Crest Nicholson Holdings plc

FULL YEAR RESULTS IN LINE WITH GUIDANCE

NEW STRATEGIC PRIORITIES TO DELIVER SUSTAINABLE GROWTH, ENHANCED PROFITABILITY AND CONSISTENT SHAREHOLDER VALUE CREATION

Crest Nicholson Holdings plc ('Crest Nicholson' or 'Group') today announces its Preliminary Results for the year ended 31 October 2024:

Martyn Clark, CEO commented

'I am pleased to report that we delivered FY24 results in line with guidance issued at the start of my tenure and finished the year with better than expected net debt. Nevertheless, this has been a very tough and disappointing year for the business. Despite this, there must be acknowledgement of the hard work and dedication of our colleagues at Crest Nicholson, and I extend my heartfelt thanks to them for their continued commitment to the Group.'

'Since I joined in June, we have worked with renewed vigour to make significant operational progress, revitalising our sales process, improving governance, upgrading management information to allow for better decision making, and enhancing operational rigour and cost control. We have implemented adjustments that are already delivering positive outcomes, including a strong focus on customer service which has ensured we are consistently achieving over 90% customer satisfaction rates, positioning us consistently as a 5 star service provider. We now have greater clarity relating to legacy issues with necessary provisions in place, notably via our updated fire remediation provision which includes all buildings known to be in scope. This affords us the transparency and understanding to define and deliver a clear future strategy for the business and ensure Crest Nicholson realises its full potential.'

'I have undertaken a comprehensive review to understand the business, which has included obtaining both internal and external perspectives. This has allowed me to identify the market opportunity and craft a strategy that will allow us to maximise that opportunity and optimise the company for sustainable growth with an appropriately scaled cost base that will enhance profitability and consistent shareholder value creation. I look forward to updating you in March 2025 with the findings, which will help formulate our strategic focus for the year and beyond and our pathways to achieve our strategic goals.'

'Our priorities are to build homes of exceptional quality efficiently, deliver outstanding service to customers and thereby optimise value from our high-quality land portfolio to ensure the delivery of sustainable returns for stakeholders. While economic and political challenges persist, I am cautiously optimistic about the year ahead. We see pent-up demand from customers seeking high-quality, well-designed homes in desirable locations. As a housebuilder with a strong land bank and brand, Crest Nicholson is well-positioned to meet this demand. Early indicators, including increased customer interest and enquiries and sales rates in January, are encouraging, though we remain mindful of macroeconomic uncertainty and the pace of interest rate reductions and the impact this may have on 2025 profitability which remains below long term averages.'

'With our initiatives and the anticipated stabilisation of the macroeconomic environment, we believe we are well-positioned to navigate this evolving landscape effectively.'

FY24 results summary

£m (unless otherwise stated)	FY24	REPRESENTED FY23[3]	% change
Adjusted basis [1]			
Revenue	**618.2**	**657.5**	**(6.0%)**
Operating profit	**31.3**	**50.8**	**(38.4)**
Operating profit margin	***5.1%***	***7.7%***	***(260bps)***
Profit before tax	**22.4**	**48.0**	**(53.3%)**
Basic earnings per share (p)	**5.6**	**14.2**	**(60.6%)**
Statutory basis			
Revenue	**618.2**	**657.5**	**(6.0%)**
Operating (loss)/profit	**(128.7)**	**29.9**	**(530.4%)**
Operating profit margin	**(20.8%)**	**4.5%**	
(Loss)/profit before tax	**(143.7)**	**23.1**	**(722.1%)**
Basic (loss)/earnings per share (p)	**(40.4)**	**7.0**	**(677.1%)**
Other metrics			
Home completions (units)	**1,873**	**2,020**	**(7.3%)**
Net (debt)/cash [1,2]	**(8.5)**	**64.9**	**(113.1%)**
Dividend per share (p)	**2.2**	**17.0**	**(87.1%)**

1. Adjusted basis represents the FY24 and FY23 statutory figures adjusted for exceptional items as disclosed in note 4. Adjusted performance metrics and net 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 67 and 68.
2. Net cash is defined as cash and cash equivalents less interest-bearing loans and borrowings. See note 26 to the consolidated financial statements.
3. See note 29 of the consolidated financial statements for an explanation of the prior year representation.

- Group completions of 1,873, comprised of 1,047 open market units, 495 units of affordable and 331 bulk completions
- FY24 open market sales rate at 0.48 (FY23: 0.52), average outlets in the year at 44 (FY23: 47)
- Four land sales of £45.7m relating to future phases of current sites that the Group would not be able to access for housebuilding for several years
- Year-end land creditors at £131.6m, (FY23: £205.5m)
- Enhanced focus on improvements in cash management delivered better than expected year end net debt at £8.5m
- Pretax exceptional charge at £166.1m, including £131.7m related to additional fire remediation provision which covers all known 291 buildings within the scope of the Developer Remediation Contract
- Statutory operating loss £(128.7)m, (FY23: operating profit £29.9m); statutory loss before tax £(143.7)m, (FY23: operating profit before tax £23.1m).

FY24 operational summary

- Practical build completion was finally achieved at Farnham in September. This has been a challenging and complex development. We are disappointed with the additional costs incurred in FY24 but the majority of residential units are now occupied with less than 13% of remaining apartments to sell through
- The Group has continued to incur some additional costs on other remaining legacy sites but continues to progress in trading out of these schemes
- The Group has made significant progress of its assessment of all buildings within the scope of the Developer Remediation Contract. We are therefore now in a position to account for the expected costs for non-surveyed buildings within its scope. As a result, the total fire remediation provision at the 2024 year end is £249.3m and compares with £145.2m at the 2024 half year
- During the year we selectively made land investments in appropriately scaled sites, acquiring 1,158 plots to ensure a good land pipeline. The Group has sufficient fully permitted land for the planned build programme for FY25
- Re-focused the leadership team to enforce the governance and oversight needed and continued to improve operational controls, checks and balances throughout the business
- Identified weaknesses in the management information systems and implemented important enhancements for timely, data-driven decision-making
- The Group has continued to drive higher levels of customer satisfaction and has consistently achieved over 90% customer satisfaction and 5 star scores throughout 2024
- Commenced more comprehensive training of the sales team with reformed incentive structures to align with service excellence and profitability
- Introduced a more robust commercial and build cost control system in H2 2024 to better manage and control costs and site budgets.
- Identified the actions needed to reduce our Work In Progress
- Made good progress in our sustainability agenda and targets, continued to align our operations to reduce greenhouse gas emission; successfully implemented measures to ensure compliance with Biodiversity Net Gain regulations.

Current trading and outlook

Recent weeks have shown an ongoing incremental improvement in sales performance, supported by encouraging early indicators such as increased website visits and follow-up appointments. However, the slower than anticipated pace of interest rate reductions continues to weigh on the ability to convert indications of interest and is tempering the housing market recovery. We remain cautious but anticipate greater stabilisation in the trading environment during the second half of 2025, underpinned by pent-up demand for good quality homes. As at the end of January 2025, the forward order book for FY25 was 1,051 units.

Guidance

The Group provides the following guidance for FY25:

Open market units	1,050 – 1,150
Bulk and affordable units	650 - 750
Outlets	40-42
Sales rate	0.5 – 0.6
Interest	£10m - £12m
Profit before tax	£28m - £38m
Net debt	£40m - £90m

Analyst and investor meeting, conference call and webcast

There will be a meeting for analysts at 9.00 am today at Norton Rose Fulbright, 3 More London Riverside, London SE1 2AQ hosted by Martyn Clark, Chief Executive Officer and Bill Floydd, Chief Financial Officer. To join the presentation, please use the following link: FY24 prelims results webcast

There is also a facility to join the presentation and Q&A session via a conference call. Participants should dial **+44 203 936 2999** and use confirmation code **927132.** A playback facility will be available shortly after the presentation has finished.

For further information, please contact:

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Cautionary statement regarding forward-looking statements

This release may include statements that are, or may be deemed to be, ‘forward-looking statements’. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ‘believes’, ‘estimates’, ‘plans’, ‘projects’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’ or ‘should’ or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, changes in its business strategy, political and economic uncertainty. Save as required by the Listing and Disclosure Guidance and Transparency Rules, the Company is under no obligation to update the information contained in this release. Past performance cannot be relied on as a guide to future performance.

Crest Nicholson Holdings plc
Registered no. 6800600

Chief Executive Officer's statement

It is my pleasure to present my first set of results as Chief Executive Officer of Crest Nicholson. The unique circumstances of my introduction to the business coincided with the unhelpful distraction of an unsuccessful, unsolicited takeover approach for the Group. This allowed me to gain real insight into, and a comprehensive understanding of, our operations, our people, our strengths, the areas we need to address and the many opportunities for us to grow the business profitably and create value for our shareholders within a more condensed period. I am encouraged by the potential I see within the Group and am increasingly confident of being able to shape Crest Nicholson into a best-in-class UK housebuilder.

My initial focus has been on implementing early operational changes at pace, and ensuring we have a solid foundation for the years ahead. As part of that, I have reviewed the existing Executive Committee to ensure we have the right breadth of expertise and capability, in order to enhance decision making, strengthen internal controls, address operational challenges and drive future strategic priorities.

I have also made considerable progress in reviewing our strategy and defining my long-term vision for Crest Nicholson to re-invigorate the business for growth, focussing on three key strategic priorities:

- building homes of exceptional quality efficiently;
- delivering outstanding service to customers, and optimising value from the Group's high quality land portfolio;
- growing private sales and emphasising value-led growth to enhance returns and margins.

I look forward to sharing with the market in March more information on those strategic priorities and the initiatives I will implement to maximise sustainable value for all Crest Nicholson shareholders.

2024 has undoubtedly been a challenging year for Crest Nicholson. Previous failures to identify and implement appropriate internal controls within the Group, particularly in relation to legacy operational issues on complex developments and legacy sites have significantly impacted our financial performance. We have taken steps to address these shortcomings. Furthermore, the market was affected by the impact of persistently high interest rates and subdued consumer confidence. Despite these challenges, we have delivered 2024 results in line with guidance updated at the start of my tenure, and through a rigorous focus on cash management have exited the year with better than expected net debt. This is a testament to my colleagues' dedication and commitment during highly uncertain times, and I thank them for their hard work.

First impressions

Since joining, I have been encouraged by the strengths I see within our business. We have a valuable portfolio of land assets, which positions us well to optimise value creation as market conditions evolve. The team is talented and dedicated. However, my initial assessment has identified certain operational areas that need attention to improve efficiency and performance. There is also an opportunity to streamline processes, tighten controls and enhance our approach to project execution to meet our goals effectively.

Actions Taken During the Year

My initial focus has been on implementing early operational changes and ensuring we have a solid foundation for the years ahead. As part of that, I have expanded the existing Executive Committee to ensure we have the right breadth of expertise and capability in order to enhance decision making, strengthen internal controls, address operational challenges and drive future strategic priorities. We have also taken several key actions during the year to set us on the right path, and support our strategic goals focusing on actions that can deliver immediate improvements. For example, we are upgrading our management information systems, which will enable better and more timely data-driven decision making across the business. I have also noticed a marked positive cultural change over the past few months, as cross-functional teams are now working together more effectively, creating a unified focus on our strategic priorities and promoting a results-driven environment.

