2	0.35/4.1	0.30/4.2	0.25/4.3	0.26/4.46	8.63
	Employee engagement (10%)	Improvement of employee engagement performance score from two employee surveys. 3	1%	2%	5%	6%	10
Total bonus						63.83	0

Links to strategic priorities

- 1** Building exceptional quality homes efficiently
- 2** Delivering outstanding customer experience
- 3** Underpinned by operational and commercial excellence
- 4** Optimising value of the land portfolio

Directors' remuneration report continued

Annual report on remuneration continued

2025 bonus payments and deferral

One-third of the annual bonus would normally be delivered in shares (post tax, national insurance and other statutory deductions) and subject to a holding period of three years. The Deferred Shares are subject to withholding and recovery conditions and continue to be subject to the holding period after cessation of employment. However, no award was made in respect of 2025.

2023 LTIP

The current Executive Directors did not participate in the 2023 LTIP. Awards were granted to former Executive Directors. The LTIP award was subject 50% to Total Shareholder Return (TSR), 35% to ROCE and 15% to scope 1 and scope 2 carbon emissions performance measures.

Under the scope 1 and 2 carbon emissions reduction measure performance between threshold and maximum was achieved, while all other measures performance was below threshold. Overall, this would have resulted in 15% of maximum vesting. However, taking into account overall company performance and the stakeholder experience, the Committee exercised discretion to reduce the LTIP vesting level to zero. This award will lapse in full.

Scheme interests awarded during the financial year (audited)

2025 LTIP awards

Awards were granted to Executive Directors under the LTIP for the performance period 1 November 2024 to 31 October 2027.

Director	Award ¹	Date of grant	Number of shares	Face value of award ¹ £000	% of salary	% of award receivable at threshold
Martyn Clark	Performance-based nil-cost option	15 February 2025	524,903	900	150	25
Bill Floyd	Performance-based nil-cost option	15 February 2025	356,934	612	150	25

¹ Face value was calculated based on 171.46 pence, the average of the closing middle market share price for the five dealing days preceding the date of grant.

2025 LTIP performance conditions	Weighting	Threshold (25%)	Maximum (100%)
TSR in 2027	22.5%	Median	Upper quartile
ROCE in 2027	40%	9.5%	12%
Share price in 2027	22.5%	250p	300p
Reduction in scope 1 and scope 2 carbon emissions	15%	1.81tCO ₂ e	1.56tCO ₂ e

Malus and clawback applies to all LTIP awards should an event occur within three years of an award vesting or, in the case of an option, when it first becomes exercisable. Repayments may be made through a reduction in future bonus or share awards on vesting, or by direct repayment. Circumstances in which malus or clawback may be applied are set out in full in the 2026 Policy on page 89.

A two-year post-vesting holding period applies to all vested LTIP awards with those shares held by the Company until the end of the period.

Directors' remuneration report continued

Annual report on remuneration continued

Buy-out arrangements – Martyn Clark, Chief Executive Officer (audited)

The buy-out arrangements agreed as part of Martyn Clark's recruitment were set out in the 2024 Directors' remuneration report which can be found at corporate.crestnicholson.com/results. The majority of the awards were paid in the 2024 financial year.

The table below sets out the awards granted in 2024 that vested or were paid in 2025.

Buy-out award	Buy-out arrangement	Date of grant	Number of shares awarded by Crest Nicholson	Face value of share award ¹	Cash payment (including any dividend equivalent payment)	Amounts included in 2025 single figure table (actual)	End of performance period	Vesting date	Operation
Persimmon plc 2022 LTIP Award	Option over shares	17 June 2024	27,607	£47,291	£14,593	£61,884	31 December 2024	8 March 2025	The number of shares granted reflects the extent to which the applicable Persimmon plc performance conditions were achieved, which was 20% of maximum as reported in the 2024 Persimmon plc annual report on remuneration. Persimmon dividend equivalents were paid as cash on the date of grant. No service conditions apply to this award. A two-year holding period applies to these shares.
Persimmon plc 2023 Deferred Bonus Plan	Cash and shares	25 April 2025	17,048	£29,203	£32,143	£61,645	N/A	N/A	This buy-out award was payable 50% in cash and 50% in shares. Crest Nicholson shares equivalent to 2,348 Persimmon plc shares were granted on 25 April 2025 and were determined based on the average Persimmon and average Crest Nicholson share price over the 10 dealing days prior to 31 March 2025. Persimmon dividend equivalents were paid as cash on the date of grant.
Persimmon plc 2024 Bonus Scheme	Cash	N/A	–	–	£166,333	£166,333	N/A	N/A	The total bonus reflects the extent to which the applicable Persimmon plc performance conditions were achieved, which was 133.12% of salary, as reported in the 2024 Persimmon plc annual report on remuneration and was paid in cash.

1 The face value for the shares awarded is based on the Crest Nicholson Holdings plc share price at the time of grant (being 171.3 pence per share on 25 April 2025).

Directors' remuneration report continued

Annual report on remuneration continued

Directors' shareholdings at the end of the financial year (audited)

Director	Shares held, including connected persons, at 31 October 2025 ¹	Outstanding share awards ² at 31 October 2025 with performance conditions	Outstanding share awards ² at 31 October 2025 without performance conditions	Total share interests at 31 October 2025	Shareholding ³ as a percentage of salary and share price of pence at 165.5 31 October 2025
Iain Ferguson	150,000	N/A	N/A	150,000	N/A
Martyn Clark	28,509	1,248,440	108,391	1,385,340	25.1%
Bill Floydd	11,607	644,235	10,847	666,689	9.1%
David Arnold	15,250	N/A	N/A	15,250	N/A
Louise Hardy	–	N/A	N/A	–	N/A
Gillian Kent	–	N/A	N/A	–	N/A
Octavia Morley	5,600	N/A	N/A	5,600	N/A
Maggie Semple	–	N/A	N/A	–	N/A

1 Figure includes partnership and matching shares held in the Crest Nicholson Share Incentive Plan (SIP). Since the year-end and up to the date of this report, the following transactions have taken place under the SIP: Martyn Clark and Bill Floydd each purchased 310 shares and received 102 matching shares.

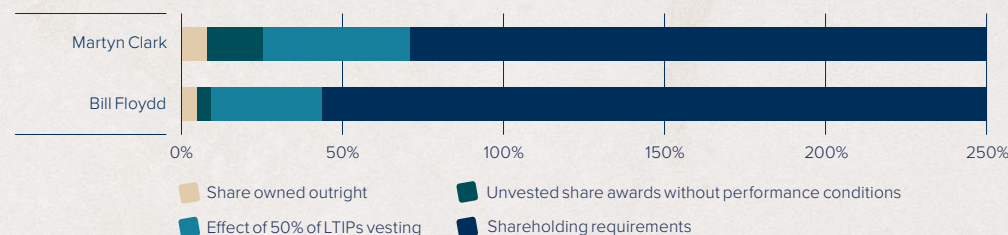
2 Share awards take the form of nil-cost options other than Sharesave awards which are fixed price options. There are no conditional or Restricted Share Awards. There were no vested but unexercised share awards at 31 October 2025.

3 Shareholding includes shares held by connected persons, outstanding share awards without performance conditions (e.g. buy-out Deferred Bonus Plan (DBP), net of notional tax and employee NIC, or Sharesave) and excludes outstanding share awards with performance conditions (e.g. LTIP).

Directors' shareholdings and share interests

Share ownership plays a key role in aligning Executive Directors' interests with the interests of shareholders over the long term. The 2026 Policy requires Executive Directors to build up and maintain a significant shareholding of 200% of salary or 250% from the approval of the 2026 Policy. On cessation of employment, they are required to continue to hold the lower of 200% of salary or their shareholding at the date of leaving for a period of two years. Under the Policy, shares owned outright and Deferred Shares (without performance conditions) count towards the shareholding requirement.

The chart below shows the Executive Directors' shareholdings and share interests. It includes unvested buy-out Deferred Bonus Plan (DBP) and Sharesave awards and the illustrative effect if 50% of outstanding LTIP awards vested in the future. LTIP shares are shown net of tax (i.e. excluding that proportion of those shares expected to be sold on vesting to settle the associated tax liability).



Executive Directors' alignment to share price

The table below contains the value of shares held by the Executive Directors, including those awarded under Sharesave. It illustrates the Executive Directors' alignment to share price movement through their ordinary shareholdings.

Director	Shares owned outright	Unvested DBP shares (post tax)	Unvested Sharesave shares	Total shares	Indicative value ¹ on 31 October 2025 (£)	Consequence of a +/- 50% share price change (£)
Martyn Clark	28,509	97,544	10,847	136,900	226,570	113,285
Bill Floydd	11,607	–	10,847	22,454	37,161	18,581

1 Value calculated using the share price of 165.5 pence as at 31 October 2025.



Directors' remuneration report continued

Annual report on remuneration continued

Executive Directors' scheme interests at the end of the financial year (audited)

The LTIP awards have performance criteria attached to them in accordance with the Policy. The Sharesave awards do not have any performance criteria attached to them.

	Outstanding share options/ awards at 31 October 2024	Date of grant	Granted	Exercised	Lapsed	Outstanding share options/ awards at 31 October 2025	Market price on award £	Exercise price £	Market price at exercise/ vesting £	Gain receivable £	Date exercisable or capable of vesting	Expiry date
Martyn Clark												
LTIP												
2024	498,628	17 June 2024	–	–	–	498,628	2.407	Nil	–	–	16 June 2027	17 June 2034
2025	–	15 February 2025	524,903	–	–	524,903	1.715	Nil	–	–	14 February 2028	15 February 2035
BUY-OUT												
2024	224,909	17 June 2024	–	–	–	224,909	2.407	Nil	–	–	2 May 2026	2 May 2029
2024	138,037	17 June 2024	–	27,607	110,430	0	2.407	Nil	1.716	47,291	8 March 2025	8 March 2028
2024	97,544	17 June 2024	–	–	–	97,544	2.407	Nil	–	–	1 March 2026	17 June 2034
SHARESAVE												
2024	10,847	13 September 2024	–	–	–	10,847	2.136	1.710	–	–	1 October 2027	31 March 2028
Bill Floydd												
LTIP												
2024	287,301	5 February 2024	–	–	–	287,301	2.088	Nil	–	–	4 February 2027	5 February 2034
2025	–	15 February 2025	356,934	–	–	356,934	1.715	Nil	–	–	14 February 2028	15 February 2035
SHARESAVE												
2024	10,847	13 September 2024	–	–	–	10,847	2.136	1.710	–	–	1 October 2027	31 March 2028

Directors' remuneration report continued

Annual report on remuneration continued

Loss of office payments and payments to past Directors (audited)

There were no payments for loss of office or payments to past Directors made during the year.

Directors' service contracts and letters of appointment

Executive Directors have contracts of employment providing for a maximum of nine months' notice from either party.

Non-Executive Directors have letters of appointment for an initial three-year term and generally serve two to three terms. The required notice is three months from either party.

Director	Initial date of appointment	Notice period	Unexpired term remaining 31 October 2025
Martyn Clark	3 June 2024	Nine months	Terminable on nine months' notice
Bill Floyd	13 November 2023	Nine months	Terminable on nine months' notice
Iain Ferguson	16 September 2019	Three months	Terminable on three months' notice
David Arnold	1 September 2021	Three months	Terminable on three months' notice
Louise Hardy	24 January 2018	Three months	Terminable on three months' notice
Gillian Kent	1 November 2025	Three months	Terminable on three months' notice
Octavia Morley	1 May 2017	Three months	Terminable on three months' notice
Maggie Semple	1 January 2024	Three months	Terminable on three months' notice

The Group has the right to terminate the contracts of Executive Directors by making a payment in lieu of notice. Any such payment will typically reflect the individual's salary, benefits in kind and pension entitlements. Further information is found on page 91 of the 2026 Policy.

Relative importance of spend on pay

The table below shows how employee remuneration costs compare with distributions made to shareholders in 2024 and 2025. This includes data for all employees, including those who were promoted, had salary changes, were new starters or received incentive-based remuneration, as well as pay in respect of individuals who left during the year but had some service. Distributions to shareholders for 2024 and 2025 are made up of cash paid to shareholders in each respective year.

The change in total spend on pay is reflective of the 2025 pay increase applied following consideration of Group performance in 2024 and wider economic considerations such as inflation, bonus payments made where performance targets were met in 2024 and Martyn Clark's buy-out arrangements. The level of distributions to shareholders reflects the reduced dividend payment in comparison with 2024.

The measures shown below are those specified by the applicable disclosure requirements and total spend on pay reflects actual expenditure in the year.

Total spend on pay

2025	£52.4m	Change £2.1m
2024	£50.3m	4%

Total spend on pay is calculated using cash amounts paid to employees in the respective final year. This is different to the disclosure in note 6 of the financial statements that uses accrued amounts which will be paid in future period.

Distributions to shareholders by way of dividend

2025	£6.4m	Change -£25.6m
2024	£32.0m	-80%

Directors' remuneration report continued

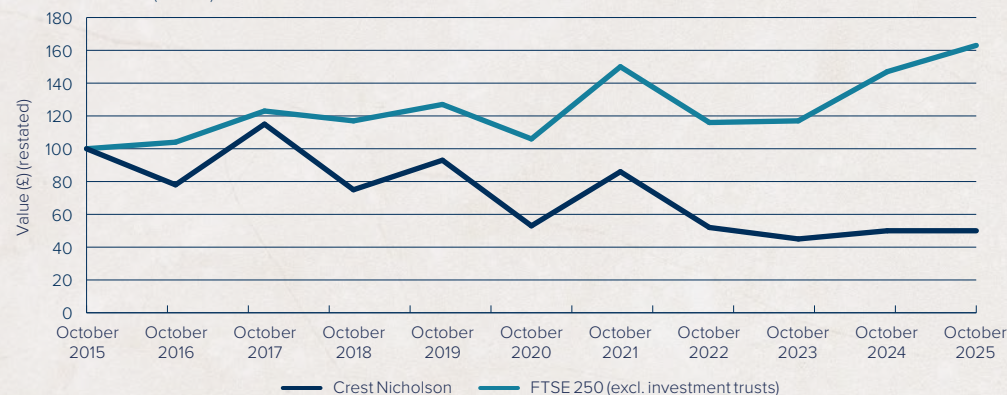
Annual report on remuneration continued

Performance graph and table

The graph below illustrates the Group's total shareholder return performance relative to the constituents of the FTSE 250 Index (excluding investment trusts) from 31 October 2015. As the Group has been a member of the FTSE 250 for the majority of this period, the Committee considers this to be an appropriate comparator.

Total shareholder return

Source: Datastream (Refinitiv)



Historical Chief Executive Officer remuneration

The table below sets out total Chief Executive Officer remuneration for 2025 and prior years, together with the percentage of maximum annual bonus outcome and the percentage of maximum LTIP vested in that year.

£000	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Chief Executive Officer total remuneration	2,345	2,150	714 ¹	1,495 ²	739	1,422	1,768	769	1,082 ³	955 ⁴
Annual bonus % of maximum	82	84	0	3.5	0	84	80	0	0	0
LTIP award % of maximum	100	100	25	0	0	0	54	0	0	N/A

¹ Based pro rata, on salaries and total remuneration of Stephen Stone to 21 March 2018 and Patrick Bergin from 22 March 2018 to 31 October 2018.

² Based pro rata, on salaries and total remuneration of Patrick Bergin to 26 March 2019, Chris Tinker from 26 March 2019 to 8 September 2019 and Peter Truscott from 9 September 2019. It includes the cost of buy-out arrangements for Peter Truscott.

³ Based pro rata, on salaries and total remuneration of Peter Truscott to 14 June 2024 and Martyn Clark from 3 June 2024. It includes the cost of buy-out arrangements for Martyn Clark.

⁴ Includes the cost of buy-out arrangements that vested during the year.



Directors' remuneration report continued

Our approach to fair pay

We monitor the remuneration framework to ensure it is transparent and fair across the wider workforce and covers pay and alignment across the business, Chief Executive Officer pay ratios and gender pay gap reporting.

The Committee reviews the remuneration framework applicable to all employees annually, ensuring that the Policy framework applies in a similar way across the Group in terms of types of benefits and variable pay relative to role grades and disciplines. This ensures alignment across the Group and encourages shared goals and objectives.

When making remuneration decisions for Executive Directors, the Committee considers the wider economic environment and conditions within the Group. In particular, the Committee is sensitive to pay and employment conditions across the employee workforce and carefully considers the broader employee salary increase budget when making reward decisions for Executive Directors.

Our fair pay objectives

Become an employer of choice for all in construction and housebuilding

Foster a culture of work-life balance that respects responsibilities outside of work

Remove any barriers to career progression for all employees

Continue to ensure salaries and bonuses are inclusive regardless of role

Cascade of remuneration across the Group

The table below summarises the information the Committee received as part of its annual review process and shows how remuneration compares across the Group in a transparent and fair way.

Base salary	<p>Base salary is set with reference to the specific nature of the role and responsibility, individual experience and performance, relative to other Group employees and market practice among other UK housebuilders. This is normally reviewed and increased with reference to cost of living, inflation, role benchmarking and Group performance. All employees are paid at or above the voluntary Real Living Wage.</p> <p>Matters considered during the year</p> <p>After consideration of Group performance and wider economic factors such as inflation and role benchmarking, the average annual salary increase across the Group for 2026 was 3%. The Group's HR team regularly reviews base pay across the Group and compares this with market analysis and will continue to do so in 2026.</p>
Benefits	<p>The Group's benefit programme applies to all employees in a similar way, including access to life assurance. Certain benefits have a service requirement or have enhanced cover for management roles and above. Employees have access to a real-time total reward statement via our MyReward platform which also allows them to access and manage their benefits.</p> <p>Matters considered during the year</p> <p>The Committee considered the Group's benefits programme, noting that it continued to be in alignment across the Group.</p>
Pension	<p>All employees are initially auto-enrolled into the Group pension plan with a 6% employer contribution or have the ability to opt in. Employees can opt to increase or decrease their contribution amounts. The maximum employer contribution is 10% depending on employee contribution level and service. The majority of employees receive an employer contribution of 6%. More than 97% of our employees are members of the Group pension plan.</p> <p>Matters considered during the year</p> <p>The Committee reviewed the Group's pension contribution framework and no changes were recommended.</p>
Annual bonus	<p>All employees are eligible for participation in a bonus scheme relevant to their role.</p> <p>Matters considered during the year</p> <p>Where performance targets have been met, payments under employee schemes will be made. These are consistent with the performance of the Executive Directors' scheme.</p>
Share schemes	<p>All employees are invited to participate in the annual Sharesave scheme. A proportion of management and senior management participate in long-term incentives by annual invitation.</p> <p>Matters considered during the year</p> <p>Performance against the targets for the 2023 LTIP were assessed and discretion was applied to reduce vesting to zero. The Committee approved the launch of the 2025 Sharesave scheme to all employees which had 16% participation this year. Following shareholder approval at the 2025 AGM, the Group launched a Share Incentive Plan to all employees who had completed their probation with an initial take-up of 18.5%.</p>

Directors' remuneration report continued

Our approach to fair pay continued

Employee engagement

We launched a Share Incentive Plan (SIP) alongside our annual Sharesave invitation this year. Employee engagement with our all-employee share schemes remained high, with 43% of those eligible participating in either Sharesave or SIP, or both. The Committee considers Sharesave and SIP to be valuable mechanisms that provide employees with a path to share ownership. The Committee will continue to review employee pay structures and levels during 2026 and engage with employees.

Chief Executive Officer to employees pay ratio for 2025

The table below reports the pay ratio for 2025 and has been calculated using the method known as Option B. Option B is considered to provide an appropriate and representative calculation based on the information available at this time. Previous years are shown below for comparison and will continue to build to show a rolling 10-year period.

Year	Method		25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
31 October 2020	Option A	Ratio	25:1	17:1	11:1
31 October 2021	Option A	Ratio	46:1	32:1	21:1
31 October 2022	Option A	Ratio	55:1	37:1	25:1
31 October 2023	Option B	Ratio	16:1	12:1	10:1
31 October 2024	Option B	Ratio	31:1	16:1	13:1
31 October 2025	Option B	Ratio	23:1	17:1	9:1
		Employees' total pay	£41,688	£56,968	£100,535
		Employees' salary	£37,617	£47,250	£79,841

To calculate Option B, the latest available gender pay gap data (April 2025) was used to identify three Group employees whose hourly rates of pay were at the 25th, 50th and 75th percentiles of all Group employees. The total remuneration for the three employees at each percentile was calculated as at 31 October 2025 on the same basis as the Chief Executive Officer single total figure of remuneration. The remuneration of employees above and below the selected employees was also reviewed to ensure that they were the best equivalents for each percentile.

Employee pay includes such items as overtime, commission, bonus and any long-term incentives. Benefits include company car or car allowance, private medical insurance and employer pension contributions. Other than any bonus elements, all other payments are included on a cash basis. The bonus elements are for the bonus earned during 2025.

The Policy is designed taking into account the remuneration arrangements, policies and practices throughout the Group and, when reviewing the implementation of the Policy, the Committee ensures that outcomes throughout the Group are fair and appropriate. On this basis, the Committee considers that the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression. The changes to the ratio this year are due to the lower total remuneration for the Chief Executive Officer in comparison to 2024.

Gender pay gap

We are continuing to work towards increasing diversity and gender balance within all roles and at all levels. More details can be found on page 30. The Committee continues to take into account the gender pay gap when making pay decisions, and works in conjunction with the Nomination Committee to improve the diversity of employees.

Directors' remuneration report continued

Annual report on remuneration continued

Advisors to the Committee

The Committee received external remuneration advice in the year from Korn Ferry (total fees £73,593). Korn Ferry was appointed by the Committee following a competitive selection process in 2018. Korn Ferry is a founder member of the Remuneration Consultants' Group, which operates a code of conduct. Fees paid to external remuneration advisors are typically charged on an hourly basis with costs for work agreed in advance where possible.

During the year, Korn Ferry provided professional search services to the Company. These services were carried out by a division separate to the remuneration advisory team.

The Committee manages conflicts of interest by ensuring the relevant member of management or the Committee is not present when their own remuneration is determined or discussed. Taking into account their work in the year and their relationship with the Group, the Committee is satisfied that the advice received by Korn Ferry in relation to executive remuneration matters was objective and independent.



Statement of voting at Annual General Meeting

The tables below set out the votes received for the 2024 Directors' remuneration report at the 2025 AGM and the Directors' remuneration policy at the 2023 AGM.

Directors' remuneration report (2025 AGM)¹

Shares voted in favour	175,160,823	97.94%
Shares voted against	3,688,246	2.06%

Directors' remuneration policy (2023 AGM)²

Shares voted in favour	185,680,904	97.28%
Shares voted against	5,199,216	2.72%

¹ Votes withheld 23,476 (0.01% of share capital)

² Votes withheld 21,988 (0.01% of share capital)

The Committee welcomes feedback and encourages shareholders to contact the Remuneration Committee Chair via the Group Company Secretary (see page 168) to provide their views and feedback.

Approval

This Directors' remuneration report was approved by the Board of Directors on 28 January 2026 and signed on its behalf by

Octavia Morley

Remuneration Committee Chair

Directors' report

The Directors present their report for the year ended 31 October 2025.

The Strategic report on pages 1-55 of this Annual Report and Accounts, together with the Governance report, the reports of the Board Committees and the Directors' remuneration report on pages 56-104 of this Annual Report and Accounts, include information that would otherwise need to be included in this Directors' report.



Disclosures by reference

Items required to be included in this report under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, The Companies Act 2006, Disclosure and Transparency Rule 7.2, and Listing Rule 6.6.6R, which are not in the Directors' Report, are located as follows.

Content	Page(s)
Anti-bribery and corruption	81
Business model	15-17
Corporate governance code	56
Directors' interests	98
Directors' remuneration report	82-104
Dividend	37
Employment of persons with a disability	30
Energy consumption and efficiency action	24 and 52
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Listening and responding to employees	68
Our people	30-32
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Stakeholder engagement	20-21 and 66-69
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Articles of association

The articles of association regulate the internal affairs of the Company and are available on the Company's website.

Amendments to the articles of association may be made in accordance with the provisions of the Companies Act 2006 by special resolution of the shareholders.

Share capital

As at 31 October 2025, there were 256,933,278 ordinary shares of 5 pence in issue.

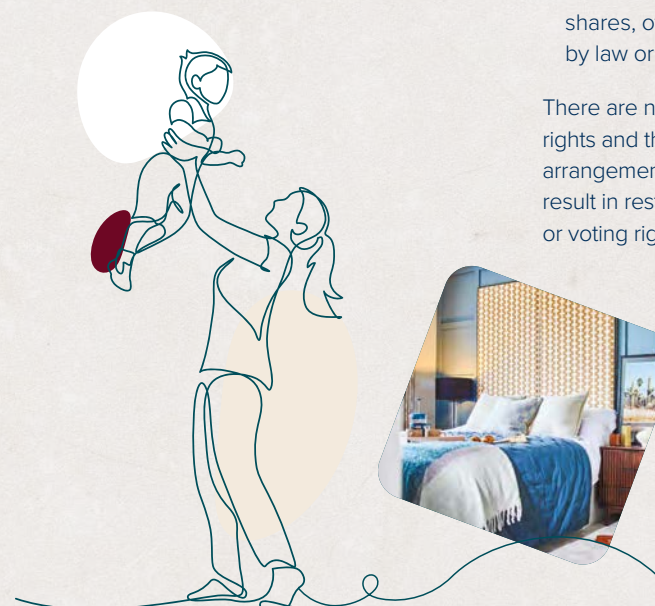
12,739 ordinary shares were issued during the year to satisfy employee share plan requirements.

Rights and restrictions attached to shares and restrictions on transfers

Subject to the provisions of relevant statutes, and without prejudice to any rights attached to any existing share or class of shares:

- any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine
- in any general meeting, on a show of hands, every member who is present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder
- there are no specific restrictions on transfer of shares, other than where these are imposed by law or regulations.

There are no current restrictions on voting rights and the Company is not aware of any arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights.



Directors' report continued

Directors

The following were Directors of the Company during the year: Iain Ferguson CBE, Martyn Clark, Bill Floyd, Octavia Morley, David Arnold, Louise Hardy and Maggie Semple OBE. Gillian Kent joined the Board on 1 November 2025.

The biographical details of the current Directors are set out on pages 59-60 of this report. The service contracts of the Executive Directors and letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office.

Data on the diversity of the individuals on the Board and Executive Committee as required by Listing Rule 6.6.6R(10) is set out opposite, as at 31 October 2025. Data is collected through self-disclosure from the individuals concerned. We define executive management as our Executive Committee, including the Executive Directors.

Powers of Directors

Directors' powers are conferred on them by legislation and by the articles of association.

Authority was given to the Directors at the AGM in March 2025 to allot shares, disapply statutory pre-emption rights and make market purchases of the Company's own shares up to a maximum aggregate number of 25,692,053 (equivalent to 10% of the Company's issued shares).

Election and re-election of Directors

The Board may appoint any person to be a Director (so long as the total number of Directors does not exceed the limit prescribed in the Company's articles of association). Any such Director shall hold office until the next AGM and shall then be eligible for election. All current Directors will submit themselves for election or re-election at the 2026 AGM, other than Octavia Morley who intends to step down from the Board following nine years of service.

See page 72 for further details.

Directors' indemnification

The Company has granted qualifying third-party indemnities to the extent permitted by law to the Directors and to the Directors of Crest Nicholson Pension Trustee Limited, which acts as trustee to the Group's defined benefit pension scheme.

The Company maintains Directors' and Officers' liability insurance.

Gender identity or sex at 31 October 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	% of executive management
Men	4	57%	3	6	60%
Women	3	43%	1	4	40%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background at 31 October 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	% of executive management
White British or other White (including minority groups)	6	86%	4	9	90%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	10%
Black/African/Caribbean/Black British	1	14%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Directors' report continued

Going concern

The Directors have concluded that it continues to be appropriate to prepare the consolidated and Company financial statements on a going concern basis. In a severe but plausible downside scenario there is a material uncertainty, in particular with respect to the ability to achieve a covenant amendment which may be required, which may cast significant doubt on the Group's and Company's ability to continue as a going concern. See note 1 of the consolidated financial statements and note 1 of the Company financial statements for further information.

AGM

The AGM will be held on 25 March 2026. Details and arrangements for the meeting, together with the resolutions to be proposed and explanatory notes, are set out in the 2026 Notice of Annual General Meeting which was sent to shareholders with this Annual Report and is available at corporate.crestnicholson.com/agm.

Employee share ownership trust

As at 31 October 2025, the Group's employee share ownership trust (ESOT) held 297,851 ordinary shares for the purposes of satisfying awards under the Company's share and incentive plans. The ESOT has waived rights to receive a dividend now and in the future.

Significant contracts

The Group does not have any contracts that are considered alone to be essential to the business of the Group. The Group does, on occasion, make significant purchases of goods and services from a sole supplier where this is deemed necessary for efficiency, practicality or value. However, it does so only after a tender or appropriate selection process and in the context of the level of risk such sole supply might bring.

Political donations

The Group made no political donations during the year (2024: nil).

Events after the balance sheet date

There were no significant events after the balance sheet date.

Branches

The Group has no branches outside the United Kingdom.

Change of control

The Group has in place several agreements with its lending banks, private placement note holders, joint venture partners, government authorities (such as Homes England), private investors and customers, which contain certain termination rights that would have an effect in the event of a change of control. The Directors believe these agreements to be commercially sensitive and consider that their disclosure would be seriously prejudicial to the Group.

The Group's share schemes contain provisions that, in the event of a change of control, would result in outstanding options and awards becoming exercisable.

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Substantial shareholdings

Set out below are the percentage interests in the ordinary share capital of the Company, disclosable under the Disclosure Guidance and Transparency Rules, that were notified to the Company as at 31 October 2025 and 28 January 2026.

Shareholder	31 October 2025 % of voting rights held	28 January 2026 % of voting rights held
FIL Limited	12.01	12.01
Shanlis Investments Unlimited	7.11	7.11
Aberforth Partners LLP	5.08	5.08
BlackRock, Inc.	5.05	5.05
Janus Henderson Group plc	5.01	5.01
Jupiter Fund Management plc	4.98	4.78
Ameriprise Financial, Inc.	4.90	4.90
The Wellcome Trust Limited	3.07	3.07

Approval

The Directors' report was approved by the Board of Directors on 28 January 2026 and signed on its behalf.

Penny Thomas

Group Company Secretary

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Financial statements

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- State whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements

- Make judgements and accounting estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

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

Directors' confirmations

The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 59-60 confirm that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company, and
- The Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware, and
- They have 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 Group's and Company's auditors are aware of that information.

On behalf of the Board

Martyn Clark
Chief Executive Officer

28 January 2026

Independent auditors' report to the members of Crest Nicholson Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Crest Nicholson Holdings plc's Group financial statements and Company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 31 October 2025 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework, and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2025 (the Annual Report), which comprise:

- the Consolidated and Company statements of financial position as at 31 October 2025;
- the Consolidated income statement for the year then ended;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated cash flow statement for the year then ended;
- the Consolidated and Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5 of the Consolidated financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 of the Consolidated financial statements and Note 1 of the Company financial statements concerning the Group's and the Company's ability to continue as a going concern. The Company relies on the overall performance of the Group to fulfil its liabilities and obligations in the foreseeable future. The Group has prepared rolling forecasts covering the period until 30 April 2027. In a severe but plausible downside scenario the Group is forecast to breach its interest cover covenant during the going concern period, with the first measurement date in April 2026. If this covenant breach were to occur, it would constitute an event of default under the terms of the revolving credit facility agreement and senior loan notes. The Group is confident that amendments to its covenants would be secured if necessary, however, this is not guaranteed and therefore this represents a material uncertainty related to going concern. These conditions, along with the other matters explained in those notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

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.

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the base case scenario for the Group and Company going concern assessment, including the directors' assumptions over open market sales volumes and sales prices. We also considered the ability of the Group to make further land sales, as well as the gross profit margins which could be achieved across all revenue streams.
- Assessing the appropriateness of the level of potential build cost increases forecast in the context of recent financial performance, including the level of combustible materials costs, completed site costs and net realisable value (NRV) charges.
- Verifying the source data and calculations used by the directors to determine the assumptions used in the severe but plausible downside scenario, in particular over the open market legal completion rate, sales price reductions and level of additional cost increases.
- Validating the accuracy of management's modelling and the calculations of the covenant outcomes across the going concern period, including confirming the forecast breaches over the going concern period.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in Note 1 of the Consolidated financial statements and Note 1 of the Company financial statements, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the directors' identification in the financial statements of any other material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our audit approach

Context

Crest Nicholson Holdings plc is a residential housebuilder listed on the London Stock Exchange. The Group is wholly UK based. The Group is susceptible to external macroeconomic factors such as government regulation, mortgage availability and changes in the wider housing sector such as customer demand, supply chain availability and build cost inflation. This is particularly relevant for our work in the areas of going concern, margin forecasting and recognition and valuation of inventory. During the year ended 31 October 2025, the Group's revenues have been relatively flat due to subdued market demand and lower unit sales. Profitability remains relatively low, reflecting current market conditions. Our audit procedures, as set out below in the related key audit matters, focused on the appropriateness of the significant accounting estimates made by management.

Overview

Audit scope

- We conducted an audit of the complete financial information of five of the Group's revenue-generating housebuilding divisions, which form the majority of the Group.
- Specific balances and financial statement line items were audited within additional reporting units based on their size. Revenue, the carrying value of inventory, pensions and the combustible materials provision, amongst other items, were tested at the Group level.

Key audit matters

- Material uncertainty related to going concern (Group and Company)
- Margin forecasting and recognition (Group)
- Valuation of the combustible materials provision (Group)
- Valuation of intercompany receivables (Company)

Materiality

- Overall Group materiality: £3,400,000 (2024: £3,400,000) based on consideration of standard benchmarks and professional judgement. It is equivalent to approximately 13% of the Group's profit before tax and exceptional items (2024: equivalent to approximately 5% of a 3-year average of the Group's profit before tax and exceptional items).
- Overall Company materiality: £1,998,000 (2024: £1,640,000) based on approximately 1% of total assets (2024: approximately 1% of total assets).
- Performance materiality: £1,700,000 (2024: £1,700,000) (Group) and £999,000 (2024: £820,000) (Company).

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Accounting for completed site costs, which was a key audit matter last year, is no longer included because of the reduction in the estimation uncertainty and level of subjectivity incorporated within the costs during the year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

Margin forecasting and recognition (Group)

Refer to Note 1 (Accounting policies – Estimation of development profitability) of the Consolidated financial statements and the Key accounting judgements section of the Governance report.

The Group's margins are recognised on a plot by plot basis by reference to the margin forecast across the related development site. The margin per site reflects the best estimates of sales prices and costs at that time. There is a risk that the margin forecast for the site, and consequently the margin recognised on each unit sale, is incorrect and not reflective of management's current best estimate of the future final margin that will be recognised on a development. As a result, profit margins could be manipulated or subject to error through the high level of management estimation involved in ensuring the accuracy and completeness of an individual site forecast, and the monitoring of these estimates over time.

Future sales prices and build costs are inherently more uncertain as they are influenced by changes in external market factors, such as government regulations, the availability and affordability of mortgages, changes in customer demand due to market uncertainty or build cost inflation. There is higher uncertainty when a development is scheduled to be completed over a long timeframe.

Whilst management has put in place business performance review controls to monitor these processes, we do not rely on these for our audit. Our work over margins recognised also considered the impact of net realisable value ("NRV") charges and completed site costs. In view of the high inherent estimation uncertainty and the potential for manipulation of margin forecasts, we consider the accuracy and completeness of margin forecasting and recognition across the life of the site to be a significant risk for the audit.

How our audit addressed the key audit matter

Our audit procedures included:

- Performing risk-based enquiries with management to determine our sample selection of the Group's sites, upon which we tested the site margins. This included validating costs to complete, forecast revenues and the approach to equalisation of the margin where sites were being developed across multiple phases. Sample selection was based on a risk-based population using risk attributes such as high and low margin contributors; large movements in the year, and significant movements in sales price and/or cost.
- Further risk based procedures were performed over the tail of the Group's sites to assess forecasts which had moved significantly or appeared unusual;
- Confirming, through sampling of additions to inventory, that costs were being allocated to appropriate developments and therefore impacting the correct site margin;
- Assessing management's overall historical accuracy of forecasting by analysing the changes to margins in the year and adjustments made to margins through cost of sales. We also assessed how margins had moved across divisions to consider whether there were any trends that could indicate manipulation of forecasts;
- Evaluating, by testing the automated control in management's ERP (COINS), that the system correctly calculates the margin upon revenue recognition;
- Testing any material manual adjustments to margins to ensure these were appropriate by agreeing these costs/income to third party support. This included the recognition of net realisable value ("NRV") charges, and costs associated with completed sites;
- Testing management's calculation of the prior year adjustment identified in respect of one multi-phase site in the Eastern division, including the allocation of costs to the year ended 31 October 2024 and earlier years; and
- Evaluating cost and margin movements post-year end to understand the impact on the margins recognised in the current year.

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

Key audit matter

Valuation of the combustible materials provision (Group)

Refer to Note 1 (Accounting policies), Note 4 (Exceptional items) and Note 21 (Provisions) of the Consolidated financial statements and the Key accounting judgements section of the Governance report.

Since 2019 the Group has held a provision in relation to combustible materials. In March 2023, the Group signed the Developer Remediation Contract (the Contract) which formalised the commitments made in the signing of the Building Safety Pledge in the prior year.

The provision recognised represents a forecast level of cost to perform works on all known buildings where remediation is required.

During 2025, the provision decreased as utilisation offset additional net charges recorded. The provision is material, inherently judgemental and an area of significant estimation uncertainty. The provision is identified as a critical accounting estimate as it requires estimation in the key assumptions in its calculation, principally around the estimated cost of work required on the building.

Given the related estimation uncertainty, we identified the valuation of the combustible materials provision as a significant risk for the audit.

How our audit addressed the key audit matter

Our audit procedures included:

- Inquiring with senior management to understand changes in the provision in the year and evaluating that the approach taken continues to align with accounting standards;
- Reperforming management's completeness assessments, and performing other validation procedures, to ensure the assessment of buildings in scope remains up to date. We understood the rationale for any changes and management's assessment that there were no material prior period errors;
- Recalculating and checking the integrity of management's provision calculation to confirm its accuracy;
- Challenging the valuation of the provision recognised at the year end. We stratified the population into different risk categories' and our levels of testing reflected our risk assessment. For sites where the Building Safety Fund (BSF) made full or partial awards to the BSF applicants and the Group is not performing, but is paying for the remediation work, we agreed the amounts provided to correspondence from the BSF to the Group. For the remaining sites, where the scope of work was assessed by the Group, our testing focused on agreeing the scope of works to independently issued fire safety assessments and costs to third party tenders. On sites where the scope of work is yet to be determined, we tested management's assumptions in relation to the scope and estimates of the work required by agreeing the scope to draft fire assessment reports and comparing these costs to those of other similar sites. In the absence of this information, we agreed the amounts provided to the initial BSF awards as that is the best available evidence for the estimated cost of remediation on those sites;
- Testing the inputs into the calculation used by management to estimate the required provision on buildings which do not yet have a detailed cost plan or a fire safety assessment, including verifying costs incurred on other buildings to date and the nature of the building identified;
- Assessing the technical capabilities and expertise of the Group's employees and external fire engineer experts involved in assessing the provision;
- Making enquiries of the Group's General Counsel and external lawyers in relation to claims that have come through in relation to fire safety and reviewing the latest report on claims and assessing the impact of any fire safety related claims on the provision; and
- Validating the current and non-current split of the provision based on management's plans for remediation as well as expected payments to the BSF. This is based on management's best estimate of when the cash is likely to be spent.

Valuation of intercompany receivables (Company)

Refer to Note 5 (Trade and other receivables) of the Company financial statements.

Intercompany receivables are the largest financial statement line item in the Company financial statements and are repayable on demand. The recoverability, and any expected credit losses, of these balances from other Group companies depends on the ability of the Group as a whole to generate cash flows to enable future repayment. Whilst this is not a significant risk for the audit, in the context of the audit of the Company it is the area of highest audit effort.

Our audit procedures included:

- Testing the outcomes of the Group's going concern model, in particular the cash flow forecasts, and confirming that there were no liquidity issues in the Group that would impact the ability of subsidiaries to repay amounts due; and
- Verifying the level of cash and other assets held by the subsidiaries of the Group and confirming their ability to repay amounts due to the Company on the basis that sufficient cash reserves or current assets and access to further credit facilities are available as required.

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's financial statements are ultimately a consolidation of 18 reporting units (each of which is deemed to be a financial reporting component) representing the Group's six geographically-based housebuilding divisions, other smaller trading subsidiaries and the centralised functions, including those which contain the combustible materials provision and completed site costs. The reporting units vary in size, but the bulk of the Group's operations is represented by five of the six revenue-generating housebuilding divisions. Consequently, we determined each of these five divisions required an audit of its complete financial information due to its size. These five reporting units were all audited by the Group engagement team. The reporting units where we performed an audit of the complete financial information, in addition to the audit of consolidation journals and the audit of specific financial statement line items for other reporting units, accounted for 100% of the Group's revenues and more than 95% of the Group's absolute profit before tax and exceptional items. Our audit work across these reporting units, together with the additional procedures performed at the Group level on items such as revenue, the carrying value of inventory, the consolidation, goodwill, taxation, retirement benefit obligations, payroll expense, finance expense and loans and borrowings gave us the evidence we needed for our opinion on the Consolidated financial statements as a whole. The audit of the Company financial statements consisted of the full scope audit of one reporting unit which operates as the holding company function.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements. The risks are primarily transitional and relate to additional regulatory and/or reporting requirements, which may result in further cost to the Group. These costs, for example applying the Future Homes Standard to those homes in scope of the regulations, will impact the whole housebuilding sector and therefore become a feature of house price valuation at that time. The Group also procures land, factoring in these costs to its future margin appraisals, and there is a risk that for some existing parts of the Group's land portfolio that these costs have to be absorbed by the Group, or there may be instances where the full additional costs cannot be passed on to end customers. We have evaluated management's assessment of this risk, which remains consistent with previous years. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£3,400,000 (2024: £3,400,000).	£1,998,000 (2024: £1,640,000).
How we determined it	consideration of standard benchmarks and professional judgement. It is equivalent to approximately 13% of the Group's profit before tax and exceptional items (2024: equivalent to approximately 5% of a 3-year average of the Group's profit before tax and exceptional items)	approximately 1% of total assets (2024: approximately 1% of total assets)
Rationale for benchmark applied	In determining materiality, we considered the standard benchmarks for companies within this sector, including profit before tax and revenue. However, we do not consider these measures to be directly proportionate to the overall scale and operations of the business. Therefore, we have considered a range of other financial metrics believed to be relevant to the primary users of the financial statements. Based on our professional judgment, we selected an overall materiality amount of £3.4 million, which represents approximately 0.6% of revenue and 13% of the pre-exceptional profit before tax for the year ended 31 October 2025. This is also a consistent level of materiality as the prior year.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, which acts solely as a holding company. Total assets is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1.8 million and £2.4 million.