Delivering outstanding service to customers

It is essential to recognise that we are, at our core, a business offering customers one of the most significant emotional and financial purchases of their lives. We have taken meaningful steps to enhance our customer service, ensuring a seamless and exceptional experience throughout the entire sales journey and beyond. Since January 2024, we have consistently achieved a customer satisfaction rating above the 90% required to achieve 5 star status from the Home Builders Federation. Our sales team has undergone comprehensive recurrent training to enhance the skills to better meet our customers' needs. Initial feedback from both the sales team and customers has been positive and we will continue to invest in training going forward. Additionally, we have repositioned our incentive structure to align with our goal of maximising value while maintaining high service standards.

We are developing a new customer portal, which will not only support customers during the reservation stage, but also provide them with ongoing access and visibility of the progression of the sales and build process for their home. This is due to be rolled out during 2025. Post-sales customer service has also been significantly improved, with dedicated site teams now in place to address warranty items promptly and efficiently. The introduction of new systems to track performance in resolving warranty matters will help us significantly improve customer response time. These enhancements reflect our unwavering commitment to delivering quality and ensuring customer satisfaction.

The development of our product offering will be central to our activity in 2025. Several factors will drive these initiatives including changing regulations (such as the Future Homes Standard), raising quality and, more importantly, meeting the needs and aspirations of our customers. We have already enhanced some of the specifications of our homes.

Building homes of exceptional quality, efficiently

Building right first time is essential to deliver an exceptional customer experience and drive profitable growth. It reduces warranty claims and costs and hence safeguards our brand value while maintaining the trust of our customers. In order to optimise resources to maximise returns, we have taken significant steps in recent months to enhance our build quality, to ensure operational efficiency and to manage our work in progress effectively. This means that our build rate needs to be aligned with our expected sales rate and costs need to be closely monitored for each development. We appointed a new Group Commercial Director, whose leadership has driven the implementation of an enhanced system for establishing site budgets and managing cost effectively in the second half of the year. Additionally, to further improve build precision, we introduced new software to track build progress and sign off quality assessments at each build stage, including the capture of photographic evidence.

We have continued to focus on improving our build quality and are pleased that independent measures of quality assessed by NHBC and Premier Guarantee show an improvement on 2023. Furthermore, NHBC has been appointed to carry out Construction Quality Reviews on all sites. These will serve as an independent key performance indicator, providing a quantitative assessment of build quality across construction sites, which we will use to assist us to align with best practices and maintaining high standards in construction quality.

Health and safety remain a top priority for the Group. We continue to maintain the highest standard to ensure the wellbeing of our teams and subcontractors, reinforcing our commitment to a safe working environment.

Optimising value from our high quality portfolio

Our land portfolio is strategically located in highly sought-after areas. We are focused on leveraging our high quality land assets to maximise their value, ensuring that every site is optimised for profitability. The portfolio includes a mix of site sizes. We are conducting a comprehensive review of our land bank with a focus on managing our cash outlay while increasing the number of outlets over the medium term.

Fire remediation

In December 2024, the Group signed up to the Joint Plan to accelerate developer-led remediation and improve resident experience (Joint Plan to Accelerate), requiring developers to complete all assessments of buildings under the scope of the Developer Remediation Contract by July 2025 and commence work on 100% of affected buildings by July 2027. The timing aligns closely with our revised business plan, with the associated costs integrated into our budgets and cash flow forecasts.

The Group has made significant progress, supported by our newly centralised Special Projects division, and is nearing completion of its assessment of all buildings within the scope of the Developer Remediation Contract. As a consequence of additional and better information, we are now in a position to account for the expected costs for known buildings within scope. As a result, the total fire remediation provision at the 2024 year end is £249.3m and compares with £145.2m at the 2024 half year.

In determining the quantum of the provision whilst acknowledging that no approach can eliminate all uncertainty, the Group has applied its experience to date and the most plausible current risk scenario to ensure it accounts for its probable liabilities and maintains an appropriate and responsible approach to fire safety remediation provisions. The provision does not include any third-party recoveries or contributions that could offset these costs. The remediation programme is expected to be completed during 2029, exceeding the obligations of the Joint Plan to Accelerate, and is intended to be funded from the Group's cash flow and balance sheet. This approach highlights our commitment to transparency and financial responsibility, and we believe it should address lingering concerns regarding Crest Nicholson's future legacy fire-related liabilities, providing greater confidence in our valuation and business case.

Further details can be found in the Financial Review on pages 30-31 of the 2024 Annual Report and Accounts to be published in February 2025.

Sustainability

We remain committed to our sustainability strategy which focuses on three priority areas: protecting the environment, making a positive impact on our communities, and operating the business responsibly. In 2024, we made good progress against our own targets and continue to work collaboratively with our suppliers and the wider industry on a range of sustainability initiatives. More details on our sustainability progress and focus can be found on pages 19-27 of the 2024 Annual Report and Accounts to be published in 2025.

Strategic focus for 2025

In the coming year, our primary goal is to reinvigorate the business for growth. During the year, I have undertaken a comprehensive review to understand the business, which has included obtaining both internal and external perspectives. This has allowed me to identify the market opportunity and craft a strategy that will allow us to maximise that opportunity and optimise the Group for sustainable growth, enhanced profitability and consistent shareholder value creation, based upon the three key strategic priorities set out above. The changes to the business and the strategic direction we are heading will not happen overnight but I am confident we will deliver success.

I look forward to updating you in March 2025 with the findings when I will also set out our medium-term strategic focuses and goals for ensuring Crest Nicholson realises its full potential.

Summary and Outlook

2025 will be a year of transition for Crest Nicholson as we implement and start to deliver on our new strategy for profitable growth. We are well-positioned with sufficient land with full planning permission to support our planned outlets and volumes.

The broader economic landscape is showing tentative signs of stabilisation, even if at a more tempered pace than expected, providing a slightly more supportive environment for growth in 2025. A more stable and benign interest rate climate will help to restore confidence among both developers and homebuyers, reducing financial pressures and enabling greater investment in housing projects.

Additionally, the government has intensified its efforts to address the critical shortage of homes in the UK, introducing targeted measures to streamline and improve the planning process. Such initiatives are not only vital for addressing the housing crisis but also provide a strong foundation for the sector to meet the country's pressing demand for homes.

Reflecting on my first months, I am encouraged by the progress we have made and the potential we have to drive meaningful changes. I am confident that we can navigate the challenges ahead. I look forward to leading Crest Nicholson through this transformative period, creating a stronger, more resilient business and optimising the Group for sustainable growth, enhanced profitability and consistent shareholder value creation.

Martyn Clark
Chief Executive Officer

Financial Review

Completions and revenue

Open market private completions were 1,047 (2023: 1,222), open market bulk completions were 331 (2023: 273) and affordable completions were 495 (2023: 525). As a result, total home completions were 1,873 (2023: 2,020), down 7.3%, reflecting a weak order book at the start of the year as a consequence of low levels of confidence in the housing market. There was some modest improvement in market sentiment as the year progressed, largely as a result of the 0.25% interest rate reduction in August 2024.

The total weighted average selling price for the Group was substantially unchanged at £344k (2023: £347k). On like-for-like units, we experienced modest sales price deflation in the first half of the financial year, which reversed in the second half of the year to leave the average selling prices largely unchanged, but with some positive momentum being taken into 2025.

The open market private sales rate as measured by sales per outlet week, was 0.48 for the year compared with 0.52 in 2023. The housing market remained sluggish throughout 2024 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 suppressed levels of demand. As the year progressed, a commencement of loosening monetary policy and a new government with more expansive housing aspirations provided some level of improvement in the overall sales environment.

Average sales outlets were 44 (2023: 47). 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. We therefore expect a minor reduction in our sales outlets in 2025. As a result of these factors, revenue from housing totalled £572.5m (2023: £638.0m), a reduction of 10.3%.

We completed £45.7m (2023: £19.5m) of land sales on sites that we would not have been able to access ourselves for several years.

Total revenue for the year was £618.2m, compared with £657.5m in 2023, a decline of 6.0%.

Representation of 2023

The current year consolidated income statement presents other operating income, other operating expenses and administrative expenses separately, with comparators being represented. Following the in-year review, completed site accruals are now split into accruals and provisions, also with comparators being represented. These changes provide greater clarity for users of the accounts and are marked by footnotes throughout the 2024 Annual Report which is due to be published in February 2025 and explained fully in note 29 of the consolidated financial statements. The Group's accounting policy for exceptional items has also been revised to include completed site costs relating to changes in the estimate of costs associated with completed sites which are no longer part of the core strategy. The previous year's completed sites charge has been represented to align with the revised policy.

Gross profit

Adjusted gross profit was £86.8m (2023: £105.6m[1]), a reduction of 17.8%. The reduction in gross profit substantially reflected the continued weak sales environment. Additionally, we recognised pre-exceptional costs of £7.3m in respect of completed sites as a result of a one-off review. During the year £14.2m (2023: £13.4m) additional NRV was charged consisting of £8.5m, mainly on legacy developments and £5.7m on freehold reversionary interests as disclosed in note 4.

Gross profit on lands sales was £10.1m (2023: £7.1m). Adjusted gross profit margin was 14.0% (2023: 16.1%[1]). Gross loss was £71.6m (2023: gross profit £84.7m[1]).

Operating profit and margin

Adjusted operating profit of £31.3m (2023: £50.8m[1]) was a decline of £19.5m (38.4%) as a result of the gross profit reduction of £18.8m and an increase in administrative costs. The operating loss for the year was £128.7m after an exceptional items charge of £160.0m (2023: £29.9m[1] operating profit after an exceptional items charge of £20.9m).

Control environment

As noted in my report last year, 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, we completed the rollout of a new ERP system that strengthened the key financial and commercial controls across the business. During 2024, further control improvements were implemented. There has been significant cultural change within the business, led by the new Chief Executive Officer, Executive Committee and senior management, on the importance of both governance and transparency in the business. A Chief Operating Officer was appointed on 1 January 2024 and a Group Commercial Director joined the business in a newly established role on 3 June 2024.
I changed the reporting line for divisional finance directors from divisional managing directors to myself, to increase the level of independence and oversight within divisional management teams. Numerous other governance and reporting improvements have been implemented during the course of the year to improve the control environment.

As a result the control environment is operating effectively and we are continuing to monitor the processes to identify any further improvements that can be made.

Exceptional items

An exceptional net cost of sales charge of £158.4m was recognised in the year, comprising combustible materials charge of £131.7m, combustible materials recovery from third parties of £4.4m, completed site costs of £25.0m, freehold inventories written off of £5.7m and professional legal fees of £0.4m.

In the prior year, as a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group entered into contractual commitments with the government to identify and remediate those buildings it has developed with possible life-critical fire safety defects.

The £131.7m combustible materials charge comprises £98.5m relating to the Group's estimated remedial costs for non-surveyed buildings and £15.2m remedial costs of buildings surveyed in the year requiring remediation, both of which were previously disclosed as contingent liabilities, and £18.0m relating to changes in forecast build cost scope and price over the duration of remediation for buildings upon which a provision was already recognised.