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% (2024: 50%) of overall materiality, amounting to £1,700,000 (2024: £1,700,000) for the Group financial statements and £999,000 (2024: £820,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £170,000 (Group audit) (2024: £170,000) and £99,900 (Company audit) (2024: £82,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Directors' report

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 year ended 31 October 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to government guidelines on fire safety and other health and safety requirements and employment law, including legislation relating to pensions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias, in particular in

Independent auditors' report to the members of Crest Nicholson Holdings plc continued

areas of significant estimation uncertainty as set out in Note 1 to the Consolidated financial statements, or where management has the ability to post inappropriate journals. Audit procedures performed by the engagement team included:

- Discussions with the Executive Committee, Divisional management teams and the Audit and Risk Committee, review of internal audit reports and consideration of known or suspected instances of non-compliance with laws and regulation and fraud, as well as evaluation of the design and implementation of any related controls;
- Challenging the assumptions and judgements made by management in determining their significant accounting estimates, in particular in relation to margin forecasting and the combustible materials provision (see related key audit matters above) and assessing the related disclosures; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the Company for the financial year ended 31 October 2015. Our uninterrupted engagement covers eleven financial years.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Diane Walmsley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 January 2026

Consolidated income statement

For the year ended 31 October 2025

	Note	Pre- exceptional items 2025 £m	Exceptional items (note 4) 2025 £m	Total 2025 £m	Restated ¹ Pre- exceptional items 2024 £m	Exceptional items (note 4) 2024 £m	Restated ¹ Total 2024 £m
Revenue	3	610.8	–	610.8	618.2	–	618.2
Cost of sales		(525.5)	(4.0)	(529.5)	(533.5)	(158.4)	(691.9)
Gross profit/(loss)		85.3	(4.0)	81.3	84.7	(158.4)	(73.7)
Other operating income	5	59.9	–	59.9	75.8	–	75.8
Other operating expenses	5	(55.9)	–	(55.9)	(69.9)	–	(69.9)
Administrative expenses		(55.1)	(6.5)	(61.6)	(60.8)	(1.6)	(62.4)
Net impairment gains/(losses) on financial assets	16	0.5	–	0.5	(0.6)	–	(0.6)
Operating profit/(loss)	5	34.7	(10.5)	24.2	29.2	(160.0)	(130.8)
Finance income	7	4.4	–	4.4	4.0	–	4.0
Finance expense	7	(14.0)	(9.4)	(23.4)	(12.8)	(6.1)	(18.9)
Net finance expense		(9.6)	(9.4)	(19.0)	(8.8)	(6.1)	(14.9)
Share of post-tax profits/(losses) of joint ventures using the equity method	13	1.4	(3.7)	(2.3)	(0.1)	–	(0.1)
Profit/(loss) before tax		26.5	(23.6)	2.9	20.3	(166.1)	(145.8)
Income tax (expense)/credit	8	(6.6)	5.9	(0.7)	(7.4)	48.2	40.8
Profit/(loss) for the year attributable to equity shareholders		19.9	(17.7)	2.2	12.9	(117.9)	(105.0)
Earnings/(loss) per ordinary share							
Basic	10	7.8p		0.9p	5.0p		(41.0p)
Diluted	10	7.7p		0.9p	5.0p		(41.0p)

¹ See note 28 for an explanation of the prior year restatement.

The notes on pages 123–159 form part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 October 2025

	Note	2025 £m	Restated ¹ 2024 £m
Profit/(loss) for the year attributable to equity shareholders		2.2	(105.0)
Other comprehensive (expense)/income:			
Items that will not be reclassified to the consolidated income statement:			
Actuarial (losses)/gains on defined benefit schemes	15	(3.9)	8.5
Change in deferred tax on actuarial losses/(gains) of defined benefit schemes	14	1.5	(2.1)
Other comprehensive (expense)/income for the year net of income tax		(2.4)	6.4
Total comprehensive expense attributable to equity shareholders		(0.2)	(98.6)

¹ See note 28 for an explanation of the prior year restatement.

The notes on pages 123–159 form part of these consolidated financial statements.



Consolidated statement of changes in equity

For the year ended 31 October 2025

	Note	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
Balance at 1 November 2023 as previously reported		12.8	74.2	769.3	856.3
Adjustment ¹		–	–	(4.9)	(4.9)
Restated balance at 1 November 2023¹		12.8	74.2	764.4	851.4
Loss for the year attributable to equity shareholders restated ¹		–	–	(105.0)	(105.0)
Actuarial gains on defined benefit schemes	15	–	–	8.5	8.5
Change in deferred tax on actuarial gains of defined benefit schemes	14	–	–	(2.1)	(2.1)
Total comprehensive expense for the year restated¹		–	–	(98.6)	(98.6)
Transactions with shareholders:					
Equity-settled share-based payments	6	–	–	1.8	1.8
Deferred tax on equity-settled share-based payments	14	–	–	0.1	0.1
Purchase of own shares	22	–	–	(0.5)	(0.5)
Transfers in respect of share options		–	–	0.4	0.4
Dividends paid	9	–	–	(32.1)	(32.1)
Balance at 31 October 2024 restated¹		12.8	74.2	635.5	722.5
Profit for the year attributable to equity shareholders		–	–	2.2	2.2
Actuarial losses on defined benefit schemes	15	–	–	(3.9)	(3.9)
Change in deferred tax on actuarial losses of defined benefit schemes	14	–	–	1.5	1.5
Total comprehensive expense for the year		–	–	(0.2)	(0.2)
Transactions with shareholders:					
Equity-settled share-based payments	6	–	–	2.1	2.1
Transfers in respect of share options		–	–	0.1	0.1
Dividends paid	9	–	–	(6.4)	(6.4)
Balance at 31 October 2025		12.8	74.2	631.1	718.1

¹ See note 28 for an explanation of the prior year restatement.

The notes on pages 123–159 form part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 October 2025

	Note	2025 £m	Restated ¹ 2024 £m
ASSETS			
Non-current assets			
Intangible assets	11	29.0	29.0
Property, plant and equipment		2.8	3.2
Right-of-use assets	12	9.8	10.9
Investments in joint ventures	13	9.5	8.6
Financial assets at fair value through profit and loss		1.6	2.3
Deferred tax assets	14	37.4	41.0
Retirement benefit surplus	15	13.7	19.5
Trade and other receivables	16	21.0	14.6
		124.8	129.1
Current assets			
Inventories	17	1,056.1	1,129.1
Financial assets at fair value through profit and loss		1.2	1.0
Trade and other receivables	16	111.3	98.1
Current income tax receivable		2.4	4.7
Cash and cash equivalents	18	125.0	73.8
		1,296.0	1,306.7
Total assets		1,420.8	1,435.8

	Note	2025 £m	Restated ¹ 2024 £m
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	(64.1)	(63.2)
Trade and other payables	20	(23.8)	(42.3)
Lease liabilities	12	(7.0)	(8.8)
Deferred tax liabilities	14	–	(4.9)
Provisions	21	(115.1)	(192.5)
		(210.0)	(311.7)
Current liabilities			
Interest-bearing loans and borrowings	19	(99.1)	(19.1)
Trade and other payables	20	(269.3)	(285.2)
Lease liabilities	12	(3.2)	(3.2)
Provisions	21	(121.1)	(94.1)
		(492.7)	(401.6)
Total liabilities		(702.7)	(713.3)
		718.1	722.5
Net assets			
EQUITY			
Share capital	22	12.8	12.8
Share premium account	22	74.2	74.2
Retained earnings		631.1	635.5
Total equity		718.1	722.5

¹ See note 28 for an explanation of the prior year restatement.

The notes on pages 123–159 form part of these consolidated financial statements.

These consolidated financial statements on pages 118–159 were approved by the Board of Directors on 28 January 2026.

On behalf of the Board

Martyn Clark
Director

Bill Floydd
Director

Consolidated cash flow statement

For the year ended 31 October 2025

	Note	2025 £m	Restated ¹ 2024 £m
Cash flows from operating activities			
Profit/(loss) for the year attributable to equity shareholders		2.2	(105.0)
Adjustments for:			
Depreciation on property, plant and equipment	5	0.4	0.4
Depreciation on right-of-use assets	12	3.4	2.3
Retirement benefit obligation administrative expenses	15	2.9	0.7
Net finance expense	7	19.0	14.9
Share-based payment expense	6	2.1	1.8
Share of post-tax losses of joint ventures using the equity method	13	2.3	0.1
Impairment of inventories movement	17	(6.6)	2.1
Net (gain)/impairment on financial assets	16	(0.5)	0.6
Income tax expense/(credit)	8	0.7	(40.8)
Operating cash inflow/(outflow) before changes in working capital, provisions and contributions to retirement benefit obligations		25.9	(122.9)
Increase in trade and other receivables		(12.9)	(10.6)
Decrease in inventories		79.6	24.3
(Decrease)/increase in trade and other payables and provisions		(97.7)	35.6
Contribution to retirement benefit obligations	15	–	(1.1)
Cash used by operations		(5.1)	(74.7)
Finance expense paid		(8.6)	(5.1)
Income tax received		1.8	12.0
Net cash outflow from operating activities		(11.9)	(67.8)

	Note	2025 £m	Restated ¹ 2024 £m
Cash flows from investing activities			
Purchases of property, plant and equipment		–	(1.4)
Disposal of financial assets at fair value through profit and loss		0.6	0.2
Funding to joint ventures		(14.2)	(13.1)
Repayment of funding from joint ventures		6.2	36.4
Dividends received from joint ventures		–	2.5
Finance income received		0.9	0.4
Net cash (outflow)/inflow from investing activities		(6.5)	25.0
Cash flows from financing activities			
Principal elements of lease payments	12	(4.0)	(1.9)
Dividends paid	9	(6.4)	(32.1)
Net purchase of own shares		–	(0.1)
Proceeds from borrowings		150.0	112.0
Repayments of borrowings		(70.0)	(127.0)
Sale and leaseback proceeds		–	3.1
Net cash inflow/(outflow) from financing activities		69.6	(46.0)
Net increase/(decrease) in cash and cash equivalents		51.2	(88.8)
Cash and cash equivalents at the beginning of the year		73.8	162.6
Cash and cash equivalents at the end of the year	18	125.0	73.8

¹ See note 28 for an explanation of the prior year restatement.

The notes on pages 123–159 form part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation

Crest Nicholson Holdings plc (the Company) is a public limited company incorporated, listed and domiciled in the UK. The address of the registered office is 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2HJ. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group) and include the Group's interest in jointly controlled entities. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The financial statements are presented in pounds sterling and amounts are denominated in millions (£m), unless otherwise stated.

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards, and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and have been prepared on the historical cost basis except for financial assets at fair value through profit and loss, which are as otherwise stated. The parent company financial statements are presented on pages 160-165.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires the Directors to make assumptions and judgements that affect the application of policies and reported amounts within the financial statements. Assumptions and judgements are based on experience and other factors that the Directors consider reasonable under the circumstances. Actual results may differ from these estimates.

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Going concern

In determining the appropriateness of the basis of preparation, the Directors have considered whether the Group can continue to meet its liabilities and other obligations for the foreseeable future. These include its ability to meet the financial covenants as required under its sustainability-linked revolving credit facility (RCF) and senior loan notes as detailed in note 23. The Directors consider the possibility of breaching one of the three financial covenants (gearing, tangible net worth and interest cover) as being the first sign that the Group could be in distress, and is the basis of its going concern assessment in this year's financial statements.

The Directors have assessed the Group's going concern position through to 30 April 2027 (the going concern period), which aligns with its half-year reporting for the 2027 financial year. The going concern model is made up of a Board-approved base case and a Severe But Plausible (SBP) downside case. Within the base case, the Group has already secured a proportion of sales for 2026 by way of its forward order book. The base case forecast is that the Group maintains sufficient liquidity headroom throughout the going concern period and will be compliant from a covenant perspective for all required reporting periods.

The base case has then been used to model a number of adverse factors that are deemed to be plausible downside conditions as outlined below. These incorporate potential macroeconomic scenarios that could be experienced by the UK, industry-wide dynamics, and Group-specific risks.

The SBP downside case combines the impacts of multiple risk factors which would interact with each other in a downside scenario, rather than modelling the impact of individual assumptions. In conducting this test, the Directors drew on extensive prior experience in navigating economic downturns, including the COVID-19 pandemic, and considered the implications of current market conditions. This assessment also evaluates the anticipated effectiveness of proposed mitigating actions that are within the Group's control and can be enacted in good time, ensuring a robust framework for managing potential disruptions and safeguarding the Group's financial stability.

Risk factors applied against future forecasts

The following risk factors have been applied in combination in reaching the SBP downside case.

- Reduction in sales volumes (Principal risks: Market conditions, solvency and liquidity)

A potential decline in macroeconomic conditions in the UK, which negatively impacts the UK residential property market and reduces the ability for people to buy homes. The Directors have considered a 23% reduction in unreserved open market sales volumes for the 2026 financial year and a 15% reduction for the remainder of the assessment period. Given the importance of completions to achieving the Group's forecasts, this assumption has the most impact on the downside case modelled.
- Fall in sales price (Principal risks: Market conditions, solvency and liquidity)

A reduction in sales prices during an economic slowdown and/or lack of mortgage availability/affordability for homebuyers. A 3% reduction in average unreserved open market house selling prices and a 10% reduction in land sale revenues compared to the current base case.
- Increase in build cost (Principal risks: Supply chain, build cost and margin, combustible materials and legacy obligations)

Unexpected costs occurring cause a 5% increase in cash outflows on build expenditure.

Notes to the consolidated financial statements continued

1 Accounting policies continued**Mitigation options and considerations**

The Directors have considered the mitigations that could be applied in a deteriorating trading environment to either increase profit or conserve cash to reduce interest cost. Some of these measures are implicit outcomes of a downturn (such as reduction in build spend) rather than mitigating actions which the Group would have to apply.

The Group has experience of applying such mitigations in the past, which include but are not limited to:

- a reduction in the Group's headcount driving a reduction in overheads, site and sales and marketing spend to reflect the lower build and selling activity in a weaker trading environment
- reducing build spend, including mothballing unproductive and/or capital-intensive schemes
- reduction or elimination of management incentives
- a reduction in discretionary land acquisitions and therefore land expenditure as the Group would require less land to replenish the land portfolio
- removal of dividends after April 2026 to conserve cash.

Conclusion on going concern

While the Group forecasts to meet all its covenants in the base case scenario, the SBP downside scenario indicates that the Group would not meet its interest cover covenant during the going concern period, with the first measurement date in April 2026. If this covenant breach were to occur, it would constitute an event of default under the terms of the revolving credit facility agreement and senior loan notes. The gearing and tangible net worth covenants are forecast to be met in all reporting periods in the SBP downside case. The Group maintains good relationships and a regular dialogue with all its lenders, as shown by recently extending the revolving credit facility to October 2029, and is confident that an amendment to its covenants would be secured if necessary, however, this is not guaranteed and therefore this represents a material uncertainty related to going concern. In all scenarios, except where the interest cover covenant is breached and a covenant amendment is not agreed, the Group forecasts adequate liquidity.

In reviewing the assessment outlined above, the Directors are confident that the Group has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the consolidated financial statements continue to be prepared on a going concern basis. However, a material uncertainty exists, in particular with respect to the ability to achieve the covenant amendments which may be required, that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements under UK-adopted international accounting standards requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and related disclosures. In applying the Group's accounting policies, the key judgements that have a significant impact on the financial statements are described below.

- The judgement to present certain items as exceptional (see note 4).
- The identification of performance obligations where a revenue transaction involves the sale of both land and residential units, and revenue on the units is subsequently recognised over time where the land sale element takes place at the start of the contract (see note 3 for the split of revenue recognised at a point in time and recognised over time, and also the more detailed revenue accounting policy).
- The identification of performance obligations in land sales, where Crest retains a portion of the land and where infrastructure is incomplete at the transaction date.
- The judgement of development phases to be combined for the purpose of determining cost of sales with reference to equalised profitability across the development.
- The recognition of the defined benefit pension scheme net surplus (see note 15).
- The current and non-current presentation of the combustible materials provision.
- The presentation of completed site liabilities as either accruals or provisions.

The key estimates that have a significant impact on the financial statements are described below.

- Carrying value of inventories.
- Estimation of development profitability and cost of sales recognised in the period.
- Completed site costs.
- Valuation of the pension scheme assets and liabilities.
- Cost to remediate sites with combustible materials present.

Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The Directors have made consistent estimates and assumptions in reviewing the going concern basis as those detailed above. The Directors consider the key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities as described below.

Carrying value of inventories

Inventories of land, work-in-progress, completed buildings, including show homes and part exchange inventories, are stated in the consolidated statement of financial position at the lower of cost or net realisable value (NRV). On a regular basis, management updates estimates of future revenue and expenditure for each development. Future revenue and expenditure may differ from estimates which could lead to an impairment of inventory if there are adverse changes. Where forecast revenues are lower than forecast total costs, an inventory provision is made. This provision may be reversed in subsequent periods if there is evidence of sustained improved revenue or reduced expenditure forecast on a development. If forecast revenue was 10.0% lower on sites within the short-term portfolio (total land portfolio excluding strategic land) as at 31 October 2025, the impact would have reduced profit before tax by £14.7m (2024: the impact would have increased loss before tax by £13.1m).

Estimation of development profitability

Due to the nature of development activity and, in particular, the length of the development cycle, the Group has to make estimates of the costs to complete developments, in particular those which are multi-phase and/or may have significant infrastructure costs. These estimates are reflected in the margin recognised on developments in relation to sales recognised in the current and future years. There is a degree of inherent uncertainty in making such estimates as well as the judgement is to determine the phases over which the costs are spread. The Group has established internal controls that are designed to ensure an effective assessment of estimates is made of the costs to complete developments and the judgement to determine the phases of a multi-phase site. The Group considers estimates of the costs to complete on longer-term sites, which typically have higher upfront shared infrastructure costs, to have greater estimation uncertainty than sites of shorter duration with fewer infrastructure requirements. A change in estimated margins on sites, for example due to changes in estimates of build cost inflation or a reduction in house prices, could alter future profitability. If forecast costs were 10.0% higher on sites which contributed to the year ended 31 October 2025 and which are forecast to still be in production beyond the year ending 31 October 2027 (2024: beyond the year ending 31 October 2026), cost of sales in the current year would have been £27.7m (2024: £29.1m) higher.

The Group has assessed the potential financial impacts of transitional and physical climate-related risks and opportunities. The primary known climate-related policy that will affect our product is the Future Homes Standard, due to be legislated in 2026, which will increase build costs for individual units. Anticipated additional build costs are incorporated into project acquisition appraisals. These costs are not expected to have a material impact on the carrying value of inventories or their associated project margins or the value of goodwill. Flood risk and broader planning requirements are also evaluated and accounted for during new project acquisitions. Longer-term climate-related costs are beyond the time horizon of the Group's contracted projects and therefore do not impact the carrying value of inventories or their associated project margins. Additional information on climate-related risks and opportunities is provided on pages 45–53. The impact of climate change is therefore considered an area of estimation rather than a critical accounting estimate.

Completed site costs

Completed site costs include completed site accruals, which is predominantly the cost to complete outstanding site infrastructure and amenities within developments where the last housing unit has been completed, and completed site provisions, which is the forecast cost to complete remedial works on buildings where faults have been identified and the Group is responsible to remedy. Completed site provisions and accruals can require a number of estimates and assumptions in their calculation. The Group has to make estimates of the costs to complete outstanding site infrastructure and amenities within developments and the cost of remediation required where faults have been identified post completion. The Group has internal controls that are designed to ensure an effective assessment of estimates is made of the costs to finalise completed developments. If forecast completed site costs are 10.0% higher than provided, the charge in the consolidated income statement would be £2.0m higher for completed site accruals and £1.5m higher for completed site provisions.

Valuation of the pension scheme assets and liabilities

In determining the valuation of the pension scheme assets and liabilities, the Directors utilise the services of an actuary. The actuary uses key assumptions being inflation rate, life expectancy, discount rate and Guaranteed Minimum Pensions, which are dependent on factors outside the control of the Group. To the extent that such assumptions differ to that expected, the pension liability would change. See note 15 for additional details.

Notes to the consolidated financial statements continued

1 Accounting policies continued**Combustible materials**

The combustible materials provision requires a number of key estimates and assumptions in its calculation. During the year, the combustible materials provision has been increased to reflect the latest assessment of these costs.

The key assumptions used to determine the provision include, but are not limited to, identification of the properties impacted through the period of construction considered. The key estimates then applied to these properties include the potential costs of investigation, replacement materials and works to complete, along with the timing of forecast expenditure. The Directors have used a combination of Building Safety Fund (BSF) cost information, other external information and internal assessments as a basis for the estimated remedial costs. The Group has used estimates and assumptions to evaluate the probable remediation works required to non-surveyed buildings after applying experience gained from buildings with surveys and applying risk categories to groups of buildings with similar characteristics. These estimates are inherently uncertain due to the highly complex and bespoke nature of the buildings. The actual costs may differ to the amounts notified by the BSF-costed projects, and fire safety reports in progress may require different levels of remediation and associated costs than those currently estimated. If forecast remediation costs on buildings currently provided for are 10.0% higher/lower than provided, the pre-tax exceptional items charge in the consolidated income statement would be £20.3m higher/lower. See notes 4 and 21 for additional details.

Adoption of new and revised standards

The Group adopted the following new standards and amendments to standards, which have had no material impact on the Group's results or financial statement disclosures:

- amendments to IAS 1 'Non-current Liabilities with Covenants' and 'Classification of Liabilities as Current or Non-current'
- amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'
- amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements'.

Impact of standards and interpretations in issue but not yet effective

The following new accounting standards and amendments to existing standards have been issued but are not yet effective or have not yet been endorsed by the UK:

- amendments to IAS 21 'Lack of exchangeability'
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'
- amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature dependent Electricity'
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.

Effective dates will be subject to the UK endorsement process.

The Group is currently assessing the impact of the above standards, but they are not expected to have a material impact other than potentially in respect of the IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial instruments' and IFRS 18.

The IFRS 7 and IFRS 9 measurements clarify when a financial liability is derecognised, specifically at the settlement date. This has the potential to affect the classification of financial liabilities and cash around a balance sheet date depending on the nature and timing of year end transactions. The Group is in the process of assessing the full impact of the amendments to existing policies and practices.

IFRS 18 replaces IAS 1 and requires that companies classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Management-defined performance measures are disclosed in a single note and enhanced guidance is provided on the aggregation and disaggregation of information presented in the financial statements. The Group is in the process of assessing the impact of IFRS 18 and anticipates changes to certain presentational and disclosure-related matters in its consolidated financial statements in future periods.

The Group has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Other accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Alternative performance measures (APMs)

The Group has adopted various APMs, as presented on pages 166-167. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' APMs, and should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Consolidation

The consolidated financial statements include the financial statements of Crest Nicholson Holdings plc, its subsidiary undertakings and the Group's share of the results of joint ventures and joint operations. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

(a) Subsidiaries

Subsidiaries are entities in which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The profits and losses of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used by the Group to account for the acquisition of subsidiaries that are a business under IFRS 3. On acquisition of a subsidiary, all of the subsidiary's separable, identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date.

All changes to those assets and liabilities and the resulting gains and losses that arise after the Group has gained control of the subsidiary are charged to the post-acquisition consolidated income statement or consolidated statement of comprehensive income. Accounting policies of acquired subsidiaries are changed where necessary, to ensure consistency with policies adopted by the Group.

Acquisitions of subsidiaries which do not qualify as a business under IFRS 3 are accounted for as an asset acquisition rather than a business combination. Under such circumstances the fair value of the consideration paid for the subsidiary is allocated to the assets and liabilities purchased based on their relative fair value at the date of purchase. No goodwill is recognised on such transactions.

(b) Joint ventures

A joint venture is a contractual arrangement in which the Group and other parties undertake an economic activity that is subject to joint control and these parties have rights to the net assets of the arrangement. The Group reports its interests in joint ventures using the equity method of accounting. Under this method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's share of results of the joint venture after tax is included in a single line in the consolidated income statement. Where the share of losses exceeds the Group's interest in the entity and there is no obligation to fund these losses, the carrying amount is reduced to nil and recognition of further losses is discontinued, unless there is a long-term receivable due from the joint venture, in which case, if appropriate, the loss is recognised against the receivable. If an obligation to fund losses exists, the further losses and a provision are recognised. Unrealised gains on transactions between the Group and its joint ventures are eliminated on consolidation. Accounting policies of joint ventures are changed where necessary, to ensure consistency with policies adopted by the Group.

(c) Joint operations

A joint operation is a joint arrangement that the Group undertakes with other parties, in which those parties have rights to the assets and obligations of the arrangement. The Group accounts for joint operations by recognising its share of the jointly controlled assets and liabilities and income and expenditure on a line-by-line basis in the consolidated statement of financial position and consolidated income statement.

Goodwill

Goodwill represents the excess of what was paid to acquire CN Finance plc on 24 March 2009 over the fair value of their net assets at the acquisition date, less subsequent impairments. We assess whether goodwill is recoverable by performing an impairment review annually or more frequently if events or changes in circumstances indicate a potential impairment on the acquisition. The goodwill is allocated to the whole group of cash generating units within the Group; this is the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amount is equal to the higher of value in use and fair value less costs of disposal. The value in use is estimated as the present value of the forecast cash flows of the Group. The forecast considers the likelihood and scale of permitted development, forecast build costs, forecast selling prices and site procurement in line with the Group's committed strategic model and in line with current market conditions and projections covering a period of 5 years to 2030 before applying a terminal value. Cash flows related to uncommitted future restructurings and enhancement capital expenditure are excluded from the projections.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Revenue and profit recognition

Revenue comprises the fair value of the consideration received or receivable, net of value added tax and discounts.

Revenue is recognised on open market and apartment sales at legal completion. For affordable and other sales in bulk, revenue recognition is dependent on freehold legal title being passed to the customer as it is considered that, upon transfer of freehold title the customer controls the work-in-progress. Where freehold legal title and control is passed to the customer, revenue is recognised on any upfront sale of land (where applicable) and then on the housing units as the build of the related units progresses, via surveys of work performed on contract activity. Where freehold legal title is not passed to the customer, revenue is not recognised on any upfront sale of land and the revenue on the housing units and sale of land is recognised at handover of completed units to the customer. The transaction price for all housing units is derived from contractual negotiations. Variable consideration is recognised within revenue to the extent that it is highly probable that a significant reversal will not occur, and estimates are reassessed at each reporting date.

Revenue on specification upgrades paid for by the customer or on the cost of specification upgrades offered to the customer as part of the purchase price is recognised as revenue when legal title of the upgraded property passes to the customer.

Revenue is predominantly recognised on land sales when legal title passes to the customer. If the Group has remaining performance obligations, such as the provision of services to the land, an element of revenue is allocated to these performance obligations with reference to the relative standalone selling price of the performance obligations and recognised as the obligations are performed. Where variable consideration exists, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur, and estimates are reassessed at each reporting date.

Revenue recognition on commercial property sales is dependent on freehold legal title being passed to the customer, as it is considered that, upon transfer of freehold title the customer controls the work-in-progress. Where freehold legal title is passed to the customer, revenue is recognised on any upfront sale of land (where applicable) and then on the development revenue over time as the build of the related commercial units progresses. Where freehold legal title is not passed to the customer, revenue is not recognised on any upfront sale of land and the revenue on the commercial property is recognised at handover of the completed commercial unit to the customer.

Cost of sales

Cost of sales are recognised by reference to the gross margin forecast across the related development site. Due to the development cycle often exceeding one financial year, margins are forecast, taking into account the allocation of site-wide development costs such as infrastructure, and estimates required for the cost to complete such developments.

Other operating income

Other operating income comprises rental income, joint venture and other management fee income and the income associated with part exchange sales. The Group has made a judgement to not recognise revenue on the proceeds received on the disposal of properties taken in part exchange against a new property as they are incidental to the main revenue-generating activities of the Group. As part exchange sales are deemed incidental, the income and expenses associated with part exchange properties are recognised in other operating income and other operating expenses in the consolidated income statement. Part exchange income is recognised when legal title is passed to the customer. Rental income is recognised over the term of the rent agreement. Management fee income is recognised over time, in line with when management services are provided.

Other operating expenses

Other operating expenses represent cost of sales of part exchange properties.

Exceptional items

Exceptional items are those which, in the opinion of the Directors, are material by size and/or non-recurring in nature such as significant costs and settlements associated with combustible materials, significant legal matters, changes in estimate of costs associated with completed sites which are no longer part of the core strategy, significant costs associated with corporate bid approaches, restructuring, clarification of historical pension scheme terms and the write down of freehold inventories. Where appropriate, the Directors consider that items should be considered as categories or classes of items, such as any credits/costs impacting the consolidated income statement which relate to combustible materials or certain site costs, notwithstanding where an item may be individually immaterial. The Directors believe that these items require separate disclosure within the consolidated income statement in order to assist the users of the financial statements to better understand the performance of the Group, which is also how the Directors and chief operating decision maker internally manage the business. Additional charges/credits (including reversals) to items classified as exceptional items in prior years will be classified as exceptional in the current year, unless immaterial to the financial statements. As these exceptional items can vary significantly year on year, they may introduce volatility into the reported earnings. The income tax impacts of exceptional items are reflected at the actual tax rate related to these items.

Notes to the consolidated financial statements continued

1 Accounting policies continued**Net finance expense**

Interest income is recognised on a time-apportioned basis by reference to the principal outstanding and the effective interest rate. Interest costs associated with financing facilities are recognised in the consolidated income statement on an accruals basis using the effective interest method. Imputed interest expense on deferred land creditors and combustible materials is recognised over the life of associated cash flows, with reference to the effective interest rate.

Income and deferred tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit is profit before tax per the consolidated income statement after adjusting for income and expenditure that is not subject to tax, and for items that are subject to tax in other accounting periods. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date. Current tax assets are recognised to the extent that it is probable the asset is recoverable.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for all temporary differences. Deferred tax is calculated using tax rates that have been substantively enacted by the consolidated statement of financial position date.

Dividends

Final and interim dividend distributions to the Company's shareholders are recorded in the Group's financial statements in the earlier of the period in which they are approved by the Company's shareholders, or paid.

Employee benefits**(a) Pensions**

The Group operates a defined benefit (DB) scheme (closed to new employees since October 2001 and to future service accrual since 30 April 2010) and also makes payments into a defined contribution scheme for employees.

In respect of the DB scheme, the retirement benefit deficit or surplus is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, such benefits measured at discounted present value, less the fair value of the scheme assets. The rate used to discount the benefits accrued is the yield at the consolidated statement of financial position date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit method. The operating and financing costs of such plans are recognised separately in the consolidated income statement; past service costs and financing costs are recognised in the periods in which they arise. The Group recognises expected scheme gains and losses via the consolidated income statement and actuarial gains and losses are recognised in the period they occur directly in other comprehensive income, with associated deferred tax.

The retirement benefit deficit or surplus recognised in the consolidated statement of financial position represents the deficit or surplus of the fair value of the scheme's assets over the present value of scheme liabilities, with any net surplus recognised to the extent that the employer can gain economic benefit as set out in the requirements of International Financial Reporting Interpretations Committee 14.

Payments to the defined contribution scheme are accounted for on an accruals basis.

(b) Share-based payments

The fair value of equity-settled, share-based compensation plans is recognised as an employee expense with a corresponding increase in equity. The fair value is measured as at the date the options are granted and the charge amended if vesting does not take place due to non-market conditions (such as service or performance) not being met. The fair value is spread over the period during which the employees become unconditionally entitled to the shares and is adjusted to reflect the actual number of options that vest. At the consolidated statement of financial position date, if it is expected that non-market conditions will not be satisfied, the cumulative expense recognised in relation to the relevant options is reversed.

The proceeds received are credited to share capital (nominal value) and share premium when the options are exercised if new shares are issued. If treasury shares are used the proceeds are credited to retained reserves. There are no cash-settled share-based compensation plans.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Own shares held by Employee Share Ownership Trust (ESOT)

Transactions of the Company-sponsored ESOT are included in both the Group financial statements and the Company's own financial statements. The purchase of shares in the Company by the ESOT are charged directly to equity.

Software as a Service (SaaS) arrangements

Implementation costs, including costs to configure or customise a cloud provider's application software, where the Group determines that there is no control over the asset in development, are recognised as administrative expenses when the services are received.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition. Depreciation is calculated to write off the cost of the assets on a straight-line basis to their estimated residual value over its expected useful life as follows:

Fixtures and fittings	10 years
Computer equipment and non-SaaS software	3–5 years

The asset residual values, carrying values and useful lives are reviewed on an annual basis and adjusted if appropriate at each consolidated statement of financial position date.

Right-of-use assets and lease liabilities

The Group assesses at lease inception whether a contract is, or contains, a lease. The Group recognises a right-of-use asset and a lease liability at lease commencement.

The right-of-use asset is initially recorded at the present value of future lease payments and subsequently measured net of depreciation, which is charged to the consolidated income statement as an administrative expense over the shorter of its useful economic life or its lease term on a straight-line basis. The right-of-use asset is also reduced for impairment losses.

The Group recognises lease liabilities at the present value of future lease payments, discounted at the rate implicit in the lease or the Group's incremental borrowing rate as determined with reference to the most recently issued financial liabilities carrying interest. The discount is subsequently unwound and recorded in the consolidated income statement over the lease term as a finance expense. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value (NRV).

Land includes land under development, land options purchased and land exchanged on an unconditional basis with or without planning consent.

Work-in-progress and completed buildings including show homes comprise direct materials, sub-contract work, labour costs, site overheads, associated professional fees and other attributable overheads, but excludes interest costs.

Part exchange inventories are held at the lower of cost and NRV, which includes an assessment of costs of resale.

Land inventories and the associated land payables are recognised in the consolidated statement of financial position from the date of unconditional exchange of contracts. Land payables are recognised as part of trade and other payables.

Options purchased in respect of land are recognised initially as a prepayment within inventories and written down on a straight-line basis over the life of the option. If planning permission is granted and the option exercised, the option is not written down during that year and its carrying value is included within the cost of land purchased.

Provisions are established to write down inventories where the estimated net sales proceeds less costs to complete exceed the current carrying value. Adjustments to the provisions will be required where estimated net selling prices or costs to complete change. NRV for inventories is assessed by estimating selling prices and costs, taking into account current market conditions.

Notes to the consolidated financial statements continued

1 Accounting policies continued**Financial assets**

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at fair value through profit or loss (FVTPL)
- subsequently at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Group's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the consolidated income statement using the effective interest rate method.

Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Group as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the consolidated income statement and presented within administrative expenses. The Group currently has no financial assets measured at FVOCI.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss (FVTPL) (which comprise shared equity receivables) are classified as being held to collect and initially recognised at fair value. Changes in fair value relating to the expected recoverable amount are recognised in the consolidated income statement as a finance income or expense. These assets are held as current or non-current based on their contractual repayment dates.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade and other receivables. The amount of the loss is recognised separately in the consolidated income statement. Current trade and other receivables do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Non-current trade and other receivables are discounted to present value when the impact of discounting is deemed to be material, with any discount to nominal value being recognised in the consolidated income statement as interest income over the duration of the deferred payment.

Contract assets

Contract assets represent unbilled work-in-progress on affordable and other sales in bulk on contracts in which revenue is recognised over time. Contract assets are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Contract assets do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are cash balances in hand and in the bank and are carried in the consolidated statement of financial position at nominal value.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of direct transaction costs, and subsequently measured at amortised cost. Finance charges are accounted for on an accruals basis in the consolidated income statement using the effective interest method, and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise or are included within interest accruals.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at FVTPL.

Non-derivative financial liabilities are measured at FVTPL when they are considered held for trading or designated as such on initial recognition. The Group has no non-derivative financial liabilities measured at FVTPL.

Land payables

Land payables are recognised in the consolidated statement of financial position from the date of unconditional exchange of contracts. Where land is purchased on deferred settlement terms then the land and the land payable are discounted to their fair value using the effective interest method in accordance with IFRS 9. The difference between the fair value and the nominal value is amortised over the deferment period, with the financing element being charged as an interest expense through the consolidated income statement.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables on deferred terms are initially recorded at their fair value, with the discount to nominal value being charged to the consolidated income statement as an interest expense over the duration of the deferred period. Included within trade and other payables are completed site accruals.

Contract liabilities

Contract liabilities represent payments on account, received from customers, in excess of billable work-in-progress on affordable and other sales in bulk on contracts. Contract liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are discounted to present value on a discounted cash flow basis using an interest rate appropriate to the class of the provision, where the effect is material. Included within provisions are completed site provisions.

Seasonality

In common with the rest of the UK housebuilding industry, activity occurs throughout the year, with peaks in sales completions in spring and autumn. This creates seasonality in the Group's trading results and working capital.

2 Segmental reporting

The Board has been identified as the chief operating decision maker as defined under IFRS 8 Operating Segments. Financial information is reported to the Board for the UK housebuilding business as a whole and the Board makes decisions regarding resource allocation on that basis. Accordingly, the Group has a single UK housebuilding operating segment.

3 Revenue

Revenue type	2025 £m	2024 £m
Open market housing including specification upgrades	459.3	493.5
Affordable housing	70.1	79.0
Total housing	529.4	572.5
Land and commercial sales	81.4	45.7
Total revenue	610.8	618.2
Timing of revenue recognition		
Revenue recognised at a point in time	521.7	525.0
Revenue recognised over time	89.1	93.2
Total revenue	610.8	618.2
Assets and liabilities related to contracts with customers		
Contract assets (note 16)	-	7.6
Contract liabilities (note 20)	(10.2)	(6.9)

Contract assets have decreased to £nil from £7.6m in 2024, reflecting less unbilled work-in-progress on affordable and other sales in bulk at the year end. This is in line with the trading of the Group and the contractual arrangements in the Group's contracts. Contract liabilities have increased to £10.2m from £6.9m in 2024.

Based on historical trends, the Directors expect a significant proportion of the contract liabilities total to be recognised as revenue in the next reporting period.

Notes to the consolidated financial statements continued

3 Revenue continued

Included in revenue during the year was £3.5m (2024: £2.9m) that was included in contract liabilities at the beginning of the year.

During the year £nil (2024: £nil) of revenue was recognised from performance obligations satisfied or partially satisfied in previous years.

As at 31 October 2025 there was £95.0m (2024: £151.9m) of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied on contracts exchanged with customers. Based on forecasts, the Group expects to recognise £50.9m (2024: £111.3m) of transaction prices allocated to performance obligations that are unsatisfied on contracts exchanged with customers within one year, £42.6m (2024: £40.6m) within two to five years, and £1.5m (2024: £nil) over five years.

4 Exceptional items

Exceptional items are those which, in the opinion of the Directors, are material by size and/or non-recurring in nature such as significant costs and settlements associated with combustible materials, significant legal matters, changes in estimate of costs associated with completed sites which are no longer part of the core strategy, significant costs associated with corporate bid approaches, restructuring, clarification of historical pension scheme terms and the write down of freehold inventories. Where appropriate, the Directors consider that items should be considered as categories or classes of items, such as any credits/costs impacting the consolidated income statement which relate to combustible materials or certain site costs, notwithstanding where an item may be individually immaterial. The Directors believe that these items require separate disclosure within the consolidated income statement in order to assist the users of the financial statements to better understand the performance of the Group, which is also how the Directors and chief operating decision maker internally manage the business. Additional charges/credits (including reversals) to items classified as exceptional items in prior years will be classified as exceptional in the current year, unless immaterial to the financial statements. As these exceptional items can vary significantly year on year, they may introduce volatility into the reported earnings. The income tax impacts of exceptional items are reflected at the marginal tax rate related to these items.

	2025 £m	2024 £m
Cost of sales		
Combustible materials net charge	(12.8)	(131.7)
Combustible materials recoveries	12.4	4.4
Net combustible materials charge	(0.4)	(127.3)
Legal provision and professional fees	(1.9)	(0.4)
Completed site costs	(1.7)	(25.0)
Freehold inventories write off	–	(5.7)
Total cost of sales charge	(4.0)	(158.4)
Administrative expenses		
Aborted transaction costs	–	(1.6)
Restructuring related expenses	(4.3)	–
Pension costs	(2.2)	–
Net finance expense		
Combustible materials imputed interest	(9.4)	(6.1)
Share of post-tax profits/(losses) of joint ventures		
Combustible materials charge of joint ventures	(3.7)	–
Total exceptional charge	(23.6)	(166.1)
Tax credit on exceptional charge	5.9	48.2
Total exceptional charge after tax credit	(17.7)	(117.9)

Net combustible materials charge

Following the Group's signing of the Developer Remediation Contract on 13 March 2023, the Group assumed contractual obligations with the government to identify and remediate all buildings it has developed that may contain life-critical fire safety defects. The combustible materials net charge of £12.8m represents forecast changes in build costs, costs of remediating buildings surveyed in the year and changes in the provision discount, and includes a £2.2m professional fees charge incurred by the Group in pursuing third parties where it has a contractual right of recourse. During the year, the Group recovered £12.4m (2024: £4.4m) from third parties in respect of defective design and workmanship. See note 21 for further information.

Notes to the consolidated financial statements continued

4 Exceptional items continued

Legal provision and professional fees

The Group is subject to a legal claim relating to a low-rise bespoke apartment block built by the Group which was damaged by fire in 2021. The Group has incurred professional fees in the year in relation to the claim. In 2023 the Group recognised its estimate of the potential liability, which has been updated at 31 October 2025 to represent the Group's latest estimate. See note 21 for further information.

Following the year end a settlement was reached with the claimant in respect of the building damaged by the fire in 2021 and a remedial works agreement was agreed with respect to other buildings identified with defects through this case. The final terms of the settlement and remedial works agreement are consistent with the amounts provided for at the balance sheet date, although the final cost of remedial works will continue to be subject to estimation uncertainty.

Completed site costs

During the first half of the prior financial year, the Group became aware of certain build defects initially identified on four sites that were completed prior to 2019 which are no longer part of the core strategy. Following a thorough review of all completed sites in association with third-party consultants, an exceptional charge of £25.0m was recognised in the prior year. During the year, a net exceptional charge of £1.7m has been recognised which represents an update to the estimate of costs required to remediate these build defects.

Freehold inventories write off

During the prior year, the Group provided £5.7m to write off the value of its remaining freehold reversionary interests in buildings previously constructed by the Group. The remaining value is £nil and therefore this is a non-recurring item. The market for freehold reversionary interests remains uncertain given proposed legislative changes in this area and the impact of some freehold buildings requiring fire remediation works. The cost was recognised as exceptional due to its size.

Aborted transaction costs

During the prior year the Group received an unsolicited bid from Bellway plc. On 13 August 2024 Bellway plc withdrew from the proposed acquisition. Costs related to this aborted transaction are classified as exceptional due to their non-recurring nature, with £nil recognised during the year (2024: £1.6m).

Restructuring related expenses

The Group has commenced a business transformation programme to deliver the benefits of its new strategy as set out in its Capital Markets Day on 20 March 2025. The programme is expected to conclude by 31 October 2026, as such the costs are considered to be one-off in nature, material, and not part of the day-to-day operations of the Group. These costs include redundancy costs and third-party advisory fees.

The Chiltern division's closure was announced in November 2025 as part of the transformation programme. This represents a non-adjusting post balance sheet event and the associated costs will be recognised in 2026 as exceptional items.

Pension costs

A review of historical scheme documentation identified inconsistencies in the basis of estimating obligations and underlying scheme documentation. Obligations have been estimated with reference to the clarified terms of the pension scheme. Changes to the obligations have been recognised as exceptional costs in the year as they are one-off in nature and are outside of the ordinary course of the Group's activities.

Net finance expense

The combustible materials imputed interest reflects the unwind of the imputed interest on the provision to reflect the time value of the liability.

Share of post-tax loss of joint ventures

The combustible materials charge in respect of joint ventures represents the Company's share of an exceptional combustible materials provision recognised by one of the Group's joint ventures. The provision was recognised in the year following an independent fire engineer's report that recommended remedial works.

Taxation

An exceptional income tax credit of £5.9m (2024: £48.2m) has been recognised in relation to the above exceptional items using the marginal tax rate applicable to these items.

5 Operating profit/(loss)

(a) Operating profit of £24.2m (2024: operating loss of £130.8m¹) from continuing activities is stated after (charging)/crediting:

	Note	2025 £m	Restated ¹ 2024 £m
Inventories expensed in the year		(507.9)	(499.7)
Inventories impairment movement in the year	17	6.6	(2.1)
Employee costs	6	(61.1)	(63.0)
Depreciation on property, plant and equipment		(0.4)	(0.4)
Depreciation on right-of-use assets	12	(3.4)	(2.3)

1. See note 28 for explanation of prior year restatement

Notes to the consolidated financial statements continued

5 Operating profit/(loss) continued

(b) Other operating income

	Note	2025 £m	2024 £m
Proceeds on disposal of part exchange properties		55.6	68.8
Rental income		1.6	3.4
Joint venture project management fees	26	2.0	1.9
Other management fee income		0.7	1.7
		59.9	75.8

(c) Other operating expenses

	2025 £m	2024 £m
Costs associated with disposal of part exchange properties	55.9	69.9

(d) Auditors' remuneration

	2025 £000	2024 £000
Audit of these consolidated financial statements	200	191
Audit of financial statements of subsidiaries pursuant to legislation	1,008	1,529
Other non-audit services	140	130

The audit fees payable in 2025 included £100,000 (2024: £220,000) in relation to additional costs for the 2024 audit.

Fees payable to the Group's auditors for non-audit services included £140,000 (2024: £130,000) in respect of an independent review of the half-year results.

In addition to the above, PricewaterhouseCoopers LLP provide audit services to the Crest Nicholson Group Pension and Life Assurance Scheme. The fees associated with the services to the Crest Nicholson Group Pension and Life Assurance Scheme are £36,080 (2024: £35,505).