With additional information, the Group is now able to estimate a charge for non-surveyed buildings based on its experience of the cost analysis of surveyed and tendered buildings. The number of surveyed buildings has increased significantly over the year enabling the Group to compute a reliable estimate for these buildings.

The Group has also undertaken a comprehensive review, supported by external consultants, of the Group's remaining cost obligations on completed sites. Initially, work focused on four sites that were completed prior to 2019 when the Group closed its Regeneration and London divisions. Subsequently, a review has been carried out on all sites that the Group has completed but maintains an obligation to carry out remediation or maintenance on, prior to adoption by the relevant local authority or management company. The review of completed site costs is now concluded, resulting in a one-off charge of £32.3m, of which £25.0m is treated as an exceptional item as it relates to non-standard developments started prior to the change in strategy in 2019, and the balance of £7.3m is recorded within adjusted operating profit.

The Group provided £5.7m to write off the value of its remaining freehold reversionary interests in buildings previously constructed by the Group. The market for freehold reversionary interests is increasingly uncertain given proposed legislative changes in this area and the impact of some freehold buildings requiring fire remediation works.

An exceptional administrative cost of £1.6m is recognised reflecting aborted transaction costs from the unsolicited approach from Bellway plc.

A further £6.1m (2023: £4.6m) was charged in relation to imputed interest on the combustible materials charge.

The tax credit on exceptional items is £48.2m (2023: £6.5m[1]) based on actual tax rates.

Further detail on exceptional items can be found in note 4 and note 22 to the consolidated financial statements.

Financing and liquidity

At 31 October 2024, the Group had net debt of £8.5m (2023: net cash of £64.9m). Net debt including land creditors was £140.1m (2023: £140.6m). Average net debt in the year was £49.6m (2023 average net cash: £47.1m). Return on capital employed (ROCE) for the year was 4.1% (2023: 7.3%[1]) reflecting the lower adjusted operating profit compared with the prior year.

The Group made good progress on improving its cash management during the year, with increased discipline on part exchange and WIP controls, which continue to deliver benefits to cash flow.

The Group's debt facilities include a £250m Revolving Credit Facility, the expiry date of which was extended in the year to October 2027. The Group is also financed by an £85m private placement. In August 2024, in accordance with the note purchase agreement, the Group made its first amortisation payment of £15m. A further amortisation payment of £20m is due to be made in August 2025.

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.

The base case scenario utilised rolling forecasts up to 30 April 2026 (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 2025 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. Whilst 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 2025. 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 outlined above, and notwithstanding the material uncertainty related to going concern 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 2024, the retirement benefit surplus under IAS 19 was £19.5m (2023: £10.0m).

Taxation

Effective tax rate applied to the loss before tax (2023: profit before tax) for the year was 28.0% (2023: 22.5%). The increase in effective tax rate is due to the impact of changes in the UK corporation tax rate. Full details are set out in note 8 to the consolidated financial statements.

Earnings per share

Adjusted basic earnings per share was 5.6 pence (2023: 14.2[1] pence), reflecting the decrease in the Group's earnings on prior year. Basic loss per share was 40.4 pence (2023: earnings per share 7.0 pence).

Dividend

The Board proposes to pay a final dividend of 1.2 pence per share for the financial year ended 31 October 2024 which, subject to shareholder approval, is expected to be paid on 25 April 2025 to shareholders on the Register of Members on 28 March 2025. This is in addition to the interim dividend of 1.0 pence per share that was paid on 11 October 2024.

Land and planning

At 31 October 2024, the short-term land portfolio comprised 13,935 (2023: 14,922) plots and the Group's strategic land portfolio totalled 17,700 (2023: 18,830) plots, meaning the total land portfolio at 31 October 2024 was 31,635 plots (2023: 33,752). The total gross development value of the portfolio is £11.5bn (2023: £12.2bn).

During the year, the Group added 1,158 plots to the short-term land portfolio (2023: 3,197). The Group has sufficient land with planning consents to meet its requirements for 2025. The Group has a well-developed land bank for 2026 and is working to obtain the relevant planning consents to enable it to meet its development plans for 2026. The Group is undertaking a thorough review of its land bank beyond 2026 to determine its overall suitability for the business' medium-term needs and strategic direction.

Bill Floydd
Chief Financial Officer

1 Represented as per note 29 of the financial statements.

Principal Risks

The Group's principal risks are contained in the 2024 Annual Report to be published in February 2025.

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 54-55 of the 2024 Annual Report to be published in February 2025 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
3 February 2025

AUDITED FINANCIAL INFORMATION

The consolidated financial statements and notes 1 to 29 for the year ended 31 October 2024 are derived from the Group's annual financial statements which have been audited by PricewaterhouseCoopers LLP. The unmodified audit report is available for inspection at the Group's registered office.

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 October 2024

	Note	Pre-exceptional items 2024 £m	Exceptional items (note 4) 2024 £m	Total 2024 £m	Represented[1] Pre-exceptional items 2023 £m	Represented[1] Exceptional items (note 4) 2023 £m	Represented[1] Total 2023 £m
Revenue	3	**618.2**	**-**	**618.2**	657.5	-	657.5
Cost of sales		(531.4)	(158.4)	(689.8)	(551.9)	(20.9)	(572.8)
Gross profit/(loss)		**86.8**	**(158.4)**	**(71.6)**	105.6	(20.9)	84.7
Other operating income	5	75.8	-	75.8	44.7	-	44.7
Other operating expenses	5	(69.9)	-	(69.9)	(40.9)	-	(40.9)
Administrative expenses		(60.8)	(1.6)	(62.4)	(58.0)	-	(58.0)
Net impairment losses on financial assets	17	(0.6)	-	(0.6)	(0.6)	-	(0.6)
Operating profit/(loss)	5	**31.3**	**(160.0)**	**(128.7)**	50.8	(20.9)	29.9
Finance income	7	4.0	-	4.0	4.1	-	4.1
Finance expense	7	(12.8)	(6.1)	(18.9)	(9.6)	(4.6)	(14.2)
Net finance expense		**(8.8)**	**(6.1)**	**(14.9)**	(5.5)	(4.6)	(10.1)
Share of post-tax (losses)/profits of joint ventures using the equity method	14	(0.1)	-	(0.1)	2.7	0.6	3.3
Profit/(loss) before tax		**22.4**	**(166.1)**	**(143.7)**	48.0	(24.9)	23.1
Income tax (expense)/credit	8	(8.0)	48.2	40.2	(11.7)	6.5	(5.2)
Profit/(loss) for the year attributable to equity shareholders		**14.4**	**(117.9)**	**(103.5)**	36.3	(18.4)	17.9
Earnings/(loss) per ordinary share							
Basic	10	5.6p		(40.4p)	14.2p		7.0p
Diluted	10	5.6p		(40.4p)	14.1p		7.0p

[1] See note 29 for an explanation of the prior year representation.

The notes on pages 17 – 60 form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2024

	Note	2024 £m	2023 £m
(Loss)/profit for the year attributable to equity shareholders		**(103.5)**	**17.9**
Other comprehensive income/(expense):			
Items that will not be reclassified to the consolidated income statement:			
Actuarial gains/(losses) of defined benefit schemes	16	8.5	(2.5)
Change in deferred tax on actuarial gains/(losses) of defined benefit schemes	15	(2.1)	1.1
Other comprehensive income/(expense) for the year net of income tax		**6.4**	**(1.4)**
Total comprehensive (expense)/income attributable to equity shareholders		**(97.1)**	**16.5**

The notes on pages 17 – 60 form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2024

	Note	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
Balance at 1 November 2022		12.8	74.2	796.1	883.1
Profit for the year attributable to equity shareholders		-	-	17.9	17.9
Actuarial losses of defined benefit schemes	16	-	-	(2.5)	(2.5)
Change in deferred tax on actuarial losses of defined benefit schemes	15	-	-	1.1	1.1
Total comprehensive income for the year		**-**	**-**	**16.5**	**16.5**
Transactions with shareholders:					
Equity-settled share-based payments	16	-	-	1.5	1.5
Deferred tax on equity-settled share-based payments	15	-	-	(0.2)	(0.2)
Purchase of own shares	23	-	-	(1.9)	(1.9)
Transfers in respect of share options		-	-	0.9	0.9
Dividends paid	9	-	-	(43.6)	(43.6)
Balance at 31 October 2023		**12.8**	**74.2**	**769.3**	**856.3**
Loss for the year attributable to equity shareholders		-	-	(103.5)	(103.5)
Actuarial gains of defined benefit schemes	16	-	-	8.5	8.5
Change in deferred tax on actuarial gains of defined benefit schemes	15	-	-	(2.1)	(2.1)
Total comprehensive expense for the year		**-**	**-**	**(97.1)**	**(97.1)**
Transactions with shareholders:					
Equity-settled share-based payments	16	-	-	1.8	1.8
Deferred tax on equity-settled share-based payments	15	-	-	0.1	0.1
Purchase of own shares	23	-	-	(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		**12.8**	**74.2**	**641.9**	**728.9**

The notes on pages 17 – 60 form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2024

	Note	2024 £m	Represented[1] 2023 £m
ASSETS			
Non-current assets			
Intangible assets	11	29.0	29.0
Property, plant and equipment	12	3.2	2.2
Right-of-use assets	13	10.9	6.1
Investments in joint ventures	14	8.6	10.7
Financial assets at fair value through profit and loss		2.3	2.6
Deferred tax assets	15	39.7	3.3
Retirement benefit surplus	16	19.5	10.0
Trade and other receivables	17	14.6	6.0
		127.8	**69.9**
Current assets			
Inventories	18	1,137.4	1,164.8
Financial assets at fair value through profit and loss		1.0	1.1
Trade and other receivables	17	98.1	120.0
Current income tax receivable		4.1	11.9
Cash and cash equivalents	19	73.8	162.6
		1,314.4	**1,460.4**
Total assets		**1,442.2**	**1,530.3**
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	20	(63.2)	(83.5)
Trade and other payables	21	(42.3)	(69.7)
Lease liabilities	13	(8.8)	(4.4)
Deferred tax liabilities	15	(4.9)	(2.5)
Provisions	22	(192.5)	(75.2)
		(311.7)	**(235.3)**
Current liabilities			
Interest-bearing loans and borrowings	20	(19.1)	(14.2)
Trade and other payables	21	(285.2)	(328.6)
Lease liabilities	13	(3.2)	(2.0)
Provisions	22	(94.1)	(93.9)
		(401.6)	**(438.7)**
Total liabilities		**(713.3)**	**(674.0)**
Net assets		**728.9**	**856.3**
EQUITY			
Share capital	23	12.8	12.8
Share premium account	23	74.2	74.2
Retained earnings		641.9	769.3
Total equity		**728.9**	**856.3**

[1] See note 29 for an explanation of the prior year representation.