6 Employee numbers and costs

(a) Average monthly number of persons employed by the Group

	2025 Number	2024 Number
Development	685	704

The Directors consider all employees of the Group to be employed within the same category of Development.

(b) Employee costs (including Directors and key management)

	2025 £m	2024 £m
Wages and salaries	49.8	52.3
Social security costs	6.4	6.0
Other pension costs	2.8	2.9
Share-based payments	2.1	1.8
	61.1	63.0

(c) Key management remuneration

	2025 £m	2024 £m
Salaries and short-term employee benefits	5.0	4.8
Share-based payments	1.2	0.8
	6.2	5.6

Key management comprises the Executive Committee (which includes the Executive Directors of the Board) and Non-Executive Directors as they are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group.

(d) Directors' remuneration

	2025 £m	2024 £m
Salaries and short-term employee benefits	2.0	2.4
Share-based payments	0.6	0.4
	2.6	2.8

Further information relating to Directors' remuneration, incentive plans, share options, pension entitlement and the highest paid Director, appears in the Directors' remuneration report, which is presented on pages 82-104.

Notes to the consolidated financial statements continued

7 Finance income and expense

	Note	2025 £m	2024 £m
Finance income			
Interest income		3.0	2.7
Interest on amounts due from joint ventures	26	0.4	0.7
Net interest on defined benefit pension scheme	15	1.0	0.6
		4.4	4.0
Finance expense			
Interest on bank loans		(10.1)	(6.7)
Revolving credit facility issue costs		(0.9)	(0.7)
Imputed interest on deferred land payables		(2.4)	(5.0)
Interest on lease liabilities	12	(0.6)	(0.4)
Imputed interest on combustible materials provision – exceptional	4	(9.4)	(6.1)
		(23.4)	(18.9)
Net finance expense		(19.0)	(14.9)

8 Income tax (expense)/credit

	Note	2025 £m	Restated ¹ 2024 £m
Current tax			
UK corporation tax (expense)/credit on profit/(loss) for the year		(0.1)	3.7
Adjustment in respect of prior periods		(0.4)	0.5
Total current tax (expense)/credit		(0.5)	4.2
Deferred tax			
Origination and reversal of temporary differences in the year		(1.7)	36.6
Adjustment in respect of prior periods		1.2	–
Recognised on trading losses		0.3	–
Total deferred tax (charge)/credit	14	(0.2)	36.6
Total income tax (expense)/credit in consolidated income statement		(0.7)	40.8

¹ See note 28 for an explanation of the prior year restatement.

Income tax is calculated at 25.0% (2024: 29.0%), based on corporation tax of 25.0%. Due to the profits falling below threshold for Residential Property Developer Tax (RPDT) in both 2025 and 2024, the 25% corporation tax rate has been used and not 29% as in previous years, 29% being the corporate tax rate of 25% and RPDT of 4.0%. The effective tax rate for the year is 24.1% (2024: 28.0%), which is lower than (2024: lower than) the standard rate of UK corporation tax, predominantly due to the availability of reliefs deductible for tax purposes which reduces the tax charge on the profit. The Group expects the effective tax rate to be more aligned to the standard rate of corporation tax in future years due to the reducing impact of reliefs against higher profits, and the additional charge to RPDT when breaching threshold.

	2025 £m	Restated ¹ 2024 £m
Reconciliation of tax (expense)/credit in the year		
Profit/(loss) before tax	2.9	(145.8)
Tax (charge)/credit on profit/(loss) at 25.0% (2024: 29.0%)	(0.7)	42.3
Effects of:		
Expenses not deductible for tax purposes	(1.4)	(1.9)
Enhanced tax deductions	0.3	0.3
Adjustment in respect of prior periods	0.8	0.5
Impact of tax rate change on losses carried back	–	(0.4)
Impact of RPDT annual allowance and adjustments	0.3	–
Total income tax (expense)/credit in consolidated income statement	(0.7)	40.8

¹ See note 28 for an explanation of the prior year restatement.

RPDT is an additional tax on profits generated from residential property development activity, in excess of an annual threshold and adjusting for amounts disallowable under RPDT, such as interest expense. There is no charge for RPDT in 2025 or 2024, since the Group has not generated the minimum level of profit required before RPDT is incurred, however the RPDT impact of available losses has been recognised in the reconciliation.

Expenses not deductible for tax purposes include business entertaining, corporate action professional fees and other permanent disallowable expenses. Enhanced tax deductions include items for which, under tax law, a corporation tax deduction is available in excess of the amount shown in the consolidated income statement. For example, land remediation enhanced allowances.

Adjustment in respect of prior periods reflects the difference between the estimated consolidated income statement tax charge in the prior year and that of the actual tax outcome.

Notes to the consolidated financial statements continued

8 Income tax (expense)/credit continued

In July 2023, the government enacted legislation to introduce a new Multinational Top-up Tax and Domestic Top-up Tax as part of the UK adoption of the Organisation for Economic Co-operation and Development Pillar Two Rules. The new rules apply to the Group from the accounting year ended 31 October 2025.

The new rules intend to ensure that large corporate groups pay a minimum rate of tax of 15%. The Group's activities are currently entirely UK based. The 2025 effective tax rate of 24.1% is lower than previous years largely due to the availability of reliefs available for deduction against a lower profit base. Given that the Group's tax rate is expected to be closer to the statutory tax rate of 29% (being 25% UK corporation tax plus 4% RPDT) in future years, it is not expected that the Group will be required to pay any additional Domestic Top-up Tax.

The Group applies the exception, as set out in International Accounting Standards (IAS) 12: Income Taxes, to the requirements regarding deferred tax assets and liabilities related to Pillar Two income taxes.

9 Dividends

Dividends recognised as distributions to equity shareholders in the year:

	2025 £m	2024 £m
Current year interim dividend of 1.3 pence per share (2024: 1.0 pence per share)	3.3	2.6
Prior year final dividend per share of 1.2 pence per share (2024: 11.5 pence per share)	3.1	29.5
	6.4	32.1

Dividends proposed as distributions to equity shareholders in the year:

	2025 £m	2024 £m
Final dividend for the year ended 31 October 2025 of 1.8 pence per share (2024: 1.2 pence per share)	4.6	3.1

The proposed final dividend was approved by the Board on 28 January 2026 and, in accordance with IAS 10: Events after the Reporting Period, has not been included as a liability in this financial year. The final dividend will be paid on 24 April 2026 to all ordinary shareholders on the Register of Members on 27 March 2026.

10 Earnings/(loss) per ordinary share

Basic earnings/(loss) per share is calculated by dividing profit/(loss) attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of shares is increased by the average number of potential ordinary shares held under option during the year. This reflects the number of ordinary shares which would be purchased using the difference in value between the market value of shares and the share option exercise price. The market value of shares has been calculated using the average ordinary share price during the year. Only share options which have met their cumulative performance criteria have been included in the dilution calculation. The earnings and weighted average number of shares used in the calculations are set out below.

	Earnings/(loss) £m	Weighted average number of ordinary shares Number	Per share amount Pence
Year ended 31 October 2025			
Basic earnings per share	2.2	256,532,825	0.9
Dilutive effect of share options		1,244,914	–
Diluted earnings per share	2.2	257,777,739	0.9
Year ended 31 October 2025 – pre-exceptional items			
Adjusted basic earnings per share	19.9	256,532,825	7.8
Dilutive effect of share options		1,244,914	(0.1)
Adjusted diluted earnings per share	19.9	257,777,739	7.7
Year ended 31 October 2024 (restated¹)			
Basic loss per share	(105.0)	256,367,618	(41.0)
Dilutive effect of share options		–	–
Diluted loss per share	(105.0)	256,367,618	(41.0)
Year ended 31 October 2024 – pre-exceptional items (restated¹)			
Adjusted basic earnings per share	12.9	256,367,618	5.0
Dilutive effect of share options		1,608,047	–
Adjusted diluted earnings per share	12.9	257,975,665	5.0

¹ See note 28 for an explanation of the prior year restatement.

Notes to the consolidated financial statements continued

11 Intangible assets

	2025 £m	2024 £m
Goodwill		
Cost at beginning and end of the year	47.7	47.7
Accumulated impairment	(18.7)	(18.7)
At beginning and end of the year	29.0	29.0

Goodwill represents the excess of what was paid to acquire of CN Finance plc on 24 March 2009 over the fair value of their net assets at the acquisition date, less subsequent impairments. We assess whether goodwill is recoverable by performing an impairment review annually or more frequently if events or changes in circumstances indicate a potential impairment on the acquisition. The goodwill is allocated to the whole group of cash generating units within the Group. This is the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amount is equal to the higher of value in use and fair value less costs of disposal. The Directors have therefore assessed value in use, being the present value of the forecast cash flows of the Group. These cash flows are the key estimates in the value in use assessment. The forecast considers the likelihood and scale of permitted development, forecast build costs, forecast selling prices and site procurement in line with the Group's committed strategic model and in line with current market conditions and projections covering a period of 5 years to 2030 before applying a terminal value. Cash flows related to uncommitted future restructurings and enhancement capital expenditure are excluded from the projections. A pre-tax real discount rate of 11.5% (2024: 12.4%) is applied to pre-tax cashflows, the discount rate is based on an externally produced weighted average cost of capital range estimate. A real terminal growth rate of 2.0% is applied based on the long-term UK economic growth rate. Forecast gross margin over the assessment period is based on past performance and latest forecasts likely to be achievable in the short to medium term.

The recoverable value of the Group of cash-generating units is substantially in excess of the carrying value of goodwill. Sensitivity analysis has been undertaken by increasing the discount rates by 1.0%, reducing the forecast profit margins across all sites within the Group of cash-generating unit by 1.0% and reducing the terminal growth rate by 1.0%. Given the significant headroom, none of the sensitivities, either individually or in aggregate, result in the fair value of the goodwill being reduced to below its current book value amount.

12 Right-of-use assets and lease liabilities

	Office buildings £m	Other leases £m	Total £m
Cost			
At 1 November 2023	8.6	4.8	13.4
Additions	2.8	4.3	7.1
Disposals	(3.6)	(1.4)	(5.0)
At 31 October 2024	7.8	7.7	15.5
Additions	1.3	1.1	2.4
Disposals	–	(0.5)	(0.5)
At 31 October 2025	9.1	8.3	17.4
Accumulated depreciation			
At 1 November 2023	5.1	2.2	7.3
Charge for the year	1.2	1.1	2.3
Disposals	(3.6)	(1.4)	(5.0)
At 31 October 2024	2.7	1.9	4.6
Charge for the year	0.9	2.5	3.4
Disposals	–	(0.4)	(0.4)
At 31 October 2025	3.6	4.0	7.6
Net book value			
At 31 October 2025	5.5	4.3	9.8
At 31 October 2024	5.1	5.8	10.9
At 31 October 2023	3.5	2.6	6.1

Other leases comprise motor vehicles and show home leases.

Notes to the consolidated financial statements continued

12 Right-of-use assets and lease liabilities continued**Lease liabilities included in the consolidated statement of financial position**

	2025 £m	2024 £m
Non-current	7.0	8.8
Current	3.2	3.2
Total lease liabilities	10.2	12.0

Amounts recognised in the consolidated income statement

	2025 £m	2024 £m
Depreciation on right-of-use assets	3.4	2.3
Interest on lease liabilities	0.6	0.4

Amounts recognised in the consolidated cash flow statement

	2025 £m	2024 £m
Principal element of lease payments	4.0	1.9

Maturity of undiscounted contracted lease cash flows

	2025 £m	2024 £m
Less than one year	3.6	3.8
One to five years	6.0	8.2
More than five years	1.7	2.5
Total	11.3	14.5

13 Investments**Investments in joint ventures**

Below are the joint ventures that the Directors consider to be material to the Group:

- **Crest A2D (Walton Court) LLP:** In January 2016, the Group entered into a partnership agreement with A2 Dominion Developments Limited to procure and develop a site in Surrey. The LLP commenced construction in 2019, with sales completion forecast for 2026. The development is equally funded by both parties by way of interest free loans. The Group performs the role of project manager, for which it receives a project management fee.
- **Crest Sovereign (Brooklands) LLP:** In April 2019, the Group entered into a partnership agreement with Sovereign Housing Association Limited to develop a site in Bristol. The LLP commenced construction in 2019, with sales completion forecast for 2027. The LLP is equally funded by both parties, who will receive interest on loaned sums. The Group performs the role of project manager, for which it receives a project management fee.
- **Crest Peabody (Turweston) LLP:** In September 2023, the Group entered into a partnership agreement with the Peabody Trust to develop a site in Buckinghamshire. The LLP is expecting to commence construction in 2026, with sales completion forecast for 2032. The development is equally funded by both parties by way of interest free loans. The Group performs the role of project manager, for which it will receive a project management fee and a sales and marketing fee.

	2025 £m	2024 £m
Total investments in joint ventures		
Crest A2D (Walton Court) LLP	–	1.3
Crest Sovereign (Brooklands) LLP	8.4	5.9
Crest Peabody (Turweston) LLP	0.2	0.2
Other non-material joint ventures	0.9	1.2
Total investments in joint ventures	9.5	8.6

All material joint ventures have their place of business in Great Britain, are 50% owned and are accounted for using the equity method, in line with the prior year. See note 27 for further details.

Notes to the consolidated financial statements continued

13 Investments continued

Summarised financial information for joint ventures

The tables below provide financial information for joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures where the Group retains an interest, and not the Group's share of those amounts.

2025	Crest A2D (Walton Court) LLP £m	Crest Sovereign (Brooklands) LLP £m	Crest Peabody (Turweston) LLP £m
Summarised statement of financial position			
Current assets:			
Cash and cash equivalents	0.7	0.5	0.1
Inventories	4.4	21.5	24.2
Other current assets	0.7	5.1	–
Current liabilities:			
Financial liabilities	(4.6)	(6.2)	(4.5)
Other current liabilities	(0.1)	(4.1)	–
Non-current liabilities:			
Financial liabilities	(5.9)	–	(19.4)
Net (liabilities)/assets	(4.8)	16.8	0.4
Reconciliation to carrying amounts			
Opening net assets at 1 November 2024	2.6	11.8	0.4
(Loss)/profit for the year	(7.7)	5.0	(0.4)
Capital contribution reserve	0.3	–	0.4
Closing net (liabilities)/assets at 31 October 2025	(4.8)	16.8	0.4

2025	Crest A2D (Walton Court) LLP £m	Crest Sovereign (Brooklands) LLP £m	Crest Peabody (Turweston) LLP £m
Group's share of closing net (liabilities)/assets at 31 October 2025	(2.4)	8.4	0.2
Losses recognised against provision/receivable from joint venture (note 16)	2.4	–	–
Group's share in joint venture	–	8.4	0.2
Amount due to the Group (note 16)	2.1	1.0	10.6
Summarised income statement for the 12 months ended 31 October 2025			
Revenue	14.5	32.9	–
Expenditure	(22.0)	(27.4)	–
Operating (loss)/profit before finance expense	(7.5)	5.5	–
Finance expense	(0.2)	(0.5)	(0.4)
Pre-tax and post-tax (loss)/profit for the year	(7.7)	5.0	(0.4)
Group's share in joint venture (loss)/profit for the year	(3.9)	2.5	(0.2)

The Group is committed to provide such funding to joint ventures as may be required by the joint venture in order to carry out the project if called. Funding of this nature is currently expected to be £1.3m (2024: £0.9m). The Group has recognised its share of the accumulated losses of its joint ventures against the carrying value of investments or loans in the joint venture where appropriate, in line with IAS 28.

Notes to the consolidated financial statements continued

13 Investments continued

2024	Crest A2D (Walton Court) LLP £m	Crest Sovereign (Brooklands) LLP £m	Crest Peabody (Turweston) LLP £m
Summarised statement of financial position			
Current assets:			
Cash and cash equivalents	0.3	0.3	0.1
Inventories	19.6	19.5	1.1
Other current assets	8.1	4.2	5.1
Current liabilities:			
Financial liabilities	(21.8)	(7.4)	(5.9)
Other current liabilities	(3.6)	(4.8)	–
Net assets	2.6	11.8	0.4
Reconciliation to carrying amounts			
Opening net assets at 1 November 2023	4.5	9.8	–
(Loss)/profit for the year	(2.4)	2.0	(0.2)
Capital contribution reserve	0.5	–	0.6
Closing net assets at 31 October 2024	2.6	11.8	0.4

2024	Crest A2D (Walton Court) LLP £m	Crest Sovereign (Brooklands) LLP £m	Crest Peabody (Turweston) LLP £m
Group's share of closing net assets at 31 October 2024	1.3	5.9	0.2
Group's share in joint venture	1.3	5.9	0.2
Amount due to the Group (note 16)	11.1	3.7	6.0
Summarised income statement for the 12 months ended 31 October 2024			
Revenue	56.1	15.4	–
Expenditure	(57.5)	(13.1)	–
Operating (loss)/profit before finance expense	(1.4)	2.3	–
Finance expense	(1.0)	(0.3)	(0.2)
Pre-tax and post-tax (loss)/profit for the year	(2.4)	2.0	(0.2)
Group's share in joint venture (loss)/profit for the year	(1.2)	1.0	(0.1)

The aggregate information of joint ventures that are not individually material is as follows:

	2025 £m	2024 £m
Share of post-tax results for the year	(0.7)	0.2
Share of total comprehensive (expense)/income	(0.7)	0.2

Subsidiary undertakings

The subsidiary undertakings that are significant to the Group and traded during the year are set out below. The Group's interest is in respect of ordinary issued share capital that is wholly owned and all the subsidiary undertakings are incorporated in Great Britain and are included in the consolidated financial statements.

Subsidiary	Nature of business
CN Finance plc	Holding company (including Group financing)
Crest Nicholson plc	Holding company
Crest Nicholson Operations Limited	Residential and commercial property development

A full list of the Group's undertakings including subsidiaries and joint ventures is set out in note 27.

Notes to the consolidated financial statements continued

14 Deferred tax

	Inventories fair value £m	Pension surplus £m	Share-based payments £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 November 2023 (restated¹)	1.1	(2.5)	0.2	0.7	2.0	1.5
Consolidated income statement movements (restated ¹)	(0.2)	(0.3)	–	36.6	0.5	36.6
Equity movements	–	(2.1)	0.1	–	–	(2.0)
At 31 October 2024 (restated¹)	0.9	(4.9)	0.3	37.3	2.5	36.1
Consolidated income statement movements	(0.1)	-	0.1	0.3	(0.5)	(0.2)
Equity movements	–	1.5	–	–	–	1.5
At 31 October 2025	0.8	(3.4)	0.4	37.6	2.0	37.4

¹ See note 28 for an explanation of the prior year restatement.

Total deferred tax credited to equity in the year is £1.5m (2024: £2.0m). Deferred tax assets expected to be recovered in less than 12 months is £7.6m (2024: £9.4m), and in more than 12 months is £33.2m (2024: £31.6m¹). Deferred tax losses have been recognised based on current trading forecasts for the next six years. Deferred tax liabilities are expected to be settled in more than 12 months.

At the consolidated statement of financial position date the substantively enacted future corporation tax rate is 25.0%. RPDT became effective from 1 April 2022 and is an additional tax at 4.0% of profits generated from residential property development activity, in excess of an annual threshold. Deferred tax assets and liabilities have been evaluated using the applicable tax rates when the asset is forecast to be realised and the liability is forecast to be settled. The Group has no material unrecognised deferred tax assets.

15 Employee benefits

(a) Retirement benefit obligations

Defined contribution scheme

The Group operates a defined contribution scheme for new employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions to this scheme for the year were £2.8m (2024: £2.6m). At the consolidated statement of financial position date there were no outstanding or prepaid contributions (2024: £nil).

Defined benefit scheme

The Company sponsors the Crest Nicholson Group Pension and Life Assurance Scheme (Scheme), a funded defined benefit pension scheme in the UK. The Scheme is administered within a trust that is legally separate from the Company. A Trustee company (Trustee) is appointed by the Company and the Company and the Scheme's members appoint Trustee Directors. The Trustee is appointed to act in the interest of the Scheme and all relevant stakeholders, including the members and the Company. The Trustee is also responsible for the investment of the Scheme's assets.

The Scheme closed to future service accrual from 30 April 2010. Accrued pensions in relation to deferred members are revalued at statutory revaluation in the period before retirement. Benefits also increase either at a fixed rate or in line with inflation while in payment. The Scheme provides pensions to members on retirement and to their dependants on death.

The Company pays contributions to improve the Scheme's funding position as determined by regular actuarial valuations. The Trustee is required to use prudent assumptions to value the liabilities and costs of the Scheme, whereas the accounting assumptions must be best estimates.

Responsibility for meeting any deficit within the Scheme lies with the Company and this introduces a number of risks for the Company. The major risks are: interest rate risk, inflation risk, investment risk and longevity risk. The Company and Trustee are aware of these risks and manage them through appropriate investment and funding strategies.

The Scheme is subject to regular actuarial valuations, which are usually carried out every three years. The last actuarial valuation was carried out with an effective date of 31 January 2024. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

Notes to the consolidated financial statements continued

15 Employee benefits continued

The results of the actuarial valuation as at 31 January 2024 have been projected to 31 October 2025 by a qualified independent actuary and used to derive the present value of scheme liabilities. The figures in the following disclosure were measured using the Projected Unit Method.

The investment strategy in place for the Scheme is to invest in a mix of return-seeking, index-linked and fixed-interest investments. As at 31 October 2025, the allocation of the Scheme's invested assets was 21% in return-seeking investments, 71% in liability-driven investing, 5% in cash and 3% in insured annuities. Details of the investment strategy can be found in the Scheme's Statement of Investment Principles, which the Trustee updates as their policy evolves.

It should also be noted that liabilities relating to insured members of the Scheme have been included as both an asset and a liability.

During the year, a review of historical scheme documentation identified inconsistencies in the basis of estimating obligations and underlying scheme documentation. A charge of £2.2m has been recognised as an exceptional cost in the year. See note 4 for further details.

Following the High Court judgement in the Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank plc and others (2018) case, overall pension benefits now need to be equalised to eliminate inequalities between males and females in Guaranteed Minimum Pensions (GMP). The Company has allowed for this in its financial statements by adding a 1.0% (2024: 1.0%) reserve, reflecting an approximate estimate of the additional liability.

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate. The High Court's decision has wide-ranging implications, affecting other schemes that were contracted out on a salary-related basis, and which made amendments between April 1997 and April 2016.

The Scheme was contracted out until 29 February 2016 and amendments were made during the relevant period. As such the ruling could have implications for the Group. Following the Court of Appeal upholding the 2023 High Court ruling on 25 July 2024, the Trustee initiated the process of investigating any potential impact for the Scheme. As part of this process the Trustee is also considering certain other historical amendments and the manner in which they were applied.

As the detailed investigation is in progress, the Group considers that the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient reliability at the 2025 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2025 and will review again in 2026 based on the findings of the detailed investigation.

	2025 £m	2024 £m
The amounts recognised in the consolidated statement of financial position are as follows:		
Fair value of scheme assets	138.5	145.1
Present value of scheme liabilities	(124.8)	(125.6)
Net surplus amount recognised at year end	13.7	19.5
Deferred tax liability recognised at year end within non-current balances	(3.4)	(4.9)

The retirement benefit surplus recognised in the consolidated statement of financial position represents the surplus of the fair value of the Scheme's assets over the present value of the Scheme's liabilities.

The rules of the Scheme provide the Group with an unconditional right to a refund of surplus assets on the gradual settlement of the Scheme's liabilities. In the ordinary course of business, the Scheme Trustee has no unilateral right to wind the Scheme up. Based on these rights and in accordance with International Financial Reporting Interpretations Committee 14, the Group has made the judgement that the net surplus in the Scheme is recognised in full.

At the consolidated statement of financial position date, the corporation tax rate is 25.0%. The deferred tax liability on the retirement benefit surplus has been evaluated applying this rate. RPDT of 4.0% is applicable to residential property development trading income only.

Notes to the consolidated financial statements continued

15 Employee benefits continued

Amounts recognised in comprehensive income:

The current and past service costs, settlements and curtailments, together with the interest income for the year are included in the consolidated statement of comprehensive income. Remeasurements of the net defined benefit asset are included in the consolidated statement of comprehensive income.

	2025 £m	2024 £m
Service cost		
Administrative expenses	(0.7)	(0.7)
Exceptional past service cost	(2.2)	–
Interest income	1.0	0.6
Recognised in the consolidated income statement	(1.9)	(0.1)
	2025 £m	2024 £m
Remeasurements of the net surplus		
(Loss)/return on Scheme assets	(6.5)	3.2
Gains/(losses) arising from changes in financial assumptions	3.9	(4.6)
(Losses)/gains arising from changes in demographic assumptions	(0.2)	3.9
Experience (losses)/gains	(1.1)	6.0
Actuarial (losses)/gains recorded in the consolidated statement of comprehensive income	(3.9)	8.5
Total defined benefit scheme (losses)/gains	(5.8)	8.4

	2025 %	2024 %
The principal actuarial assumptions used were:		
Liability discount rate	5.4	5.3
Inflation assumption – Retail Price Index	2.8	3.2
Inflation assumption – Consumer Price Index	2.4	2.7
Revaluation of deferred pensions	2.4	2.7
Increases for pensions in payment:		
Benefits accrued in excess of GMP pre-1997	3.0	3.0
Benefits accrued after 5 April 1997 and before 1 September 1997	3.5	3.0
Benefits accrued post 1 September 1997	2.7	3.0
Proportion of employees opting for early retirement	–	–
Proportion of employees commuting pension for cash	100.0	100.0
Mortality assumption – pre-retirement	AC00	AC00
Mortality assumption – male and female post-retirement	Male/female pensioners: 103%/103% S3PA base tables. Male/female dependants: 103%/100% S3DA base tables. Projected in line with CMI 2024 projections (H=1.0), an initial additional of 0.25% and a long-term improvement rate of 1.25%	Male/female pensioners: 103%/103% S3PA base tables. Male/female dependants: 103%/100% S3DA base tables. Projected in line with CMI 2023 core projections and core parameters (Sk = 7.0, an initial addition of 0.25%, w2020 = w2021 = 0%, and w2022 = w2023 = 15%) and a long-term improvement rate of 1.25%

Notes to the consolidated financial statements continued

15 Employee benefits continued

	2025 Years	2024 Years
Future expected lifetime of current pensioner at age 65		
Male aged 65 at year end	21.8	21.4
Female aged 65 at year end	24.1	23.9
Future expected lifetime of future pensioner at age 65		
Male aged 45 at year end	23.0	22.7
Female aged 45 at year end	25.5	25.3
	2025 £m	2024 £m
Changes in the present value of assets over the year		
Fair value of assets at beginning of the year	145.1	141.3
Interest income	7.5	7.7
Return on assets (excluding amount included in net interest income)	(6.5)	3.2
Contributions from the employer	–	1.1
Benefits paid	(6.9)	(7.5)
Administrative expenses	(0.7)	(0.7)
Fair value of assets at end of the year	138.5	145.1
Actual return on assets over the year	1.0	10.9
	2025 £m	2024 £m
Changes in the present value of liabilities over the year		
Liabilities at beginning of the year	(125.6)	(131.3)
Interest cost	(6.5)	(7.1)
Remeasurement gains/(losses)		
Gains/(losses) arising from changes in financial assumptions	3.9	(4.6)
(Losses)/gains arising from changes in demographic assumptions	(0.2)	3.9
Experience (losses)/gains	(3.3)	6.0
Benefits paid	6.9	7.5
Liabilities at end of the year	(124.8)	(125.6)

	2025 £m	2024 £m
Split of the Scheme's liabilities by category of membership		
Deferred pensioners	(45.3)	(47.2)
Pensions in payment	(79.5)	(78.4)
	(124.8)	(125.6)
	2025 Years	2024 Years
Average duration of the Scheme's liabilities at end of the year	11.0	11.0
This can be subdivided as follows:		
Deferred pensioners	15.0	15.0
Pensions in payment	9.0	9.0
	2025 £m	2024 £m
Major categories of Scheme assets		
Return seeking		
Overseas equities	–	8.6
Other (hedge funds, multi-asset strategy and absolute return funds)	28.6	40.1
	28.6	48.7
	2025 £m	2024 £m
Debt instruments		
Corporates	22.8	35.8
Liability-driven investing	76.4	38.4
	99.2	74.2
Other		
Cash (including liquidity fund)	6.9	18.3
Insured annuities	3.8	3.9
	10.7	22.2
Total market value of assets	138.5	145.1

Notes to the consolidated financial statements continued

15 Employee benefits continued

The Scheme has a Liability-Driven Investment (LDI) strategy designed to closely align investment returns with movements in the Scheme's liabilities on a low-risk basis, thereby reducing the volatility of the Scheme's funding level. The use of LDI brings liquidity risk as the demand for additional collateral to maintain the Scheme's hedging can change over short periods when interest rates change.

£nil (2024: £nil) of Scheme assets have a quoted market price in active markets, £126.3m (2024: £132.1m) of Scheme assets have valuation inputs other than quoted market prices, including quoted market prices for similar assets in active markets, £5.4m (2024: £6.2m) of Scheme assets are instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect the differences between the instruments, and £6.8m (2024: £6.8m) of Scheme assets are cash at bank and insured pension annuities.

The Scheme has no investments in the Group or in property occupied by the Group.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 31 January 2024 and showed a surplus of £8.1m. The Company ceased paying deficit contributions in July 2024.

Sensitivity of the liability value to changes in the principal assumptions

The sensitivities included are consistent with those shown in prior years and show the change in the consolidated statement of financial position as at 31 October 2025 as a result of a change to the key assumptions.

If the discount rate was 0.25% higher/(lower), the Scheme liabilities would decrease by £3.2m/ (increase by £3.2m) if all the other assumptions remained unchanged.

If the inflation assumption was 0.25% higher/(lower), the Scheme liabilities would increase by £1.8m/ (decrease by £1.8m) if all the other assumptions remained unchanged.

If life expectancies were to increase by one year, the Scheme liabilities would increase by £4.7m if all the other assumptions remained unchanged.

Notes to the consolidated financial statements continued

16 Trade and other receivables

	Trade and other receivables before expected credit loss 2025 £m	Expected credit loss 2025 £m	Trade and other receivables after expected credit loss 2025 £m	Trade and other receivables before expected credit loss 2024 £m	Expected credit loss 2024 £m	Trade and other receivables after expected credit loss 2024 £m
Non-current						
Trade receivables	8.2	(0.1)	8.1	12.6	–	12.6
Due from joint ventures	10.3	–	10.3	–	–	–
Other receivables	2.6	–	2.6	2.0	–	2.0
	21.1	(0.1)	21.0	14.6	–	14.6
Current						
Trade receivables	89.2	(0.8)	88.4	51.0	(1.4)	49.6
Contract assets	–	–	–	7.7	(0.1)	7.6
Due from joint ventures	2.1	(0.1)	2.0	22.7	(0.1)	22.6
Other receivables	18.9	(0.2)	18.7	15.9	(0.1)	15.8
Prepayments	2.2	–	2.2	2.5	–	2.5
	112.4	(1.1)	111.3	99.8	(1.7)	98.1
Non-current and current	133.5	(1.2)	132.3	114.4	(1.7)	112.7

Trade receivables and contract assets mainly comprise contractual amounts due from housing associations, bulk sale purchasers and land sales to other housebuilders. Other receivables mainly comprise two development agreements where the Group is entitled to recovery of costs incurred under the agreement. Current trade receivables of £14.2m have been collected as of 1 January 2026 (2024: £17.7m have been collected as of 1 January 2025). The remaining balance is due according to contractual terms. At the consolidated statement of financial position date, the difference between the fair value of amounts due from joint ventures and nominal value is £0.2m (2024: £0.2m).

Amounts due from joint ventures comprises funding provided on six (2024: four) joint venture developments which are being project managed by the Group and are repayable according to contractual arrangements. Amounts due from joint ventures are stated net of losses of £3.4m (2024: £0.9m). See note 13 for additional details on the Group's interests in joint ventures.

	2025 £m	2024 £m
Movements in total loss allowance for expected credit losses		
At beginning of the year	1.7	1.1
Charged in the year	0.5	0.7
Released in the year	(1.0)	(0.1)
At end of the year	1.2	1.7
Maturity of non-current receivables:		
Due between one and two years	10.7	14.6
Due between two and five years	10.3	–
Due after five years	–	–
	21.0	14.6

Notes to the consolidated financial statements continued

17 Inventories

	2025 £m	Restated ¹ 2024 £m
Land ²	618.5	681.6
Work-in-progress ²	335.2	314.4
Completed buildings including show homes	79.0	102.9
Part exchange inventories	23.4	30.2
	1,056.1	1,129.1

1 See note 28 for an explanation of the prior year restatement.

2 The 2024 comparative amounts have been represented for land and work-in-progress. This resulted in a representation of £11.4m from work-in-progress to land.

Total inventories of £507.9m (2024: £499.7m) were recognised as cost of sales in the year.

Inventories are stated after a net realisable value (NRV) provision of £15.7m (2024: £22.3m), and it is currently forecast nearly half will be used in the next financial year.

During the year £3.7m (2024: £14.2m) additional NRV was charged, mainly on legacy developments.

Movements in the NRV provision in the current and prior year are shown below:

	2025 £m	2024 £m
At beginning of the year	22.3	20.2
NRV charged in the year	3.7	14.2
NRV utilised in the year	(10.3)	(12.1)
Total movement in NRV provision in the year	(6.6)	2.1
At end of the year	15.7	22.3

18 Movement in net (debt)/cash

	2025 £m	Movement £m	2024 £m
Cash and cash equivalents	125.0	51.2	73.8
Bank loans and senior loan notes	(163.2)	(80.9)	(82.3)
Net (debt)/cash	(38.2)	(29.7)	(8.5)

19 Interest-bearing loans and borrowings

	2025 £m	2024 £m
Non-current		
Senior loan notes	65.0	65.0
Senior loan notes issue costs	(0.9)	(1.8)
	64.1	63.2
Current		
Senior loan notes	–	20.0
Revolving credit facility	100.0	–
Revolving credit and senior loan notes issue costs	(0.9)	(0.9)
	99.1	19.1

There were undrawn amounts of £150.0m (2024: £250.0m) under the RCF at the consolidated statement of financial position date. During the year, the Group had average drawings of £87.8m (2024: £21.3m) under the RCF. The RCF is categorised as current or non-current according to the contractual repayment date of amounts drawn down at the balance sheet date, in accordance with the terms of the RCF new drawings can be made up to the £250m facility limit until the facility expires. See note 23 for additional disclosures.

20 Trade and other payables

	2025 £m	2024 £m
Non-current		
Land payables on contractual terms	12.9	31.8
Other payables	1.5	1.7
Accruals and deferred income	9.4	8.8
	23.8	42.3
Current		
Land payables on contractual terms	60.3	99.8
Other trade payables	88.3	67.8
Contract liabilities	10.2	6.9
Amounts due to joint ventures	–	0.1
Taxes and social security costs	7.7	1.7
Other payables	1.0	1.1
Accruals and deferred income	101.8	107.8
	269.3	285.2

Notes to the consolidated financial statements continued

20 Trade and other payables continued

Land payables are recognised from the date of unconditional exchange of contracts, and represent amounts due to land vendors for development sites acquired. All land payables are due according to contractual terms. Where land is purchased on deferred settlement terms then the land and the land payable are discounted to their fair value using the effective interest method in accordance with IFRS 9. The difference between the fair value and the nominal value is amortised over the deferment period, with the financing element being charged as an interest expense through the consolidated income statement. As at 31 October 2025 the difference between the fair value and nominal value of land payables is £1.4m (2024: £3.7m).

Contract liabilities represent payments on account, received from customers, in excess of billable work-in-progress on affordable and other sales in bulk on contracts in which revenue is recognised over time.

Amounts due to joint ventures are interest free and repayable on demand. See note 13 for additional details on the Group's interests in joint ventures.

Other trade payables mainly comprise amounts due to suppliers and subcontractor retentions. Suppliers are settled according to agreed payment terms and subcontractor retentions are released for payment once the retention condition has been satisfied.

Accruals are mainly work-in-progress related where work has been performed but not yet invoiced and completed site accruals. Completed site accruals are £20.4m (2024: £21.8m) and relate to the cost to complete outstanding site infrastructure and amenities on completed developments. Included within the completed site accruals is £1.6m exceptional charge in the year. See note 4 for additional disclosure.

21 Provisions

	Combustible materials £m	Legal provision £m	Completed site provisions £m	Joint ventures £m	Other provisions £m	Total £m
At 1 November 2023	144.8	13.0	9.8	0.9	0.6	169.1
Provided in the year	131.7	–	21.5	–	0.3	153.5
Utilised in the year	(33.3)	–	(4.0)	–	–	(37.3)
Released in the year	–	–	(3.7)	–	(0.2)	(3.9)
Imputed interest	6.1	–	–	–	–	6.1
Funding commitment change	–	–	–	(0.9)	–	(0.9)
At 31 October 2024	249.3	13.0	23.6	–	0.7	286.6
Provided in the year	39.9	0.9	2.7	0.3	0.9	44.7
Utilised in the year	(62.8)	–	(6.5)	–	(0.5)	(69.8)
Released in the year	(29.3)	–	(5.4)	–	–	(34.7)
Transfers	(3.7)	3.7	–	–	–	–
Imputed interest	9.4	–	–	–	–	9.4
At 31 October 2025	202.8	17.6	14.4	0.3	1.1	236.2
At 31 October 2025						
Non-current	106.9	–	7.2	0.3	0.7	115.1
Current	95.9	17.6	7.2	–	0.4	121.1
	202.8	17.6	14.4	0.3	1.1	236.2
At 31 October 2024						
Non-current	181.5	–	10.7	–	0.3	192.5
Current	67.8	13.0	12.9	–	0.4	94.1
	249.3	13.0	23.6	–	0.7	286.6

Notes to the consolidated financial statements continued

21 Provisions continued

Combustible materials

In March 2023 the Group signed the DLUHC (now MHCLG) Developer Remediation Contract in England, which converted the principles of the building safety pledge signed in 2022, in which the Group committed to resolve any historical fire remedial work on buildings completed since 5 April 1992, into a binding agreement between the government and the Group. This provides clarity for future remediation, particularly with regards to the standards required for internal and external remedial works on legacy buildings.

The combustible materials provision reflects the estimated costs to complete the remediation of life-critical fire safety issues on identified buildings. A combination of BSF costed information, other external information, and internal assessments, known at the balance sheet date, are considered when estimating the provision.

The Group has now performed external wall and internal fire safety assessments for all of the identified buildings within the scope of the Developer Remediation Contract other than two, where access has now been granted following Governmental support. The buildings identified have been regularly updated during 2025 as surveys concluded that no further works were required on certain buildings, and a small number of additional buildings were identified as further investigative exercises took place.

In the previous year the Group recorded a combustible materials charge of £131.7m, mainly relating to the estimated costs of non-surveyed buildings at that time based on the increased level of information that the Group had gathered to reasonably estimate any provision required. During the year, as the number of surveyed buildings nears completion, this estimate has been updated reflecting the outcome of surveys, along with changes in forecast build cost scope and price over the duration of remediation for previously surveyed buildings. This has resulted in a net charge in the year of £10.6m, comprising a provision in the year of £39.9m, and a release of £29.3m. The release primarily relates to buildings where surveys performed in the year confirmed no remedial works are required. While nearly all buildings have now been surveyed, detailed cost plans and work tenders need to be finalised for approximately 30% of the buildings and the estimate for these buildings has been made in a similar manner to the prior year, updated for the latest cost experience of the Group. The combustible materials net charge of £12.8m per note 4 includes a £2.2m professional fees charge incurred by the Group in pursuing third parties where it has a contractual right of recourse. The provision is measured on a nominal basis with an assumed level of inflation over the period that the remediation will take place. A discount rate of 3.8% (2024: 4.4%) based on a UK gilts rates of equivalent cashflow profiles to that estimated of the provision has been applied, the reduction to the discount rate increased the discounted provision resulting in a charge to cost of sales of £1.1m in the period.

The discounting applied to the provision unwinds to the consolidated income statement as an exceptional finance expense over the expected duration of the provision.

The Group spent £62.8m in the year on investigative costs and remediation works, including balcony and cladding-related works. The Group expects to have completed any required remediation within a five-year period, using £95.9m of the remaining provision within one year, which includes £19.1m repayable to the BSF. The timing of the expenditure is based on the Directors' best estimates of the timing of remediating buildings and repaying the BSF incurred costs. Actual timing may differ due to delays in agreeing scope of works, obtaining licences, tendering works contracts and the BSF payment schedule differing to our forecast.

The Group will continue to assess the magnitude and utilisation of this provision in future reporting periods and the Group recognises that required remediation works could be subject to further inflationary pressures and cash outflows. If forecast remediation costs on buildings currently provided for are 10.0% higher/lower than provided, the pre-tax exceptional items charge in the consolidated income statement would be £20.3m higher/lower.

During the year, £3.7m contained within the opening combustible materials provision was transferred to legal provisions. This provision relates to a building which has previously been remediated by the freeholder who has lodged a claim against the Group to recover costs of the remediation.

The Group is continuing to review the recoverability of costs incurred from third parties where it has a contractual right of recourse. In the year £12.4m was recovered from third parties by the Group. Recoveries are not recognised until they are virtually certain to be received. See note 4 for consolidated income statement disclosure.

Legal provision

The Group is subject to a legal claim relating to a low-rise bespoke apartment block built by the Group which was damaged by fire in 2021. The fire caused extensive damage to the property which was subsequently demolished and is currently being rebuilt by the freeholder. In 2023 the Group received a letter of claim alleging fire safety defects and claiming compensation for the rebuild and other associated costs. The provision recorded represents the Directors' best estimate of the Group's potential exposure taking into account legal and professional advice. The claim and ultimate route to settlement is ongoing, but the two parties agreed a heads of terms in October 2025, the terms of which are reflected in the provision as at 31 October 2025.

Following the year end a settlement was reached with the claimant in respect of the building damaged by the fire in 2021 and a remedial works agreement was agreed with respect to other buildings identified with defects through this case. The final terms of the settlement and remedial works agreement are consistent with the amounts provided for at the balance sheet date, although the final cost of remedial works will continue to be subject to estimation uncertainty.

Notes to the consolidated financial statements continued

21 Provisions continued

During the year, £3.7m contained within the opening combustible materials provision was transferred to legal provisions. This provision relates to a building which has previously been remediated by the freeholder who has lodged a claim against the Group to recover costs of the remediation.

Completed site provisions

During the first half of the prior financial year, the Group became aware of certain build defects initially identified on four sites that were completed prior to 2019 when the Group closed its Regeneration and London divisions. The Group has undertaken a comprehensive review of all completed sites in association with third-party consultants.

The forecast costs to remedy build defects on these sites is £14.4m (2024: £23.6m). Discounting has not been applied to the balance as the impact would not be material. Included within the £14.4m completed site provisions is a £0.1m exceptional charge in the year. See note 4 for consolidated income statement disclosure.

22 Share capital

	Shares issued Number	Nominal value Pence	Share capital £	Share premium account £
Ordinary shares as at 1 November 2023 and 31 October 2024	256,920,539	5	12,846,027	74,227,216
Shares issued during the year	12,739	5	637	21,118
Ordinary shares as at 31 October 2025	256,933,278	5	12,846,664	74,248,334

Ordinary shares are issued and fully paid.

Own shares held

The Group and Company holds shares within the employee share ownership trust (ESOT) for participants of certain share-based payment schemes. These are held within retained earnings. During the year no shares were purchased by the ESOT (2024: 250,000 shares were purchased by the ESOT for £0.5m) and the ESOT transferred 282,313 (2024: 248,124) shares to employees and Directors to satisfy options. In 2024, 21,968 shares as part of Martyn Clark's share-based awards from previous employment in Crest Nicholson Holdings plc were granted on joining at a cost of £0.1m. The number of shares held within the ESOT and on which dividends have been waived, at 31 October 2025 was 297,851 (2024: 580,164). These shares are held within the financial statements in equity at a cost of £0.9m (2024: £1.4m). The market value of these shares at 31 October 2025 was £0.5m (2024: £1.0m).

23 Financial risk management

The Group's financial instruments comprise cash, trade and other receivables, financial assets at fair value through profit and loss, bank loans, senior loan notes, and trade and other payables. The main objective of the Group's policy towards financial instruments is to maximise returns on the Group's cash balances, manage the Group's working capital requirements and finance the Group's ongoing operations.