The notes on pages 17 – 60 form part of these consolidated financial statements.
These consolidated financial statements on pages 13 – 60 were approved by the Board of Directors on 3 February 2025.
On behalf of the Board

Martyn Clark
Director

Bill Floydd
Director

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
(Loss)/profit for the year attributable to equity shareholders		(103.5)	17.9
Adjustments for:			
Depreciation on property, plant and equipment	12	0.4	0.5
Depreciation on right-of-use assets	13	2.3	2.3
Retirement benefit obligation administrative expenses	16	0.7	0.6
Net finance expense	7	14.9	10.1
Share-based payment expense	16	1.8	1.5
Share of post-tax losses/(profits) of joint ventures using the equity method	14	0.1	(3.3)
Impairment of inventories movement	18	2.1	7.6
Net impairment of financial assets	17	0.6	0.6
Income tax (credit)/expense	8	(40.2)	5.2
Operating cash (outflow)/inflow before changes in working capital, provisions and contributions to retirement benefit obligations		**(120.8)**	**43.0**
(Increase)/decrease in trade and other receivables		(10.6)	27.0
Decrease/(increase) in inventories		22.2	(182.3)
Increase/(decrease) in trade and other payables and provisions		35.6	(31.9)
Contribution to retirement benefit obligations	16	(1.1)	(1.5)
Cash used by operations		**(74.7)**	**(145.7)**
Finance expense paid		(5.1)	(5.6)
Income tax received/(paid)		12.0	(14.3)
Net cash outflow from operating activities		**(67.8)**	**(165.6)**
Cash flows from investing activities			
Purchases of property, plant and equipment	12	(1.4)	(1.8)
Disposal of financial assets at fair value through profit and loss		0.2	0.9
Funding to joint ventures		(13.1)	(13.0)
Repayment of funding from joint ventures		36.4	11.7
Dividends received from joint ventures		2.5	1.5
Finance income received		0.4	2.3
Net cash inflow from investing activities		**25.0**	**1.6**
Cash flows from financing activities			
Principal elements of lease payments	13	(1.9)	(2.4)
Dividends paid	9	(32.1)	(43.6)
Net purchase of own shares		(0.1)	(1.0)
Proceeds from borrowings		112.0	-
Repayments of borrowings		(127.0)	-
Sale and leaseback proceeds		3.1	-
Net cash outflow from financing activities		**(46.0)**	**(47.0)**
Net decrease in cash and cash equivalents		(88.8)	(211.0)
Cash and cash equivalents at the beginning of the year		162.6	373.6
Cash and cash equivalents at the end of the year	19	**73.8**	**162.6**

The notes on pages 17 – 60 form part of these consolidated financial statements.

1 ACCOUNTING POLICIES

Basis of preparation

Crest Nicholson Holdings plc (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 61 – 66.

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 24. 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 2026 (the going concern period), which aligns with its half year reporting for the 2026 financial year. The going concern model is made up of a Board approved base case and a Severe But Plausible (SBP) downside. Within the base case, the Group has already secured a proportion of sales for 2025 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 range of adverse scenarios that are deemed to be plausible downside conditions derived from the scenarios that are outlined below. These scenarios incorporate potential macroeconomic scenarios that could be experienced by the UK, industry-wide dynamics, and Group-specific risks.

The SBP downside scenario aggregates the impacts of multiple risk factors. 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 reaching the SBP downside scenario:

- Scenario 1 – Reduction in sales volumes
  Linking to market conditions and solvency and liquidity risk, 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 reduced sales per outlet week (SPOW) of 0.43 in 2025 and 0.47 in 2026 (2024 actual SPOW 0.48), based on a decline commencing imminently.

- Scenario 2 – Fall in sales price
  Also linking to a potential decline in market conditions, a reduction in sales prices during an economic slowdown and / or lack of available debt finance. A greater than 2.0% reduction in average selling prices compared to the current market experience of prices increasing.

- Scenario 3 – Increase in build cost
  Linking to supply chain risks, unexpected costs occurring on low margin or NRV sites cause an immediate reduction in profitability of c. £4m in each six months of the going concern period.

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;
- Potential renegotiation of some supplier arrangements as the amount of build activity contracts, and materials suppliers and subcontractors are required to be more competitive, reducing build spend;
- 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;
- Disposal of land to generate cash; and
- Removal of dividends after April 2025 to conserve cash.

Conclusion on going concern
Whilst 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 2025. 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 scenario. 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 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, which 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, including those involving estimates are described below.
- The judgement to present certain items as exceptional (see note 4)
- Certain revenue policies relating to part exchange sales
- The identification of performance obligations where a revenue transaction involves the sale of both land and residential units and revenue on the units is then 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 recognition of the defined benefit pension scheme net surplus (see note 16)
- The current and non-current presentation of the combustible materials provision
- The presentation of completed site liabilities as either accruals or provisions.

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 have made consistent estimates and assumptions in reviewing the going concern assumption 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 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 2024, the impact on loss before tax would have been £13.1m higher (2023: the impact on profit before tax would have been £15.9m lower).

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. The Group has established internal controls that are designed to ensure an effective assessment of estimates is made of the costs to complete developments. 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 less 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 2024 and which are forecast to still be in production beyond the year ending 31 October 2026 (2023: beyond the year ending 31 October 2025), cost of sales in the current year would have been £29.1m (2023: £32.3m) 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 2025, 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 40-48 of our 2024 Annual Report to be published in February 2025. This area is 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 costs can require a number of estimates and assumptions in their calculation, though provisions also have a level of estimation uncertainty. 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 £2.2m higher for completed site accruals and £2.3m 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 16 for additional details.

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. Additionally, the Group has now performed sufficient surveys and has greater experience of survey outcomes to make an appropriately reliable estimate of its probable liabilities across non-surveyed buildings.
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 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. The number of non-surveyed

buildings requiring remediation may differ from current estimates, which cannot be fully known until surveys have been completed. Management expects assessments to have been completed by late summer 2025. 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 £24.9m higher/lower. See notes 4 and 22 for additional details.

Adoption of new and revised standards
There are no new standards, amendments to standards and interpretations that are applicable to the Group and are mandatory for the first time for the financial year beginning 1 November 2023 which have had a material impact on the Group.

Impact of standards and interpretations in issue but not yet effective
There are a number of standards, amendments and interpretations that have been published that are not mandatory for the 31 October 2024 reporting period and have not been adopted early by the Group. The Group does not expect that the adoption of these standards, amendments and interpretations will have a material impact on the financial statements of the Group in future years.

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 with the exception of the prior period representation as disclosed in note 29.

Alternative performance measures (APMs)
The Group has adopted various APMs, as presented on pages 67 – 68. 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 arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired entity at the date of the acquisition and is not amortised. Goodwill arising on acquisition of subsidiaries and businesses is capitalised as an asset. The goodwill balance has been allocated to the strategic land holdings within the Group. The Group expects to benefit from the strategic land holdings for a further period of 13 years to 2038. The period used in the assessment represents the estimated time it will take to obtain planning and build out on the remaining acquired strategic land holdings. Goodwill is assessed for impairment at each reporting date. The sites acquired are considered as a singular cash generating unit and the value in use is calculated on a discounted cash flow basis with more speculative strategic sites given a lower probability of reaching development. The calculated discounted cash flow value is compared to the goodwill balance to assess if it is impaired. Any impairment loss is recognised immediately in the consolidated income statement.

Revenue and profit recognition
Revenue comprises the fair value of the consideration received or receivable, net of value added tax and discounts.

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. Income is recognised when legal title is passed to the customer.

Revenue is recognised on house 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 that 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 and does not include any material variable consideration.

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 and recognised as the obligations are performed, which can be when the works are finished if the work-in-progress is controlled by the Group or over the performance of the works if they are controlled by the customer.

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 that 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 progress. 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.

Revenue is recognised on freehold reversion sales when the customer is contractually entitled to the ground rent revenue stream associated with the units purchased.

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 passes to the customer.

Profit is recognised on a plot-by-plot basis, by reference to the margin forecast across the related development site. Due to the development cycle often exceeding one financial year, plot 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. In the prior year rental income was included within cost of sales and joint venture and other management fees was included within administrative expenses. Part exchange income was previously presented within net administrative expenses. See note 29 for further information.

Other operating expenses
Other operating expenses represent cost of sales of part exchange properties. In the prior year this was included within net administrative expenses. See note 29 for further information.

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 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.

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 are recognised in the consolidated income statement on an accruals basis in the period in which they are incurred. Imputed interest expense on deferred land creditors and combustible materials discounting is recognised over the life of associated cash flows.

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.

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 are recognised as administrative expenses when the services are received, and the Group determines that there is no control over the asset in development.

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 at the following rates:

Fixtures and fittings	10%
Computer equipment and non-SaaS software	20% to 33%

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, lease payments being 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 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 management and 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 selling prices or costs to complete change. NRV for inventories is assessed by estimating selling prices and costs, taking into account current market conditions.

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 (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 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.

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 Executive Committee (ExCo) is accountable to the Board and has been identified as the chief operating decision-maker for the purposes of determining the Group’s operating segments. During the year Martyn Clark (Chief Executive), Bill Floydd (Chief Financial Officer), Joe Lindsay (Group Commercial Director), Vicky Cullen (Group Sales and Marketing Director), Jenny Matthews (Head of Investor Relations) and Dean Cooke (Group IT Director) joined the ExCo and Peter Truscott (former Chief Executive) and Duncan Cooper (former Group Finance Director) left the ExCo. The ExCo approves investment decisions, allocates group resources and performs divisional performance reviews. The Group operating segments are considered to be its divisions, each of which has its own management board. All divisions are engaged in residential-led, mixed-use developments in the United Kingdom and therefore with consideration of relevant economic indicators such as the nature of the products sold and customer base, and, having regard to the aggregation criteria in IFRS 8, the Group identifies that it has one reportable operating segment.

3 REVENUE

	2024	2023
Revenue type	£m	£m
Open market housing including specification upgrades	493.5	550.0
Affordable housing	79.0	88.0
Total housing	**572.5**	**638.0**
Land and commercial sales	45.7	19.5
Total revenue	**618.2**	**657.5**
Timing of revenue recognition		
Revenue recognised at a point in time	525.0	552.4
Revenue recognised over time	93.2	105.1
Total revenue	**618.2**	**657.5**
Assets and liabilities related to contracts with customers		
Contract assets (note 17)	7.6	6.9
Contract liabilities (note 21)	(6.9)	(6.0)

Contract assets have increased to £7.6m from £6.9m in 2024, reflecting more 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 £6.9m from £6.0m in 2024, reflecting a higher amount of payments on account received from customers in excess of billable work-in-progress on affordable and other sales in bulk on contracts on which revenue is recognised over time.

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.

Included in revenue during the year was £2.9m (2023: £16.1m) that was included in contract liabilities at the beginning of the year.

During the year £nil (2023: £nil) of revenue was recognised from performance obligations satisfied or partially satisfied in previous years.

As at 31 October 2024 there was £151.9m (2023: £229.1m) of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied on contracts exchanged with customers. Forecasts recognise £111.3m (2023: £114.3m) of transaction prices allocated to performance obligations that are unsatisfied on contracts exchanged with customers within one year, £40.6m (2023: £112.0m) within two to five years, and £nil (2023: £2.8m) 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 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.