Capital management

The Group's policies seek to match long-term assets with long-term finance and ensure that there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and continue to sustain trading.

The Group's capital comprises shareholders' funds and net debt.

The Group seeks to manage its capital through control of expenditure, dividend payments and through its banking facilities. The revolving credit facility (RCF) and senior loan notes impose certain minimum capital requirements on the Group. These requirements are integrated into the Group's internal forecasting process and are regularly reviewed. The Group has operated, and is forecasting to operate, within these capital requirements.

There were undrawn amounts of £150.0m (2024: £250.0m) under the RCF at the consolidated statement of financial position date.

On 31 October 2024 the Group signed an amendment and extension to the RCF. This amendment extended the facility to run through to October 2027 and redefined margin from 1.85% to 2.15%. Therefore, from 1 November 2024 the RCF carried interest at SONIA plus 2.15%. Subsequently, on 21 November 2025, the Group entered into a further new amendment and extension to the RCF. This extended the facility to October 2029 and increased the margin from 2.15% to 3.0%.

Both the senior loan notes and the RCF are subject to three covenants that are assessed through the year. They are gearing being of a maximum of 70%, interest cover being a minimum of three times against adjusted earnings before interest and tax, and consolidated tangible net worth being not less than £500m, all based on measures as defined in the facilities agreements which are adjusted from the equivalent IFRS amounts. As at the statement of financial position date, gearing was 16.1%, interest cover was 4.1 times and consolidated tangible net worth was £689.1m. See the going concern assessment in note 1 for forecast future covenant performance and sensitivity of covenants in a severe but plausible downside scenario.

Notes to the consolidated financial statements continued

23 Financial risk management continued

The RCF facility is sustainability linked with the margin applicable varying by plus or minus 0.05% depending on the Group's progress against four targets. These targets and 2025 results are presented below:

- Reduction in absolute scope 1 and 2 GHG emissions in line with our science-based targets. In 2025 this target was met.
- Increasing the number of our suppliers engaging with the Supply Chain Sustainability School. In 2025 this target was met.
- Reduction in GHG emissions associated with the use of our homes. In 2025 this target was met.
- Increasing the number of our employees in trainee positions and on training programmes. In 2025 this target was not met.

As a result of meeting 3 out of 4 of the metrics for 2025 the margin on the RCF will be amended down by 0.025% (2024: 0.025% based on achieving 3 out of 4 targets) from the date of submission of the compliance documents for the facility.

Financial risk

As virtually all of the operations of the Group are in sterling, there is no direct currency risk, and thus the Group's main financial risks are credit risk, liquidity risk and market interest rate risk. The Board is responsible for managing these risks and the policies adopted are as set out here.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or other counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash deposits, as most receivables are secured on land and buildings.

The Group has cash deposits of £125.0m (2024: £73.8m) which are held by the providers of its banking facilities. The Group has bank facilities of £250.0m expiring in October 2029; as at 31 October 2025 with £150.0m remaining available for drawdown under such facilities. These are primarily provided by HSBC Bank Plc, Barclays Bank Plc, Lloyds Bank Plc and NatWest Group Plc, being four of the UK's leading financial institutions. The security and suitability of these banks is monitored by the treasury function on a regular basis.

Financial assets at fair value through profit and loss of £2.8m (2024: £3.3m) are receivables on extended terms granted as part of a sales transaction and are secured by way of a legal charge on the relevant property and therefore credit risk is considered low.

The carrying value of trade and other receivables is mainly contractual amounts due from housing associations, bulk sale purchasers, land sales to other housebuilders and a development agreement where the Group is entitled to recovery of costs incurred under the agreement, and equates to the Group's exposure to credit risk which is set out in note 17. Amounts due from joint ventures of £12.3m (2024: £22.6m) is funding provided on six (2024: four) joint venture developments which are being project managed by the Group and are subject to contractual arrangements. The Group has assessed the expected credit loss impact on the carrying value of trade and other receivables as set out in note 16. Within trade receivables the other largest single amount outstanding at 31 October 2025 is £12.9m (2024: £7.6m) which is within agreed terms.

The Group considers the credit quality of financial assets that are neither past due nor impaired as good. In managing risk the Group assesses the credit risk of its counterparties before entering into a transaction. No credit limits were exceeded during the reporting year, and the Directors do not expect any material losses from non-performance of any counterparties, including in respect of receivables not yet due. No individually material financial assets are past due, or are considered to be impaired as at the consolidated statement of financial position date (2024: none).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasts are produced to monitor the expected cash flow requirements of the Group against the available facilities. The principal risks within these cash flows relate to achieving the level of sales volume and prices in line with current forecasts.

The following are the contractual maturities of the financial liabilities of the Group at 31 October 2025:

	Carrying value £m	Contractual cash flows £m	Within 1 year £m	Within 1 to 2 years £m	Within 2 to 3 years £m	More than 3 years £m
2025						
Senior loan notes	65.0	71.0	2.4	52.4	–	16.2
Revolving credit facility	100.0	100.0	100.0	–	–	–
Financial liabilities carrying no interest	276.5	277.6	246.2	26.3	1.5	3.6
At 31 October 2025	441.5	448.6	348.6	78.7	1.5	19.8
2024						
Senior loan notes	85.0	94.1	23.1	2.4	52.4	16.2
Financial liabilities carrying no interest	326.7	332.8	280.8	36.1	13.4	2.5
At 31 October 2024	411.7	426.9	303.9	38.5	65.8	18.7



Notes to the consolidated financial statements continued

23 Financial risk management continued

Market interest rate risk

Market interest rate risk reflects the Group's exposure to fluctuations to interest rates in the market. The risk arises because the Group's RCF is subject to floating interest rates based on SONIA. The Group accepts a degree of interest rate risk, and monitors rate changes to ensure they are within acceptable limits and in line with banking covenants. The Group has partially mitigated this risk by placing £65.0m of senior loan notes which are at fixed interest rates. For the year ended 31 October 2025 it is estimated that an increase of 1.0% in interest rates applying for the full year would decrease the Group's profit before tax and equity by £0.9m (2024: £0.2m).

The interest rate profile of the financial liabilities of the Group was:

	2025 £m	2024 £m
Sterling bank borrowings, loan notes and long-term creditors		
Financial liabilities carrying interest	165.0	85.0
Financial liabilities carrying no interest	276.5	326.7
	441.5	411.7

For financial liabilities that have no interest payable but for which imputed interest is charged, consisting of land payables and lease liabilities, the weighted average period to maturity is 13 months (2024: 14 months).

	2025 £m	2024 £m
The maturity of the financial liabilities is:		
Repayable within one year	345.8	297.6
Repayable between one and two years	76.0	34.5
Repayable between two and five years	18.1	77.0
Repayable after five years	1.6	2.6
	441.5	411.7

Fair values

Financial assets

The Group's financial assets are detailed in the table below. The carrying value of cash and cash equivalents and trade and other receivables is a reasonable approximation of fair value which would be measured under a level 3 hierarchy. Financial assets at fair value through profit and loss are carried at fair value and categorised as level 3 (inputs not based on observable market data) within the hierarchical classification of IFRS 13: Revised.

Financial liabilities

The Group's financial liabilities are detailed in a table below, the carrying amounts of which are deemed to be a reasonable approximation to their fair value. The fair values of the RCF, other loans and loan notes are calculated based on the present value of future principal and interest cash flows, is counted at the market rate of interest at the consolidated statement of financial position date.

The fair values of the facilities determined on this basis are:

2025	Nominal interest rate	Face value £m	Carrying value £m	Maturity
Current				
Revolving credit facility	SONIA +3%	100.0	100.0	2026
Non-current				
Senior loan notes	3.62%–3.87%	65.0	65.0	2027–2029
Total interest-bearing loans		165.0	165.0	

2024	Nominal interest rate	Face value £m	Carrying value £m	Maturity
Current				
Senior loan notes	3.32%	20.0	20.0	2025
Non-current				
Senior loan notes	3.62%–3.87%	65.0	65.0	2026–2029
Total interest-bearing loans		85.0	85.0	

Notes to the consolidated financial statements continued

23 Financial risk management continued**Financial assets and liabilities by category**

	2025 £m	2024 £m
Financial assets		
Sterling cash deposits	125.0	73.8
Trade receivables	96.5	62.2
Amounts due from joint ventures	12.3	22.6
Other receivables	21.3	12.5
Total financial assets at amortised cost	255.1	171.1
Financial assets at fair value through profit and loss	2.8	3.3
Total financial assets	257.9	174.4
	2025 £m	2024 £m
Financial liabilities		
Senior loan notes	65.0	85.0
Revolving credit facility	100.0	–
Land payables on contractual terms carrying no interest	73.2	131.6
Amounts due to joint ventures	–	0.1
Lease liabilities	10.2	12.0
Other trade payables	82.5	67.8
Other payables	2.5	2.8
Accruals	108.1	112.4
Total financial liabilities at amortised cost	441.5	411.7

24 Contingencies and commitments

There are performance bonds and other engagements, including those in respect of joint venture partners, undertaken in the ordinary course of business. It is impractical to quantify the financial effect of performance bonds and other arrangements. The Directors consider the possibility of a cash outflow in settlement of performance bonds and other arrangements to be remote and therefore this does not represent a contingent liability for the Group.

In the ordinary course of business, the Group enters into certain land purchase contracts with vendors on a conditional exchange basis. The conditions must be satisfied for the Group to recognise the land asset and corresponding liabilities within the consolidated statement of financial position. No land payable in respect of conditional land acquisitions has been recognised.

The Group provides for all known material legal actions where, having taken appropriate legal advice as to the likelihood of success of the actions, it is considered probable that an outflow of economic resource will be required, and the amount can be reliably measured. No material contingent liability in respect of such claims has been recognised since there are no known claims of this nature.

As discussed in note 15, as a result of the Section 37 case the Group considers that the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient reliability at the 2025 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2025 and will review again in 2026 based on the findings of the detailed investigation.

The Group is reviewing the recoverability of costs incurred from third parties where it has a contractual right of recourse. As reflected in these financial results, the Group has a track record of successfully obtaining such recoveries, however no contingent assets have been recognised in these consolidated financial statements for such items.



Notes to the consolidated financial statements continued

25 Net debt and land creditors

	2025 £m	2024 £m
Cash and cash equivalents	125.0	73.8
Non-current interest-bearing loans and borrowings	(64.1)	(63.2)
Current interest-bearing loans and borrowings	(99.1)	(19.1)
Net debt	(38.2)	(8.5)
Land payables on contractual terms carrying no interest	(73.2)	(131.6)
Net debt and land creditors	(111.4)	(140.1)

26 Related party transactions

Transactions between subsidiaries, which are related parties, are eliminated on consolidation, as well as transactions between the Company and its subsidiaries during the current and prior year.

Transactions between the Group and key management personnel mainly comprise remuneration which is given in note 6. Detailed disclosure for Board members is given within the Directors' remuneration report on pages 82-104. There were no other transactions between the Group and key management personnel in the year.

Transactions between the Group and the Crest Nicholson Group Pension and Life Assurance Scheme is given in note 15.

The Company's Directors have associations other than with the Company. From time to time the Group may trade with organisations with which a Director has an association. Where this occurs, it is on normal commercial terms and without the direct involvement of the Director.

The Group had the following transactions/balances with its joint ventures in the year/at year end:

	2025 £m	2024 £m
Interest income on joint venture funding	0.4	0.7
Project management fees recognised	2.0	1.9
Amounts due from joint ventures, net of expected credit losses	12.3	22.6
Amounts due to joint ventures	–	0.1
Funding to joint ventures	(14.2)	(13.1)
Repayment of funding from joint ventures	6.2	36.4
Dividends received from joint ventures	–	2.5

27 Group undertakings

In accordance with Section 409 Companies Act 2006, the following is a list of all the Group's undertakings at 31 October 2025.

Subsidiary undertakings

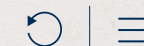
At 31 October 2025 the Group had an interest in the below subsidiary undertakings, which are included in the consolidated financial statements. All subsidiaries were incorporated in England and Wales.

Entity name	Registered office ¹	Active/dormant	Year end date	Voting rights and share-holding (direct or indirect)
Bath Riverside Estate Management Company Limited	2	Dormant	31 October	100%
Bath Riverside Liberty Management Company Limited	2	Dormant	31 October	100%
Castle Bidco Home Loans Limited	1	Active	30 October	100%
Brightwells Residential 1 Company Limited	1	Dormant	31 October	100%
Bristol Parkway North Limited	1	Dormant	31 October	100%
Building 7 Harbourside Management Company Limited	2	Active	31 December	58.33%
Buildings 3A, 3B & 4 Harbourside Management Company Limited	2	Dormant	31 December	83.33%
Clevedon Developments Limited	1	Dormant	31 October	100%
Clevedon Investment Limited	1	Active	31 October	100%
CN Assets Limited	1	Active	31 October	100%
CN Finance plc ²	1	Active	31 October	100%
CN Nominees Limited	1	Dormant	31 October	100%
CN Properties Limited	1	Dormant	31 October	100%
CN Secretarial Limited	1	Dormant	31 October	100%
CN Shelf 2 LLP	1	Dormant	31 October	100%
CN Shelf 3 LLP	1	Dormant	31 October	100%
Crest (Claybury) Limited	1	Dormant	31 October	100%
Crest Developments Limited	1	Dormant	31 October	100%
Crest Estates Limited	1	Dormant	31 October	100%
Crest Homes (Eastern) Limited	1	Dormant	31 October	100%
Crest Homes (Midlands) Limited	1	Dormant	31 October	100%
Crest Homes (Nominees) Limited	1	Active	31 October	100%
Crest Homes (Nominees No. 2) Limited	1	Active	31 October	100%
Crest Homes (Northern) Limited	1	Dormant	31 October	100%

1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.

2: Units 1, 2, and 3 Beech Court Wokingham Road, Hurst, Reading, England, RG10 0RU.

2: CN Finance plc is the only direct holding of Crest Nicholson Holdings plc.



Notes to the consolidated financial statements continued

27 Group undertakings continued

Entity name	Registered office ¹	Active/ dormant	Year end date	Voting rights and share- holding (direct or indirect)
Crest Homes (South East) Limited	1	Dormant	31 October	100%
Crest Homes (South West) Limited	1	Dormant	31 October	100%
Crest Homes (South) Limited	1	Dormant	31 October	100%
Crest Homes (Wessex) Limited	1	Dormant	31 October	100%
Crest Homes (Westerham) Limited	1	Dormant	31 October	100%
Crest Homes Limited	1	Dormant	31 October	100%
Crest Manhattan Limited	1	Dormant	31 October	100%
Crest Nicholson (Bath) Holdings Limited	1	Active	31 October	100%
Crest Nicholson (Chiltern) Limited	1	Dormant	31 October	100%
Crest Nicholson (Eastern) Limited	1	Dormant	31 October	100%
Crest Nicholson (Epsom) Limited	1	Dormant	31 October	100%
Crest Nicholson (Henley-on-Thames) Limited	1	Active	31 October	100%
Crest Nicholson (Highlands Farm) Limited	1	Dormant	31 October	100%
Crest Nicholson (Londinium) Limited	1	Dormant	31 October	100%
Crest Nicholson (Midlands) Limited	1	Dormant	31 October	100%
Crest Nicholson (Peckham) Limited	1	Active	31 October	100%
Crest Nicholson (South East) Limited	1	Dormant	31 October	100%
Crest Nicholson (South West) Limited	1	Dormant	31 October	100%
Crest Nicholson (South) Limited	1	Dormant	31 October	100%
Crest Nicholson (Stotfold) Limited	1	Active	31 October	100%
Crest Nicholson Developments (Chertsey) Limited	1	Active	31 October	100%
Crest Nicholson Operations Limited	1	Active	31 October	100%
Crest Nicholson Pension Trustee Limited	1	Dormant	31 January	100%
Crest Nicholson plc	1	Active	31 October	100%
Crest Nicholson Projects Limited	1	Dormant	31 October	100%
Crest Nicholson Properties Limited	1	Dormant	31 October	100%
Crest Nicholson Regeneration Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (London) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (Midlands) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (South East) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (South) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential Limited	1	Active	31 October	100%

Entity name	Registered office ¹	Active/ dormant	Year end date	Voting rights and share- holding (direct or indirect)
Crest Nicholson (Wheatley) LLP	1	Active	31 October	100%
Crest Partnership Homes Limited	1	Dormant	31 October	100%
Crest Strategic Projects Limited	1	Dormant	31 October	100%
Eastern Perspective Management Company Limited	1	Dormant	31 October	100%
Essex Brewery (Walthamstow) LLP	1	Dormant	31 October	100%
Harbourside Leisure Management Company Limited	1	Active	30 December	71.43%
Landscape Estates Limited	1	Dormant	31 October	100%
Mertonplace Limited	1	Dormant	31 October	100%
Nicholson Estates (Century House) Limited	1	Dormant	31 October	100%
Park Central Management (Central Plaza) Limited	1	Dormant	31 October	100%
Ellis Mews (Park Central) Management Limited	1	Active	31 October	100%
Park Central Management (Zone 11) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 12) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1A North) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1A South) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1B) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/1) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/2) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/3) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/4) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 4/41 and 42) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 4/43/44) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/53) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/54) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/55) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 6/61-64) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 7/9) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 8) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 9/91) Limited	1	Dormant	31 January	100%
Park West Management Services Limited	1	Active	29 March	62.00%

1 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.
2: Units 1, 2, and 3 Beech Court Wokingham Road, Hurst, Reading, England, RG10 0RU.

Notes to the consolidated financial statements continued

27 Group undertakings continued

Subsidiary audit exemption

The following subsidiaries have taken advantage of an exemption from audit under Section 479A of the Companies Act 2006. The parent of the subsidiaries, Crest Nicholson plc, has provided a statutory guarantee for any outstanding liabilities of these subsidiaries. All subsidiary undertakings have been included in the consolidated financial statements of Crest Nicholson Holdings plc as at 31 October 2025.

- Castle Bidco Home Loans Limited (13687515)
- Clevedon Investment Limited (00454327)
- Crest Homes (Nominees No. 2) Limited (02213319)
- Crest Nicholson (Henley-on-Thames) Limited (03828831)
- Crest Nicholson (Peckham) Limited (07296143)
- Crest Nicholson (Stotfold) Limited (08774274)
- Crest Nicholson (Bath) Holdings Limited (05235961)
- Crest Nicholson Developments (Chertsey) Limited (04707982)
- Crest Homes (Nominees) Limited (01715768)
- Crest Nicholson Residential Limited (00714425)

Joint venture undertakings

At 31 October 2025 the Group had an interest in the following joint venture undertakings which are equity accounted within the consolidated financial statements. The principal activity of all undertakings is that of residential development. All joint ventures were incorporated in England and Wales.

Entity name	Registered office ¹	Active/dormant	Year end date	Voting rights and shareholding (direct or indirect)
Material joint ventures				
Crest A2D (Walton Court) LLP	1	Active	31 March	50%
Crest Sovereign (Brooklands) LLP	3	Active	31 October	50%
Crest Peabody (Turweston) LLP	1	Active	31 March	50%
Other joint ventures not material to the Group				
Crest/Vistry (Epsom) LLP	1	Active	31 October	50%
Crest Nicholson Bioregional Quintain LLP	1	Active	31 October	50%
Elmsbrook (Crest A2D) LLP	4	Active	31 March	50%
English Land Banking Company Limited	1	Dormant	31 October	50%
Haydon Development Company Limited	2	Active	30 April	21.36%
North Swindon Development Company Limited	2	Active	31 December	32.64%

- 1 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.
2: 6 Drakes Meadow, Penny Lane, Swindon, Wiltshire SN3 3LL.
3: Sovereign House, Basing View, Basingstoke RG21 4FA.
4: 113 Uxbridge Road, London W5 5TL.

Notes to the consolidated financial statements continued

27 Group undertakings continued

Joint operations

The Group is party to a joint unincorporated arrangement with Aviva Life & Pensions UK Ltd, the purpose of which is to acquire and develop a site in Chertsey, Surrey. The two parties are jointly responsible for the control and management of the site's development, with each party funding 50% of the cost of the land acquisition and development of the site, in return for 50% of the returns. As such, this arrangement has been designated as a joint operation.

The Group is party to a joint unincorporated arrangement with Persimmon plc, the purpose of which is to develop a site in Ringwood, Hampshire. The two parties are jointly responsible for the development of the site, the specification and delivery of critical shared infrastructure is agreed by both parties under an initial collaboration agreement and any deviations to that agreement must be agreed unanimously. The costs of shared infrastructure at the site are split 60% to Persimmon plc and 40% to Crest Nicholson which is consistent with the split of plots on the development for which each party have taken responsibility for the direct build costs and revenues of specific plots on the development and recognise revenues and costs consistent with their rights and obligations to costs revenue and costs under the terms of the arrangement.

The Group is party to a joint unincorporated arrangement with Persimmon plc and Taylor Wimpey plc, the purpose of which is to develop 80 apartments at a site in Horley, Surrey. The three parties are jointly responsible for the control and management of the site's development, with the parties responsible for funding the development of the site per to following proportions: Crest Nicholson: 53%, Persimmon plc: 26% and Taylor Wimpey plc: 21%, in return for the same proportion of the returns. As such, this arrangement has been designated as a joint operation.

In line with the Group's accounting policies, the Group has recognised its share of the jointly controlled assets and liabilities, and income and expenditure, in relation to these joint arrangements on a line-by-line basis in the consolidated statement of financial position and consolidated income statement as there is no legal entity in place and the arrangements are structured such that the Group has a direct interest in the underlying assets and liabilities of each arrangement.

Crest Nicholson employee share ownership trust (ESOT)

The Group operates the Crest Nicholson ESOT, which is used to satisfy awards granted under the Group's share incentive schemes. Shares are allotted to the Trust or the Trust is funded to acquire shares in the open market. The ESOT falls within the scope of IFRS 10: Consolidated Financial Statements, and is consolidated within the Group financial statements, as the Group is considered to have control over the ESOT.

28 Prior year restatement

In response to identified control weaknesses, the Group investigated cost forecasting of sites in its Eastern division through its strengthened Cost Value Recognition (CVR) process. A thorough investigation identified isolated issues in the cost forecasting of one Eastern site, where historical non-compliance with the Group's CVR process was identified as a result of insufficient capability in the division. In addition to strengthened controls in the previous year, Finance leadership in the division has been replaced, and the new team led the investigation overseen directly by the CFO and Group Commercial Director.

The investigation found significant programme costs and changes to sales assumptions, that could previously have reasonably been identified, estimated, obtained and accounted for in previous periods, from 2022 to 2024. In accordance with IAS 8 this is considered to be an accounting error that requires adjustment of site margins recognised in prior periods. The adjustment does not reflect changes to estimates that could not have been reasonably estimated at the time without the benefit of hindsight. Such changes in estimates are accounted for in the period in which information becomes reasonably available, and events occur to trigger an updated cost estimate that can be reasonably and reliably estimated.

After considering a range of qualitative factors and the aggregate quantitative impact for the year ended 31 October 2024, it was concluded that there was a material balance sheet error in the 2024 financial statements in the context of historical profits recognised since 2022 and the equity position. The additional forecast costs which should have been identified in prior years would have reduced the estimated full-life margin on the impacted site at that time. The full-life margin is used to determine the amount of inventories to be expensed as cost of sales. To correct the error, the full-life margin at the time has been recalculated to include the additional forecast costs, and the revised margin has been used to recalculate the amount of inventories that should have been expensed.

The adjustment directly impacted cost of sales, income tax expense, inventories, current tax assets, deferred tax assets and retained earnings. The impact on net income recognised in any one year is not material. The tables below outline the impact on each line item. Where relevant to these changes, other disclosures in the notes to the financial statements have also been restated.

Notes to the consolidated financial statements continued

28 Prior year restatement continued

Restated financial information

The below tables disclose the restated prior year financial information.

	As previously reported £m	Adjustment 2024 £m	As presented £m
Consolidated income statement			
Total			
Cost of sales	(689.8)	(2.1)	(691.9)
Gross loss	(71.6)	(2.1)	(73.7)
Operating loss	(128.7)	(2.1)	(130.8)
Loss before tax	(143.7)	(2.1)	(145.8)
Income tax credit	40.2	0.6	40.8
Loss for the year attributable to equity shareholders	(103.5)	(1.5)	(105.0)
Total comprehensive expense attributable to equity shareholders	(97.1)	(1.5)	(98.6)
Basic loss per share (pence)	(40.4)	(0.6)	(41.0)
Adjusted basic loss per share (pence)	5.6	(0.6)	5.0
Consolidated statement of financial position			
Deferred tax assets	39.7	1.3	41.0
Total non-current assets	127.8	1.3	129.1
Inventories	1,137.4	(8.3)	1,129.1
Current income tax receivable	4.1	0.6	4.7
Total current assets	1,314.4	(7.7)	1,306.7
Total assets	1,442.2	(6.4)	1,435.8
Net assets	728.9	(6.4)	722.5
Retained earnings	641.9	(6.4)	635.5
Total equity	728.9	(6.4)	722.5
Total equity at 1 November 2023	856.3	(4.9)	851.4

	As previously reported £m	Adjustment 2024 £m	As presented £m
Changes in consolidated cash flow statement			
Loss for the year attributable to equity shareholders	(103.5)	(1.5)	(105.0)
Income tax credit	(40.2)	(0.6)	(40.8)
Operating loss before changes in working capital, provisions and contributions to retirement benefit obligations	(120.8)	(2.1)	(122.9)
Increase in inventories	22.2	2.1	24.3

Notes to the financial statements			
Inventories expensed in the year	(497.6)	(2.1)	(499.7)

Alternative performance measures			
Adjusted operating profit	31.3	(2.1)	29.2
Average of opening and closing capital employed	764.4	(5.6)	758.8
ROCE (%)	4.1	(0.3)	3.8
Land creditors as a percentage of net assets (%)	18.1	0.1	18.2
Inventory as a percentage of revenue (%)	184.0	(1.4)	182.6

The amount relating to years earlier than 2024 gave rise to an adjustment of £4.9m (net of tax) to opening retained earnings as at 1 November 2023, comprising a reduction of £6.2m in inventories, an increase in current income tax receivable of £0.6m and an increase in the deferred tax asset of £0.7m. A third balance sheet has not been presented as is normally required by IAS 8 given the limited impact outside of the items already disclosed.

Company statement of financial position

As at 31 October 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Investments	4	34.2	33.6
Current assets			
Trade and other receivables	5	165.7	162.5
Total assets		199.9	196.1
Net assets		199.9	196.1
Shareholders' equity			
Share capital	6	12.8	12.8
Share premium account	6	74.2	74.2
Share-based payments reserve	4	34.2	32.1
Retained earnings		78.7	77.0
Total shareholders' equity		199.9	196.1

The Company recorded a profit for the financial year of £9.6m (2024: £8.4m).

The notes on pages 162-165 form part of these financial statements. The financial statements on pages 160-165 were approved by the Board of Directors on 28 January 2026.

On behalf of the Board

Martyn Clark
Director

Bill Floydd
Director

Company statement of changes in equity

For the year ended 31 October 2025

	Note	Share capital £m	Share premium account £m	Share-based payments reserve £m	Retained earnings £m	Total equity £m
Balance at 1 November 2023		12.8	74.2	30.3	101.0	218.3
Profit for the financial year and total comprehensive income		–	–	–	8.4	8.4
Transactions with shareholders						
Dividends paid		–	–	–	(32.1)	(32.1)
Exercise of share options through employee share ownership trust	4	–	–	–	(0.7)	(0.7)
Net proceeds from the issue of shares and exercise of share options		–	–	–	0.4	0.4
Equity-settled share-based payments		–	–	1.8	–	1.8
Balance at 31 October 2024		12.8	74.2	32.1	77.0	196.1
Profit for the financial year and total comprehensive income		–	–	–	9.6	9.6
Transactions with shareholders						
Dividends paid		–	–	–	(6.4)	(6.4)
Exercise of share options through employee share ownership trust	4	–	–	–	(0.5)	(0.5)
Transfer of investment in own shares	4	–	–	–	(1.0)	(1.0)
Equity-settled share-based payments		–	–	2.1	–	2.1
Balance at 31 October 2025		12.8	74.2	34.2	78.7	199.9

Notes to the company financial statements

1 Accounting policies

Basis of preparation

Crest Nicholson Holdings plc (the Company) is a public company limited by shares, incorporated, listed and domiciled in England and Wales. The address of the registered office is 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ. The Company financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), in accordance with the Companies Act 2006 as applicable to companies using FRS 101, and have been prepared on the historical cost basis. The preparation of financial statements in conformity with FRS 101 requires the Directors to make assumptions and judgements that affect the application of policies and reported amounts within the financial statements. Assumptions and judgements are based on experience and other factors that the Directors consider reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements are presented in pounds sterling and amounts stated are denominated in millions (£m), unless otherwise stated. The accounting policies have been applied consistently in dealing with items which are considered material. These financial statements present information about the Company as an individual undertaking and not about its group. Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payments
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

Going concern

When determining the appropriateness of the basis of preparation, the Directors evaluated whether the Company has the ability to meet its liabilities and obligations as they fall due. This evaluation included a review of detailed cash flow projections and financial forecasts covering the period up to 30 April 2027 (the going concern period), aligned with those used for the Group's going concern assessment. The Company relies on the overall performance of the Group to fulfil its liabilities and obligations in the foreseeable future. These obligations include compliance with financial covenants under the sustainability-linked revolving credit facility (RCF) and senior loan notes, as outlined in note 23 of the consolidated financial statements.

Based on these forecasts, the Group is expected to meet its liabilities as they become due throughout the going concern period. However, in a severe but plausible downside scenario the Group has identified a material uncertainty during the going concern period in respect of the compliance with the interest cover covenant, with the first measurement date in April 2026. Further details of the Group's going concern assessment are provided in note 1 of the consolidated financial statements.

In reviewing the assessment outlined above, the Directors are confident that the Company has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the Company financial statements continue to be prepared on a going concern basis. However, a material uncertainty exists, in particular with respect to the ability to achieve the covenant amendments which may be required, which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Adoption of new and revised standards

There were no new standards, amendments or interpretations that were adopted by the Company and effective for the first time for the financial year beginning 1 November 2024 that have had a material impact on the Company. The principal accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Notes to the company financial statements continued

1 Accounting policies continued

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries. Equity-settled share-based payments are measured at fair value at the grant date and charged to the subsidiaries income statement on a straight-line basis over the vesting period, based on the estimate of shares that will vest. The cost of equity-settled share-based payments granted to employees of the Group is borne by other subsidiary companies, which are the employing company of these employees. Since the Company does not receive any direct employee services in relation to these share-based payments, it recognises this cost as a capital contribution in the Company financial statements through an addition to investments and the share-based payment reserve in equity.

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the Company's income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit is profit before tax per the Company's income statement after adjusting for income and expenditure that is not subject to tax, and for items that are subject to tax in other accounting periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Where uncertain tax liabilities exist, the liability recognised is assessed as the amount that is probable to be payable. Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Dividends

Final and interim dividend distributions to the Company's shareholders are recorded in the Company's financial statements in the earlier of the period in which they are approved by the Company's shareholders, or paid.

Investments

Investments relate to the impact of the capital contribution in respect of the cost of equity-settled share-based payments borne by other subsidiary companies. Investments are assessed annually for indicators of impairment.

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at FVTPL
- subsequently at FVOCI.

The classification of financial assets depends on the Company's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the income statement using the effective interest rate method. Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Company as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the income statement and presented within administrative expenses. The Company currently has no financial assets measured at FVOCI.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade receivables. The amount of the loss is recognised in the income statement.

Own shares held by ESOT

Transactions of the Company-sponsored ESOT are included in both the Group financial statements and the Company's own financial statements. The Company makes contributions to the ESOT which are used to acquire Company ordinary shares in the market in order to satisfy share options under the Company's share incentive schemes. The purchase of shares in the Company by the ESOT is charged directly to equity.

Audit fee

Auditor's remuneration for audit of these financial statements of £33,000 (2024: £32,000) was met by Crest Nicholson plc. No disclosure of other non-audit services has been made as this is included within note 5 of the consolidated financial statements.

Notes to the company financial statements continued

1 Accounting policies continued

Critical accounting estimates and judgements

The preparation of the Company financial statements under FRS 101 requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and related disclosures.

In applying the Company's accounting policies, the Directors have made no individual judgements that have a significant impact on the financial statements.

Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The Directors do not consider there are any significant sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities of the Company.

2 Directors and employees

The Company had no employees during either year. Details of Directors' emoluments, which were paid by another Group company, are set out in the Directors' remuneration report on pages 82-104.

3 Dividends

Details of the dividends recognised as distributions to equity shareholders in the year and those proposed after the statement of financial position date are shown in note 9 of the consolidated financial statements.

4 Investments

	Investment in own shares £m	Capital contribution £m	Total £m
At 1 November 2023	1.6	30.3	31.9
Additions	0.5	1.8	2.3
Disposals	(0.6)	–	(0.6)
At 31 October 2024	1.5	32.1	33.6
Additions	–	2.1	2.1
Disposals	(0.5)	–	(0.5)
Transfer to equity	(1.0)	–	(1.0)
At 31 October 2025	–	34.2	34.2

The additions and disposals in the prior year to investment in own shares relate to Company contributions/utilisation to/from the Trust. During the year, the investment in own shares has been transferred to equity. The addition to capital contributions is the impact of the cost borne by other subsidiary companies relating to equity-settled share-based payments in the year.

The Directors believe that the carrying value of the investments is supported by their underlying assets.

5 Trade and other receivables

	2025 £m	2024 £m
Amounts due from Group undertakings	165.7	162.5

Amounts due from Group undertakings are unsecured, repayable on demand and carry an interest rate of 7.0% (2024: 7.0%).

Amounts due from Group undertakings are stated after an allowance of £nil has been made (2024: £nil) in respect of expected credit losses. £nil (2024: £nil) provision was made during the year, £nil (2024: £nil) was utilised, and £nil (2024: £nil) provision was released during the year.

Notes to the company financial statements continued

6 Share capital

The Company share capital is disclosed in note 22 of the consolidated financial statements.

7 Contingencies and commitments

There are performance bonds and other arrangements, including those in respect of joint venture partners, undertaken in the ordinary course of business. It is impractical to quantify the financial effect of performance bonds and other arrangements. The Directors consider the possibility of a cash outflow in settlement of performance bonds and other arrangements to be remote and therefore this does not represent a contingent liability for the Company.

In addition, the Company is required from time to time to act as guarantor for the performance by subsidiary undertakings of contracts entered into in the normal course of their business and typically provide that the Company will ensure that the obligations of the subsidiary are carried out or met in the unlikely event that any subsidiary default occurs. The Company considers the likelihood of an outflow of cash under these arrangements to be remote and therefore this does not represent a contingent liability for the Company.

8 Group undertakings

A list of all the Group's undertakings at 31 October 2025 is given in note 27 of the consolidated financial statements.



Alternative performance measures (unaudited)

The Group uses a number of alternative performance measures (APMs) which are not defined within IFRS. The Directors use the APMs, along with IFRS measures, to assess the operational performance of the Group as detailed in the Strategic report on pages 1–55 and above. Definitions and reconciliations of the financial APMs used compared to IFRS measures, are included below.

Sales

The Group uses sales as a core management measure to reflect the full extent of its business operations and responsibilities. Sales is a combination of statutory revenue as per the consolidated income statement and the Group's share of revenue earned by joint ventures, as detailed in the below table:

		2025	2024
Revenue	£m	610.8	618.2
Group's share of joint venture revenue (note 13)	£m	24.0	39.9
Sales	£m	634.8	658.1

Return on capital employed (ROCE)

The Group uses ROCE as a core management measure to reflect the profitability and efficiency with which capital is employed. ROCE is calculated as adjusted operating profit before joint ventures divided by average capital employed (capital employed = equity plus net debt or less net cash), as presented below. The Group has long-term performance measures linked to ROCE. ROCE achieved by the Group in the year increased to 4.7% (2024: reduced to 3.8%).

		2025	Restated ¹ 2024
Adjusted operating profit	£m	34.7	29.2
Average of opening and closing capital employed	£m	743.7	758.8
ROCE	%	4.7	3.8

		2025	Restated ¹ 2024	Restated ¹ 2023
Capital employed				
Equity shareholders' funds	£m	718.1	722.5	851.4
Net debt/(cash) (note 18)	£m	38.2	8.5	(64.9)
Closing capital employed	£m	756.3	731.0	786.5

¹ See note 28 for an explanation of the prior year restatement.

Land creditors as a percentage of net assets

The Group uses land creditors as a percentage of net assets as a core management measure to ensure that the Group is maintaining its financial position when entering into future land commitments. Land creditors as a percentage of net assets is calculated as land creditors divided by net assets, as presented below. Land creditors as a percentage of net assets has reduced in the year to 10.2% (2024: reduced to 18.2%¹).

		2025	Restated ¹ 2024
Land creditors (note 20)	£m	73.2	131.6
Net assets	£m	718.1	722.5
Land creditors as a percentage of net assets	%	10.2	18.2

¹ See note 28 for an explanation of the prior year restatement.

Net debt

Net debt is cash and cash equivalents plus non-current and current interest-bearing loans and borrowings. Net debt illustrates the Group's overall liquidity position and general financial resilience. Net debt has increased in the year to £38.2m net debt from £8.5m net debt in 2024.

		2025	2024
Cash and cash equivalents	£m	125.0	73.8
Interest-bearing loans and borrowings	£m	(163.2)	(82.3)
Net debt	£m	(38.2)	(8.5)

Inventory as a percentage of revenue

Inventory as a percentage of revenue is calculated as inventory divided by revenue, as presented below. Inventory as a percentage of revenue has reduced in the year to 172.9% (2024: increased to 182.6%).

		2025	Restated ¹ 2024
Inventory (note 17)	£m	1,056.1	1,129.1
Revenue (note 3)	£m	610.8	618.2
Inventory as a percentage of revenue	%	172.9	182.6

¹ See note 28 for an explanation of the prior year restatement.

Alternative performance measures (unaudited) continued

Adjusted performance metrics

Adjusted performance metrics as shown below comprise statutory metrics adjusted for the exceptional items as presented in note 4 of the consolidated financial statements. The exceptional items have a material impact to reported performance and arise from recent, unforeseen events. As such, the Directors consider that these adjusted performance metrics reflect a more accurate view of its core operations and business performance. Adjusted and pre-exceptional are used interchangeably. The earnings before interest and tax margin for share award performance conditions is equivalent to operating profit margin.

Year ended 31 October 2025

		Statutory	Exceptional items	Adjusted
Gross profit	£m	81.3	4.0	85.3
Gross profit margin	%	13.3	–	14.0
Operating profit	£m	24.2	10.5	34.7
Operating profit margin	%	4.0	–	5.7
Net finance expense	£m	(19.0)	9.4	(9.6)
Profit before tax	£m	2.9	23.6	26.5
Income tax expense	£m	(0.7)	(5.9)	(6.6)
Profit after tax	£m	2.2	17.7	19.9
Basic earnings per share	Pence	0.9	6.9	7.8
Diluted earnings per share	Pence	0.9	6.8	7.7

Year ended 31 October 2024 restated¹

		Statutory	Exceptional items	Adjusted
Gross (loss)/profit	£m	(73.7)	158.4	84.7
Gross (loss)/profit margin	%	(11.9)	–	13.7
Operating (loss)/profit	£m	(130.8)	160.0	29.2
Operating (loss)/profit margin	%	(21.2)	–	4.7
Net finance expense	£m	(14.9)	6.1	(8.8)
(Loss)/profit before tax	£m	(145.8)	166.1	20.3
Income tax credit/(expense)	£m	40.8	(48.2)	(7.4)
(Loss)/profit after tax	£m	(105.0)	117.9	12.9
Basic (loss)/earnings per share	Pence	(41.0)	46.0	5.0
Diluted (loss)/earnings per share	Pence	(41.0)	46.0	5.0

¹ See note 28 for an explanation of the prior year restatement.

Shareholder services

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Crest Nicholson's Registrar

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Customer support centre: 0371 664 0300

Email: shareholderenquiries@cm.mpms.mufg.com

Website: uk.investorcentre.mpms.mufg.com

Dividends

2025 dividends

	Payment date	Amount per share
2025 interim	10 October 2025	1.3p
2025 final	24 April 2026	1.8p

2026 financial calendar

Annual General Meeting	25 March 2026
Ex-dividend date	26 March 2026
Record date	27 March 2026
Half-year results announcement	11 June 2026

Dividend mandates

Crest Nicholson Holdings plc does not pay dividends by cheque. To receive dividends by direct credit, shareholders need to provide UK bank or building society account details via the online Investor Centre or by calling MUFG Corporate Markets (see contact details above). Shareholders who take no action will not receive any Crest Nicholson Holdings plc dividend payments until bank or building society account details are received.

Electronic communications

Crest Nicholson has adopted website communication as the default method of communication with shareholders. We periodically contact shareholders to ask if they would prefer to receive hard copy documents. In accordance with Companies Act 2006 provisions, shareholders are presumed to have given their agreement to online communication if they do not reply to this question within 28 days. However, we will continue to send a paper notification to tell these shareholders when new documents are posted to the website.

By registering at the online Investor Centre, shareholders can elect to receive these notifications by email. This will save on printing and distribution costs, creating environmental benefits. When registering, shareholders will need their Investor Code which can be found on their share certificate or proxy form.

The Investor Centre can be accessed via the MUFG Corporate Markets mobile app which can be downloaded from the Apple App Store or Google Play, or at uk.investorcentre.mpms.mufg.com.

Share fraud

Share fraud and investment scams are often run from 'boiler rooms' where fraudsters cold call investors, offering them worthless, overpriced or even non-existent shares, or encouraging them to buy shares in a company at a higher price than the market values. It is recommended that shareholders use caution when they receive unsolicited advice, offers to purchase shares at a discount, or offers of free reports about a company. Even seasoned investors have been caught out by such fraudsters.

The Financial Conduct Authority has some helpful information on recognising and reporting these types of scams. If you are contacted by a cold caller, you should inform the Company Secretary by email at info@crestnicholson.com, as well as the Financial Conduct Authority by using their share fraud reporting form at fca.org.uk/scams, or by calling their Consumer Helpline on 0800 111 6768.

If you have already paid money to a share fraudster, you should also contact Report Fraud on 0300 123 2040 or via their website at reportfraud.police.uk. Taking these steps can help warn others and potentially recover any lost funds.

Glossary

AGM	Annual General Meeting
AI	artificial intelligence
AIIR	Annual Injury Incident Rate
APBT	adjusted profit before tax
APM	alternative performance measure
AQIs	Audit Quality Indicators
ASHP	air source heat pump
BNG	Biodiversity Net Gain
BSF	Building Safety Fund
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIL	Community Infrastructure Levy
the Code	UK Corporate Governance Code 2018
Company	Crest Nicholson Holdings plc
CVR	Cost Value Recognition
DBP	Deferred Bonus Plan
EBIT	earnings before interest and tax
EIR	Environmental Impact Rating
EPC	Energy Performance Certificate
ERP	Enterprise resource planning
ESG	Environmental, social and governance
ESOT	employee share ownership trust
EU	equivalent build unit
FHH	Future Homes Hub
FHS	Future Homes Standard
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss
GDV	gross development value
GHG	greenhouse gas
GMP	Guaranteed Minimum Pension
Group	Crest Nicholson Holdings plc and its undertakings
HBF	Home Builders Federation
HVO	hydrotreated vegetable oil

IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IPPF	International Professional Practice Framework
ISSB	International Sustainability Standards Board
KPI	key performance indicator
LDI	liability-driven investment
LPG	liquefied petroleum gas
lpppd	litres per person per day
LTIP	Long-Term Incentive Plan
NED	Non-Executive Director
NHBC	National House-Building Council
NHQC	New Homes Quality Code
NRV	net realisable value
RCF	revolving credit facility
RCPs	Representative Concentration Pathways
RICS	the Royal Institution of Chartered Surveyors
ROCE	return on capital employed
RPDT	residential property developer tax
SaaS	Software as a Service
SAYE	Save as you Earn
SBP	Severe But Plausible
SECR	Streamlined Energy and Carbon Reporting
SHE	safety, health and environment
SID	Senior Independent Director
SIP	Share Incentive Plan
SONIA	Sterling Overnight Index Average
SPOW	sales per outlet per week
SSPs	Shared Socioeconomic Pathways
SuDS	sustainable drainage systems
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ e	tonnes of carbon dioxide equivalent
WBCSD	World Business Council for Sustainable Development
WIP	work in progress
WRI	World Resources Institute



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