	2024 £m	Represented[1] 2023 £m
Cost of sales		
Combustible materials charge	(131.7)	(11.3)
Combustible materials credit	4.4	10.0
Net combustible materials charge	**(127.3)**	**(1.3)**
Legal provision and professional fees	(0.4)	(13.0)
Completed site costs	(25.0)	(6.6)
Freehold inventories write off	(5.7)	-
Total cost of sales charge	**(158.4)**	**(20.9)**
Administrative expenses		
Aborted transaction costs	(1.6)	-
Net finance expense		
Combustible materials imputed interest	(6.1)	(4.6)
Share of post-tax profits of joint ventures		
Combustible materials credit of joint ventures	-	0.6
Total exceptional charge	**(166.1)**	**(24.9)**
Tax credit on exceptional charge	48.2	6.5
Total exceptional charge after tax credit	**(117.9)**	**(18.4)**

[1] See note 29 for an explanation of the prior year representation.

Net combustible materials charge
In the prior year, as a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group entered into contractual commitments with the UK Government to identify and remediate those buildings it has developed with possible life-critical fire safety defects. The combustible materials charge represents forecast changes in build costs, costs of remediating buildings surveyed in the year, an estimate of costs for non-surveyed buildings that are forecast to require remediation and changes in the provision discount. In the year the Group recovered £4.4m from third parties in respect of defective design and workmanship. See note 22 for further information.

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 the prior year the Group recognised its estimate of the potential liability, which remains the Group's best estimate. See note 22 for further information.

Completed site costs
During the first half of the 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. During the year the Group completed a thorough review of all completed sites in association with third-party consultants. The review resulted in a one-off charge of £32.3m, of which £25.0m is treated as an exceptional item as it relates to complex developments started prior to 2019 which are no longer part of the core strategy. The balance of £7.3m is recorded as pre-exceptional. Completed sites exceptional charge of £25.0m is reflected within completed site accruals of £8.8m (see note 21) and completed site provisions of £16.2m (see note 22). Prior year comparatives have been represented to reflect an exceptional completed sites charge for those sites impacted by this change. See note 29 for further information.

Freehold inventories write off
During the 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 is increasingly uncertain given proposed legislative changes in this area and the impact of some freehold buildings requiring fire remediation works. This cost has been recognised as exceptional due to its size.

Aborted transaction costs
During the year the Group received an unsolicited bid from Bellway plc. On 13 August 2024 Bellway plc withdrew from the acquisition and the Group has recognised £1.6m (2023: £nil) of costs associated with this aborted transaction as exceptional as it is non-recuring in nature.

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.

Taxation
An exceptional income tax credit of £48.2m (2023: £6.5m represented see note 29) has been recognised in relation to the above exceptional items using the actual tax rate applicable to these items.

5 OPERATING (LOSS)/PROFIT

(a) Operating loss of £128.7m (2023: operating profit £29.9m) from continuing activities is stated after (charging)/crediting:

	Note	2024 £m	2023 £m
Inventories expensed in the year		(497.6)	(520.2)
Inventories impairment movement in the year	18	(2.1)	(7.6)
Employee costs	6	(63.0)	(60.7)
Depreciation on property, plant and equipment	12	(0.4)	(0.5)
Depreciation on right-of-use assets	13	(2.3)	(2.3)
Joint venture project management fees recognised in other operating income	27	1.9	1.9

(b) Other operating income

	2024 £m	2023 £m
Proceeds on disposal of part exchange properties	68.8	40.1
Rental income	3.4	1.6
Joint venture and other management fee income	3.6	3.0
	75.8	**44.7**

In the prior year rental income was included within cost of sales and joint venture and other management fee income was included within administrative expenses. Part exchange income was previously presented within net administrative expenses. See note 29 for further information.

(c) Other operating expenses

	2024	2023
	£m	£m
Costs associated with disposal of part exchange properties	69.9	40.9

In the prior year this was included within net administrative expenses. See note 29 for further information.

(d) Auditors' remuneration

	2024	2023
	£000	£000
Audit of these consolidated financial statements	191	166
Audit of financial statements of subsidiaries pursuant to legislation	1,529	819
Other non-audit services	130	154

The audit fees payable in 2024 included £220,000 (2023: £nil) in relation to additional costs for the 2023 audit.

Fees payable to the Group's auditors for non-audit services included £130,000 (2023: £100,000) in respect of an independent review of the half-year results and £nil (2023: £54,000) for other non-audit assurance services for sustainability reporting.

In addition to the above, PricewaterhouseCoopers LLP provide audit services to the Crest Nicholson Group Pension and Life Assurance Scheme and in the prior year Group joint ventures. The fees associated with the services to the Crest Nicholson Group Pension and Life Assurance Scheme are £35,505 (2023: £35,565) and are met by the assets of the scheme, and the fees associated with services to Group joint ventures are £nil (2023: £20,000).

6 EMPLOYEE NUMBERS AND COSTS

(a) Average monthly number of persons employed by the Group	2024	2023
	Number	Number
Development	704	778

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)	2024	2023
	£m	£m
Wages and salaries	52.3	50.4
Social security costs	6.0	5.8
Other pension costs	2.9	3.0
Share-based payments	1.8	1.5
	63.0	**60.7**

(c) Key management remuneration	2024	2023
	£m	£m
Salaries and short-term employee benefits	4.8	3.5
Share-based payments	0.8	0.6
	5.6	**4.1**

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. During the year four new members joined the Executive Committee.

(d) Directors' remuneration	2024	2023
	£m	£m
Salaries and short-term employee benefits	2.4	1.7
Share-based payments	0.4	0.5
	2.8	**2.2**

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 74-91 of our 2024 Annual Report to be published in February 2025.

7 FINANCE INCOME AND EXPENSE

	2024	2023
Finance income	£m	£m
Interest income	2.7	2.4
Interest on amounts due from joint ventures (note 27)	0.7	1.2
Net interest on defined benefit pension scheme (note 16)	0.6	0.5
	4.0	**4.1**
Finance expense		
Interest on bank loans	(6.7)	(5.7)
Revolving Credit Facility issue costs	(0.7)	(0.6)
Imputed interest on deferred land payables	(5.0)	(3.1)
Interest on lease liabilities (note 13)	(0.4)	(0.2)
Imputed interest on combustible materials provision – exceptional (note 4)	(6.1)	(4.6)
	(18.9)	**(14.2)**
Net finance expense	**(14.9)**	**(10.1)**

8 INCOME TAX CREDIT/(EXPENSE)

	2024	2023
	£m	£m
Current tax		
UK corporation tax credit/(expense) on (loss)/profit for the year	3.7	(4.2)
Adjustment in respect of prior periods	0.5	0.7
Total current tax credit/(expense)	**4.2**	**(3.5)**
Deferred tax		
Origination and reversal of temporary differences in the year	36.0	(1.7)
Total deferred tax credit/(charge) (note 15)	**36.0**	**(1.7)**
Total income tax credit/(expense) in consolidated income statement	**40.2**	**(5.2)**

Income tax is calculated at 29.0% (2023: 26.5%), based on corporation tax of 25.0% and residential property developer tax (RPDT) of 4.0%. The effective tax rate for the year is 28.0% (2023: 22.5%), which is lower than (2023: lower than) the standard rate of UK corporation tax predominantly due to the impact of expenses not deductible for tax purposes which reduces the tax credit on the loss. The Group expects the effective tax rate to be more aligned to the standard rate of corporation tax in future years, however it is likely to continue to be slightly lower than the standard rate of corporation tax (including RPDT) due to the RPDT annual allowance.

	2024	2023
Reconciliation of tax credit/(expense) in the year	£m	£m
(Loss)/profit before tax	(143.7)	23.1
Tax charge on (loss)/profit at 29.0% (2023: 26.5%)	41.7	(6.1)
Effects of:		
Expenses not deductible for tax purposes	(1.9)	(0.8)
Enhanced tax deductions	0.3	0.3
Adjustment in respect of prior periods	0.5	0.7
Impact of tax rate change on losses carried back	(0.4)	-
Impact of RPDT annual allowance and adjustments	-	0.7
Total income tax credit/(expense) in consolidated income statement	**40.2**	**(5.2)**

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 impact from RPDT in 2024, in contrast to the previous year, since the Group has not generated the minimum level of profit required before RPDT is incurred.

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 reflect the difference between the estimated consolidated income statement tax charge in the prior year and that of the actual tax outcome.

In July 2023, the UK 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 will 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. Given that the Group's tax rate tends to be closer to the statutory tax rate of 29% (being 25% UK corporation tax plus 4% RPDT) 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

	2024	2023
Dividends recognised as distributions to equity shareholders in the year:	£m	£m
Current year interim dividend of 1.0 pence per share (2023: 5.5 pence per share)	2.6	14.1
Prior year final dividend per share of 11.5 pence per share (2023: 11.5 pence per share)	29.5	29.5
	32.1	**43.6**

	2024	2023
Dividends proposed as distributions to equity shareholders in the year:	£m	£m
Final dividend for the year ended 31 October 2024 of 1.2 pence per share (2023: 11.5 pence per share)	3.2	29.5

The proposed final dividend was approved by the Board on 3 February 2025 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 25 April 2025 to all ordinary shareholders on the Register of Members on 28 March 2025.

10 (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per share is calculated by dividing (loss)/profit 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.

	(Loss)/ earnings £m	Weighted average number of ordinary shares Number	Per share amount Pence
Year ended 31 October 2024			
Basic loss per share	(103.5)	256,367,618	(40.4)
Dilutive effect of share options	-	1,608,047	
Diluted loss per share	**(103.5)**	**257,975,665**	**(40.4)**
Year ended 31 October 2024 – Pre-exceptional items			
Adjusted basic earnings per share	14.4	256,367,618	5.6
Dilutive effect of share options	-	1,608,047	
Adjusted diluted earnings per share	**14.4**	**257,975,665**	**5.6**
Year ended 31 October 2023			
Basic earnings per share	17.9	256,131,621	7.0
Dilutive effect of share options	-	594,762	
Diluted earnings per share	**17.9**	**256,726,383**	**7.0**
Year ended 31 October 2023 – Pre-exceptional items (Represented[1])			
Adjusted basic earnings per share	36.3	256,131,621	14.2
Dilutive effect of share options	-	594,762	
Adjusted diluted earnings per share	**36.3**	**256,726,383**	**14.1**

[1] See note 29 for an explanation of the prior year representation.

11 INTANGIBLE ASSETS

Goodwill	2024	2023
	£m	£m
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 arose on the acquisition of CN Finance plc on 24 March 2009. The goodwill relating to items other than the holding of strategic land was fully impaired in prior periods. The remaining goodwill was allocated to acquired strategic land holdings (the cash-generating unit) within the Group and has not previously been impaired. The goodwill is assessed for impairment annually. 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 from the expected development and sale of properties on the strategic land. These cash flows are the key estimates in the value in use assessment. The forecast looks at the likelihood and scale of permitted development, forecast build costs and forecast selling prices, using a pre-tax discount rate of 12.4% (2023: 9.5%), covering a further period of 13 years to 2038, and based on current market conditions. The discount rate is based on an externally produced weighted average cost of capital range estimate. The Future Homes Standard will not impact the estimated development cash flows as sites in production already incorporate the forecast extra costs, and for those under option the extra costs will be adjusted in the land values payable. The period used in this assessment represents the estimated time it will take to obtain planning and build out on the remaining acquired strategic land holdings. The recoverable value of the cash generating unit is substantially in excess of the carrying value of goodwill. Sensitivity analysis has been undertaken by changing the discount rates by plus or minus 1.0% and the forecast profit margins applicable to the site within the cash generating unit. None of the sensitivities, either individually or in aggregate, resulted in the fair value of the goodwill being reduced to below its current book value amount. As the forecast covers the entire life of the cash generating unit no growth rate has been used to extrapolate the cash flow projection, and as such the rate is not disclosed.

12 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £m	Computer equipment and software £m	Total £m
Cost			
At 1 November 2022	1.7	2.9	4.6
Additions	1.8	-	1.8
Disposals	-	(0.7)	(0.7)
At 31 October 2023	**3.5**	**2.2**	**5.7**
Additions	1.4	-	1.4
Disposals	(0.8)	(0.2)	(1.0)
At 31 October 2024	**4.1**	**2.0**	**6.1**
Accumulated depreciation			
At 1 November 2022	1.1	2.6	3.7
Charge for the year	0.3	0.2	0.5
Disposals	-	(0.7)	(0.7)
At 31 October 2023	**1.4**	**2.1**	**3.5**
Charge for the year	0.3	0.1	0.4
Disposals	(0.8)	(0.2)	(1.0)
At 31 October 2024	**0.9**	**2.0**	**2.9**
Net book value			
At 31 October 2024	**3.2**	**-**	**3.2**
At 31 October 2023	2.1	0.1	2.2
At 31 October 2022	0.6	0.3	0.9

The Group has contractual commitments for the acquisition of property, plant and equipment of £nil (2023: £nil).

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Office buildings £m	Other leases £m	Total £m
Cost			
At 1 November 2022	13.1	4.5	17.6
Additions	2.8	1.9	4.7
Disposals	(7.3)	(1.6)	(8.9)
At 31 October 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**
Accumulated depreciation			
At 1 November 2022	11.1	2.8	13.9
Charge for the year	1.3	1.0	2.3
Disposals	(7.3)	(1.6)	(8.9)
At 31 October 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**
Net book value			
At 31 October 2024	**5.1**	**5.8**	**10.9**
At 31 October 2023	3.5	2.6	6.1
At 31 October 2022	2.0	1.7	3.7

Other leases comprise motor vehicles and show home leases in 2024 and motor vehicles in 2023. In 2024 the Group disposed of its show homes (proceeds received of £14.9m) and entered into a lease back agreement.

Lease liabilities included in the consolidated statement of financial position

	2024 £m	2023 £m
Non-current	8.8	4.4
Current	3.2	2.0
Total lease liabilities	**12.0**	**6.4**

Amounts recognised in the consolidated income statement

	2024 £m	2023 £m
Depreciation on right-of-use assets	2.3	2.3
Interest on lease liabilities	0.4	0.2

Amounts recognised in the consolidated cash flow statement

	2024 £m	2023 £m
Principal element of lease payments	1.9	2.4

Maturity of undiscounted contracted lease cash flows

	2024 £m	2023 £m
Less than one year	3.8	2.2
One to five years	8.2	3.2
More than five years	2.5	1.6
Total	**14.5**	**7.0**

14 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 2025. The development will be 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.
- Elmsbrook (Crest A2D) LLP: In July 2017, the Group entered into a partnership agreement with A2 Dominion Developments Limited to procure and develop a site in Oxfordshire. The LLP commenced construction in 2018, with sales completion forecast for 2025. The development will be 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 will be 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 2025, with sales completion forecast for 2029. The development will be 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.

	2024	2023
Total investments in joint ventures	£m	£m
Crest A2D (Walton Court) LLP	1.3	2.3
Elmsbrook (Crest A2D) LLP	1.2	3.5
Crest Sovereign (Brooklands) LLP	5.9	4.9
Crest Peabody (Turweston) LLP	0.2	-
Other non-material joint ventures	-	-
Total investments in joint ventures	**8.6**	**10.7**

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 28 for further details.

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.

2024	Crest A2D (Walton Court) LLP	Elmsbrook (Crest A2D) LLP	Crest Sovereign (Brooklands) LLP	Crest Peabody (Turweston) LLP	Other non-material joint ventures	Total
	£m	£m	£m	£m	£m	£m
Summarised statement of financial position						
Current assets:						
Cash and cash equivalents	0.3	2.4	0.3	0.1	0.5	3.6
Inventories	19.6	0.7	19.5	1.1	-	40.9
Other current assets	8.1	0.2	4.2	5.1	1.6	19.2
Current liabilities:						
Financial liabilities	(21.8)	-	(7.4)	(5.9)	(2.7)	(37.8)
Other current liabilities	(3.6)	(1.0)	(4.8)	-	(1.1)	(10.5)
Net assets/(liabilities)	**2.6**	**2.3**	**11.8**	**0.4**	**(1.7)**	**15.4**
Reconciliation to carrying amounts						
Opening net assets/(liabilities) at 1 November 2023	4.5	6.9	9.8	-	(1.7)	19.5
(Loss)/profit for the year	(2.4)	0.4	2.0	(0.2)	-	(0.2)
Capital contribution reserve	0.5	-	-	0.6	-	1.1
Dividends paid	-	(5.0)	-	-	-	(5.0)
Closing net assets/(liabilities) at 31 October 2024	**2.6**	**2.3**	**11.8**	**0.4**	**(1.7)**	**15.4**
Group's share of closing net assets/(liabilities) at 31 October 2024	1.3	1.2	5.9	0.2	(0.9)	7.7
Losses recognised against receivable from joint venture (note 17)	-	-	-	-	0.9	0.9
Group's share in joint venture	**1.3**	**1.2**	**5.9**	**0.2**	**-**	**8.6**
Amount due to the Group (note 17)	11.1	-	3.7	6.0	1.8	22.6
Amount due from the Group (note 21)	-	-	-	-	0.1	0.1
Summarised income statement for the 12 months ending 31 October 2024						
Revenue	56.1	8.2	15.4	-	-	79.7
Expenditure	(57.5)	(7.8)	(13.1)	-	-	(78.4)
Operating (loss)/profit before finance expense	**(1.4)**	**0.4**	**2.3**	**-**	**-**	**1.3**
Finance expense	(1.0)	-	(0.3)	(0.2)	-	(1.5)
Pre-tax and post-tax (loss)/profit for the year	**(2.4)**	**0.4**	**2.0**	**(0.2)**	**-**	**(0.2)**
Group's share in joint venture (loss)/profit for the year	**(1.2)**	**0.2**	**1.0**	**(0.1)**	**-**	**(0.1)**

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 £0.9m (2023: £5.9m). 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.

2023	Crest A2D (Walton Court) LLP	Elmsbrook (Crest A2D) LLP	Crest Sovereign (Brooklands) LLP	Crest Peabody (Turweston) LLP	Other non-material joint ventures	Total
	£m	£m	£m	£m	£m	£m
Summarised statement of financial position						
Current assets:						
Cash and cash equivalents	0.2	6.0	0.4	-	0.2	6.8
Inventories	64.8	4.6	16.7	-	-	86.1
Other current assets	0.2	1.0	1.9	5.3	2.0	10.4
Current liabilities:						
Financial liabilities	(52.0)	(1.4)	(1.1)	(0.3)	-	(54.8)
Other current liabilities	(5.7)	(3.3)	(8.1)	(5.0)	(3.9)	(26.0)
Non-current liabilities						
Financial liabilities	(3.0)	-	-	-	-	(3.0)
Net assets/(liabilities)	**4.5**	**6.9**	**9.8**	**-**	**(1.7)**	**19.5**
Reconciliation to carrying amounts						
Opening net assets/(liabilities) at 1 November 2022	6.7	6.5	4.6	-	(2.9)	14.9
(Loss)/profit for the year	(3.2)	3.4	5.2	-	1.2	6.6
Capital contribution reserve	1.0	-	-	-	-	1.0
Dividends paid	-	(3.0)	-	-	-	(3.0)
Closing net assets/(liabilities) at 31 October 2023	**4.5**	**6.9**	**9.8**	**-**	**(1.7)**	**19.5**
Group's share of closing net assets/(liabilities) at 31 October 2023	2.3	3.5	4.9	-	(0.9)	9.8
Fully provided in the Group financial statements (note 22)	-	-	-	-	0.9	0.9
Group's share in joint venture	**2.3**	**3.5**	**4.9**	**-**	**-**	**10.7**
Amount due to the Group (note 17)	27.4*	1.4	0.4	0.3	-	29.5
Amount due from the Group (note 21)	-	-	-	-	0.7	0.7
Summarised income statement for the 12 months ending 31 October 2023						
Revenue	0.9	21.1	47.2	-	-	69.2
Expenditure	(2.6)	(17.7)	(41.1)	-	-	(61.4)
Expenditure – exceptional item (note 4)	-	-	-	-	1.2	1.2
Operating (loss)/profit before finance expense	**(1.7)**	**3.4**	**6.1**	**-**	**1.2**	**9.0**
Finance expense	(1.5)	-	(0.9)	-	-	(2.4)
Pre-tax and post-tax (loss)/profit for the year	**(3.2)**	**3.4**	**5.2**	**-**	**1.2**	**6.6**
Group's share in joint venture (loss)/profit for the year	**(1.6)**	**1.7**	**2.6**	**-**	**0.6**	**3.3**

* £27.4m stated after expected credit loss of £0.1m.

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 28.

15 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets	Inventories fair value £m	Share-based payments £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 November 2022	1.5	0.5	-	2.8	4.8
Consolidated income statement movements	(0.4)	(0.1)	-	(0.8)	(1.3)
Equity movements	-	(0.2)	-	-	(0.2)
At 31 October 2023	**1.1**	**0.2**	**-**	**2.0**	**3.3**
Consolidated income statement movements	(0.2)	-	36.0	0.5	36.3
Equity movements	-	0.1	-	-	0.1
At 31 October 2024	**0.9**	**0.3**	**36.0**	**2.5**	**39.7**

Deferred tax liabilities	Pension surplus £m	Total £m
At 1 November 2022	(3.2)	(3.2)
Consolidated income statement movements	(0.4)	(0.4)
Equity movements	1.1	1.1
At 31 October 2023	**(2.5)**	**(2.5)**
Consolidated income statement movements	(0.3)	(0.3)
Equity movements	(2.1)	(2.1)
At 31 October 2024	**(4.9)**	**(4.9)**

Total deferred tax credited to equity in the year is £2.0m (2023: £0.9m). Deferred tax assets expected to be recovered in less than 12 months is £9.4m (2023: £1.0m), and in more than 12 months is £30.3m (2023: £2.3m). Deferred tax losses have been recognised based on current trading forecasts for the next three 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.

16 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 £2.6m (2023: £2.8m). At the consolidated statement of financial position date there were no outstanding or prepaid contributions (2023: £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 2021. 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.

The 31 January 2024 valuation is currently underway and while the final assumptions have not yet been agreed, the initial results of the actuarial valuation as at 31 January 2024 have been projected to 31 October 2024 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 2024, the allocation of the Scheme's invested assets was 34% in return seeking investments, 51% in liability-driven investing, 12% 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.

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 accounts by adding a 1.0% (2023: 1.3%) 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 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 2024 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2024 and will review again in 2025 based on the findings of the detailed investigation.

	2024 £m	2023 £m	2022 £m
The amounts recognised in the consolidated statement of financial position are as follows:			
Fair value of scheme assets	145.1	141.3	160.0
Present value of scheme liabilities	(125.6)	(131.3)	(148.9)
Net surplus amount recognised at year end	**19.5**	**10.0**	**11.1**
Deferred tax liability recognised at year end within non-current liabilities	(4.9)	(2.5)	(3.2)

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.

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.

	2024 £m	2023 £m
Service cost		
Administrative expenses	(0.7)	(0.6)
Interest income	0.6	0.5
Recognised in the consolidated income statement	**(0.1)**	**(0.1)**

	2024 £m	2023 £m
Remeasurements of the net liability		
Return on Scheme assets	3.2	(18.5)
(Losses)/gains arising from changes in financial assumptions	(4.6)	12.5
Gains arising from changes in demographic assumptions	3.9	6.1
Experience gains/(losses)	6.0	(2.6)
Actuarial gains/(losses) recorded in the consolidated statement of comprehensive income	**8.5**	**(2.5)**
Total defined benefit scheme gains/(losses)	**8.4**	**(2.6)**

	2024 %	2023 %
The principal actuarial assumptions used were:		
Liability discount rate	5.3	5.6
Inflation assumption – RPI	3.2	3.3
Inflation assumption – CPI	2.7	2.7
Revaluation of deferred pensions	2.7	2.7
Increases for pensions in payment		
Benefits accrued in excess of GMP pre-1997	3.0	3.0
Benefits accrued post-1997	3.0	3.1
Proportion of employees opting for early retirement	0.0	0.0
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_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%	S3PA light base tables (males and females) projected in line with CMI_2022 core model with core parameters (Sk = 7.0, an initial addition of 0.25%, w2020 and w2021 set to zero and 2022 set to 25%) and with a long-term rate of improvement of 1.25% p.a

	2024 Years	2023 Years
Future expected lifetime of current pensioner at age 65		
Male aged 65 at year end	21.4	22.9
Female aged 65 at year end	23.9	24.6
Future expected lifetime of future pensioner at age 65		
Male aged 45 at year end	22.7	24.1
Female aged 45 at year end	25.3	25.9

	2024 £m	2023 £m
Changes in the present value of assets over the year		
Fair value of assets at beginning of the year	141.3	160.0
Interest income	7.7	7.5
Return on assets (excluding amount included in net interest income)	3.2	(18.5)
Contributions from the employer	1.1	1.5
Benefits paid	(7.5)	(8.6)
Administrative expenses	(0.7)	(0.6)
Fair value of assets at end of the year	**145.1**	**141.3**
Actual return on assets over the year	10.9	(10.9)

	2024 £m	2023 £m
Changes in the present value of liabilities over the year		
Liabilities at beginning of the year	(131.3)	(148.9)
Interest cost	(7.1)	(7.0)
Remeasurement gains/(losses)		
(Losses)/gains arising from changes in financial assumptions	(4.6)	12.5
Gains arising from changes in demographic assumptions	3.9	6.1
Experience gains/(losses)	6.0	(2.6)
Benefits paid	7.5	8.6
Liabilities at end of the year	**(125.6)**	**(131.3)**

	2024 £m	2023 £m
Split of the Scheme's liabilities by category of membership		
Deferred pensioners	(47.2)	(57.8)
Pensions in payment	(78.4)	(73.5)
	(125.6)	**(131.3)**

	2024 Years	2023 Years
Average duration of the Scheme's liabilities at end of the year	11.0	12.0
This can be subdivided as follows:		
Deferred pensioners	15.0	16.0
Pensions in payment	9.0	9.0

	2024 £m	2023 £m
Major categories of scheme assets		
Return seeking		
Overseas equities	8.6	2.4
Other (hedge funds, multi asset strategy and absolute return funds)	40.1	23.6
	48.7	**26.0**
Debt instruments		
Corporates	35.8	11.8
Liability-driven investing	38.4	44.1
	74.2	**55.9**
Other		
Cash (including liquidity fund)	18.3	55.9
Insured annuities	3.9	3.5
	22.2	**59.4**
Total market value of assets	**145.1**	**141.3**

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 (2023: £nil) of Scheme assets have a quoted market price in active markets, £132.1m (2023: £90.9m) of Scheme assets have valuation inputs other than quoted market prices, including quoted market prices for similar assets in active markets, £6.2m (2023: £21.4m) 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 (2023: £29.0m) 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 2021 and showed a deficit of £10.8m. The 31 January 2024 valuation is underway with ongoing discussions between the Trustees and the Company. The Company paid contributions of £1.1m during 2024 and stopped 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 2024 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 £3.3m/(increase by £3.4m) if all the other assumptions remained unchanged.

If the inflation assumption was 0.25% higher/(lower), the Scheme liabilities would increase by £1.9m/(decrease by £1.9m) if all the other assumptions remained unchanged.

If life expectancies were to increase by one year, the scheme liabilities would increase by £4.9m if all the other assumptions remained unchanged.

(b) Share-based payments

The Group operates a Long-Term Incentive Plan (LTIP), Save As You Earn scheme (SAYE) and a deferred bonus plan. No awards were made in 2024 under the deferred bonus plan as under the terms of the Directors' Remuneration Policy any future awards in respect of the annual bonus scheme will be made in the form of deferred shares.

Long-Term Incentive Plan
The Group's LTIP is open to the Executive Directors and senior management with awards being made at the discretion of the Remuneration Committee. Options granted under the plan are exercisable between three and 10 years after the date of grant. Awards may be satisfied by shares held in the ESOT, the issue of new shares (directly or to the ESOT) or the acquisition of shares in the market.

All awards are subject to a three-year performance period and a two-year post vesting period for Executive Directors and Executive Committee members.

Awards issued in 2021 and 2022 are assessed against return on capital, profit performance conditions and relative total shareholder returns (TSR). The non-market based return on capital and profit performance conditions apply to 60% of the award and value the options using a binomial option valuation model. The market-based TSR performance conditions apply to 40% of the award and values the options using the Monte Carlo valuation model. The TSR-based performance conditions are split one-third FTSE 250 excluding investment funds and two-thirds sector peer group. Awards issued in 2023 are as above and include a tCO_2e target non-market performance condition and 75% of the award is subject to an additional post-vesting holding period, where shares cannot be sold for two years after vesting date. 1,487,313 options were awarded in 2024 and are subject to three years' performance with 882,615 options being subject to an additional two-year post-vesting holding period. 27% of the awards are assessed against return on capital, 12% against tCO_2e targets, 39% against relative total shareholder returns and 22% contain no performance conditions. Non-market based return on capital and tCO_2e performance conditions options and the options with no performance conditions are valued using a binomial option valuation model. Market-based TSR performance conditions options are valued using the Monte Carlo valuation model.

The 28 January 2022 grant fair value at measurement date of the different valuation elements of the unrestricted options are £1.68 TSR (FTSE 250), £1.55 TSR (peer group), and £2.62 for the non-market-based return on capital and profit performance conditions. The 2023 fair value at measurement date of the different valuation elements of the restricted options are £1.51 TSR (FTSE 250), £1.40 TSR (peer group), and £2.36 for the non-market-based return on capital and profit performance conditions. The correlation of FTSE 250 and peer group calculated for each individual comparator company relative to the Group is 31% and 68% respectively. The average fair value at measurement date is £2.10 per option. The average fair value at measurement date of the 25 August 2023 grant is £1.59 per option.

The 27 January 2023 grant fair value at measurement date of the different valuation elements of the unrestricted options are £1.84 TSR (FTSE 250), £1.68 TSR (peer group), and £2.45 for the non-market-based return on capital and tCO_2e elements. The 2023 fair value at measurement date of the different valuation elements of the restricted options are £1.58 TSR (FTSE 250), £1.44 TSR (peer group), and £2.10 for the non-market-based return on capital and profit performance conditions. The correlation of FTSE 250 and peer group calculated for each individual comparator company relative to the Group is 33% and 65% respectively. The average fair value at measurement date is £1.88 per option.

The 5 February 2024 grant fair value at measurement date of the different valuation elements of the unrestricted options are £1.48 TSR (FTSE 250), £1.14 TSR (peer group), and £2.04 for the non-market-based return on capital, tCO_2e targets and options with no performance conditions. The fair value at measurement date of the different valuation elements of the restricted options are £1.29 TSR (FTSE 250), £0.99 TSR (peer group), and £1.78 for the non-market-based return on capital, tCO_2e targets and options with no performance conditions. The correlation of FTSE 250 and peer group calculated for each individual comparator company relative to the Group is 32% and 66% respectively. The average fair value at measurement date is £1.62 per option.

The 17 June 2024 options granted are in relation to the buy-out arrangement of Martyn Clark who joined the Group on 3 June 2024 from Persimmon Plc (Persimmon). 498,628 options have the same conditions as the 5 February 2024 LTIP issue. 224,909 Crest Nicholson Holdings plc options are replacement unvested Persimmon 2023 LTIP options, subject to satisfaction of original Persimmon market and non-market performance conditions and vest 2 May 2026. 138,037 Crest Nicholson Holdings plc options are replacement unvested Persimmon 2022 LTIP options, subject to satisfaction of original Persimmon market and non-market performance conditions and vest 8 March 2025. 97,544 options are replacement unvested Persimmon 2024 Deferred Bonus Plan Award options, subject to a service condition and vest on 1 March 2026. The fair value at measurement date and valuation model applied are within the table on the next page.

Date of grant	20 Feb 2020	04 Aug 2020	08 Feb 2021	28 Jan 2022	25 Aug 2022	06 Mar 2023	07 Aug 2023	27 Jan 2023	05 Feb 2024	17 Jun 2024	17 Jun 2024	17 Jun 2024	17 Jun 2024	
Options granted	1,125,531	7,298	1,328,192	1,341,918	23,955	29,462	508	1,771,417	1,487,313	498,628	224,909	138,037	97,544	
Fair value at measurement date	£4.28	£1.53	£2.50	£2.10	£1.59	£2.75	£2.46	£1.88	£1.62	£1.92	£1.47	£1.30	£2.48	
Share price on date of grant	£5.16	£1.85	£3.23	£3.07	£2.33	£2.32	£2.14	£2.45	£2.04	£2.48	£2.48	£2.48	£2.48	
Exercise price	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	May 26	Mar 25	Mar 26	
Expected dividend yield	6.40%	6.40%	4.30%	5.30%	5.30%	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Expected volatility	30.00%	30.00%	40.00%	40.00%	40.00%	N/A	N/A	45.00%	40.00%	40.00%	40.00%	40.00%	40.00%	
Risk-free interest rate	0.45%	0.45%	0.03%	0.97%	0.97%	N/A	N/A	3.23%	4.05%	4.12%	4.12%	4.12%	4.12%	
Valuation model	Binomial	Binomial	Binomial/ Monte Carlo	Binomial/ Monte Carlo	Binomial/ Monte Carlo	N/A	N/A	Binomial/ Monte Carlo	Binomial/ Monte Carlo	Binomial/ Monte Carlo	Binomial/ Monte Carlo	Binomial/ Monte Carlo	Binomial	
Contractual life from	20.02.20	04.08.20	08.02.21	28.01.22	25.08.22	06.03.23	07.08.23	27.01.23	05.02.24	17.06.24	17.06.24	17.06.24	17.06.24	
Contractual life to	19.02.30	03.08.30	07.02.31	27.02.32	27.02.32	19.02.30	03.08.30	26.01.33	05.02.34	16.06.34	16.06.34	16.06.34	16.06.34	
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Total number of options
Movements in the year														
Outstanding at 1 November 2022	891,970	7,298	1,197,676	1,312,475	23,955	-	-	-	-	-	-	-	-	3,433,374
Granted during the year	-	-	-	-	-	29,462	508	1,771,407	-	-	-	-	-	1,801,377
Exercised during the year	(417,308)	(3,948)	-	-	-	(29,462)	(508)	-	-	-	-	-	-	(451,226)
Lapsed during the year	(474,662)	(3,350)	(167,438)	(181,150)	-	-	-	(201,028)	-	-	-	-	-	(1,027,628)
Outstanding at 31 October 2023	**-**	**-**	**1,030,238**	**1,131,325**	**23,955**	**-**	**-**	**1,570,379**	**-**	**-**	**-**	**-**	**-**	**3,755,897**
Granted during the year	-	-	-	-	-	-	-	-	1,487,313	498,628	224,909	138,037	97,544	2,446,431
Lapsed during the year	-	-	(1,030,238)	(252,040)	-	-	-	(455,292)	(92,844)	-	-	-	-	(1,830,414)
Outstanding at 31 October 2024	**-**	**-**	**-**	**879,285**	**23,955**	**-**	**-**	**1,115,087**	**1,394,469**	**498,628**	**224,909**	**138,037**	**97,544**	**4,371,914**
Exercisable at 31 October 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exercisable at 31 October 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	£m	- £m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	Total £m
Charge to income for the current year	**-**	**-**	**-**	**0.1**	**-**	**-**	**-**	**0.4**	**0.3**	**0.1**	**0.1**	**0.1**	**-**	**1.1**
Charge to income for the prior year	0.1	-	-	0.1	-	0.1	-	0.3	-	-	-	-	-	0.6

The weighted average exercise price of LTIP options was £nil (2023: £nil).

Save As You Earn

Executive Directors and eligible employees are invited to make regular monthly contributions to a Sharesave scheme administered by EQ. On completion of the three-year savings contract period employees are able to purchase ordinary shares in the Company based on the market price at the date of invitation less a 20% discount. There are no performance conditions.

Date of grant	30 Jul 2019	07 Aug 2020	03 Aug 2021	02 Aug 2022	28 Jul 2023	13 Sep 2024
Options granted	935,208	1,624,259	256,132	975,549	1,938,156	663,354
Fair value at measurement date	£0.54	£0.36	£1.15	£0.66	£1.51	£0.40
Share price on date of grant	£3.68	£1.94	£4.14	£2.67	£2.19	£1.98
Exercise price	£2.86	£1.70	£3.42	£1.94	£1.51	£1.71
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years
Expected dividend yield	8.96%	5.20%	1.98%	5.63%	7.78%	8.60%
Expected volatility	35.00%	40.00%	45.30%	42.20%	41.60%	44.10%
Risk-free interest rate	0.38%	-0.08%	0.14%	1.62%	4.63%	3.51%
Valuation model	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial
Contractual life from	01.09.19	01.09.20	01.09.21	01.09.22	01.09.23	01.10.24
Contractual life to	01.03.23	01.03.24	01.03.25	01.03.26	01.03.27	01.04.28

Movements in the year	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Total number of options	Weighted average exercise price
Outstanding at 1 November 2022	96,832	907,769	84,131	912,557	-	-	2,001,289	£1.94
Granted during the year	-	-	-	-	1,938,156	-	1,938,156	£1.51
Exercised during the year	-	(522,976)	-	-	-	-	(522,976)	£1.70
Lapsed during the year	(96,832)	(61,983)	(41,201)	(486,485)	(158,774)	-	(845,275)	£2.02
Outstanding at 31 October 2023	**-**	**322,810**	**42,930**	**426,072**	**1,779,382**	**-**	**2,571,194**	**£1.64**
Granted during the year	-	-	-	-	-	663,354	663,354	£1.71
Exercised during the year	-	(198,624)	-	(3,581)	(4,965)	-	(207,170)	£1.70
Lapsed during the year	-	(124,186)	(9,943)	(231,870)	(489,591)	(27,572)	(883,162)	£1.68
Outstanding at 31 October 2024	**-**	**-**	**32,987**	**190,621**	**1,284,826**	**635,782**	**2,144,216**	**£1.64**
Exercisable at 31 October 2024	**-**	**-**	**32,987**	**-**	**-**	**-**	**32,987**	
Exercisable at 31 October 2023	-	**322,810**	**-**	**-**	**-**	**-**	**322,810**	
	£m	£m	£m	£m	£m	£m	Total £m	
Charge to income for the current year	**-**	**-**	**-**	**0.1**	**0.3**	**-**	**0.4**	
Charge to income for the prior year	-	**0.1**	**-**	**0.3**	**0.1**	-	**0.5**	

Deferred bonus plan

Under the terms of certain bonus schemes, some parts of bonus payments must be deferred into share options. The options carry no performance criteria and vest over one or three years. Options granted under the plan are exercisable between one and 10 years after the date of grant. Deferred bonus plan option numbers are based on the share price on the date of grant.

Date of grant	28 Feb 2020	28 Jan 2022	09 Feb 2022	06 Mar 2023	06 Mar 2023	27 Jan 2023	05 Feb 2024
Options granted	20,956	230,605	58,848	151	2,897	340,125	3,234
Fair value at measurement date	£4.52	£2.76	£2.76	£2.75	£2.53	£2.44	£2.02
Share price on date of grant	£4.52	£3.06	£3.27	£2.32	£2.32	£2.45	£2.04
Exercise price	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Vesting period	3 years	3 years	1 year	N/A	N/A	3/1 year	N/A
Expected dividend yield and volatility	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Risk-free interest rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Valuation model	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contractual life from	28.02.20	28.01.22	09.02.22	06.03.23	06.03.23	27.01.23	05.02.24
Contractual life to	27.02.30	27.01.32	08.02.32	27.02.30	08.02.32	26.01.33	26.01.34

Movements in the year	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Total number of options
Outstanding at 1 November 2022	2,260	230,605	58,848	-	-	-	-	291,713
Granted during the year	-	-	-	151	2,897	340,125	-	343,173
Exercised during the year	(2,260)	-	(48,374)	(151)	(2,897)	-	-	(53,682)
Lapsed during the year	-	-	(10,474)	-	-	(21,108)	-	(31,582)
Outstanding at 31 October 2023	**-**	**230,605**	**-**	**-**	**-**	**319,017**	**-**	**549,622**
Granted during the year	-	-	-	-	-	-	3,234	3,234
Exercised during the year	-	-	-	-	-	(37,720)	(3,234)	(40,954)
Lapsed during the year	-	(41,328)	-	-	-	(50,911)	-	(92,239)
Outstanding at 31 October 2024	**-**	**189,277**	**-**	**-**	**-**	**230,386**	**-**	**419,663**
Exercisable at 31 October 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exercisable at 31 October 2023	-	-	-	-	-	-	-	-

	£m	£m	£m	£m	£m	£m	£m	Total £m
Charge to income for the current year	**-**	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
Charge to income for the prior year	-	0.2	-	-	-	0.2	-	0.4

The weighted average exercise price of deferred bonus plan share options was £nil (2023: £nil).

Total share incentive schemes	2024 Number of options	2023 Number of options
Movements in the year		
Outstanding at beginning of the year	6,876,713	5,726,376
Granted during the year	3,113,019	4,082,706
Exercised during the year	(248,124)	(1,027,884)
Lapsed during the year	(2,805,815)	(1,904,485)
Outstanding at end of the year	**6,935,793**	**6,876,713**
Exercisable at end of the year	**32,987**	**322,810**

	2024 £m	2023 £m
Charge to income for share incentive schemes	1.7	1.5
Chief Executive Officer buy-out arrangement[1]	0.1	-
Charge to income for the year	**1.8**	**1.5**

[1] As part of his terms of appointment, the Group agreed to buy-out certain share-based awards from Martyn Clark's previous employment. 21,968 shares in Crest Nicholson Holdings plc were issued on joining at a cost of £0.1m. Total buy-out related charge to income for the year was £0.5m (LTIPs charge £0.4m and £0.1m issued on joining).

The weighted average share price at the date of exercise of share options exercised during the year was £2.09 (2023: £2.77). The options outstanding had a range of exercise prices of £nil to £3.42 (2023: £nil to £3.42) and a weighted average remaining contractual life of 6.7 years (2023: 6.2 years). The gain on shares exercised during the year was £0.2m (2023: £0.1m).

17 TRADE AND OTHER RECEIVABLES

	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	Trade and other receivables before expected credit loss 2023 £m	Expected credit loss 2023 £m	Trade and other receivables after expected credit loss 2023 £m
Non-current						
Trade receivables	12.6	-	12.6	4.6	(0.1)	4.5
Due from joint ventures	-	-	-	1.5	-	1.5
Other receivables	2.0	-	2.0	-	-	-
	14.6	**-**	**14.6**	**6.1**	**(0.1)**	**6.0**
Current						
Trade receivables	51.0	(1.4)	49.6	57.1	(0.7)	56.4
Contract assets	7.7	(0.1)	7.6	6.9	-	6.9
Due from joint ventures	22.7	(0.1)	22.6	28.1	(0.1)	28.0
Other receivables	15.9	(0.1)	15.8	27.0	(0.2)	26.8
Prepayments and accrued income	2.5	-	2.5	1.9	-	1.9
	99.8	**(1.7)**	**98.1**	**121.0**	**(1.0)**	**120.0**
Non-current and current	**114.4**	**(1.7)**	**112.7**	**127.1**	**(1.1)**	**126.0**

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 £17.7m have been collected as of 1 January 2025 (2023: £20.2m have been collected as of 1 January 2024). The remaining balance is due according to contractual terms, and no individually material amounts are past due. 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 (2023: £0.2m).

Amounts due from joint ventures comprises funding provided on four (2023: 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 £0.9m (2023: £nil). See note 14 for additional details on the Group's interests in joint ventures.
Trade receivables, contract assets and other receivables are stated after a loss allowance of £1.6m (2023: £1.0m) in respect of expected credit losses, assessed on an estimate of default rates. £0.7m (2023: £0.7m) provision was made during the year, £nil (2023: £nil) was utilised and £0.1m (2023: £0.1m) provision was released during the year.

Movements in total loss allowance for expected credit losses

	2024 £m	2023 £m
At beginning of the year	1.1	0.5
Charged in the year	0.7	0.7
Released in the year	(0.1)	(0.1)
At end of the year	**1.7**	**1.1**

Maturity of non-current receivables:

	2024 £m	2023 £m
Due between one and two years	14.6	5.8
Due between two and five years	-	0.2
Due after five years	-	-
	14.6	**6.0**

18 INVENTORIES

	2024 £m	Represented[1] 2023 £m
Land	670.2	679.4
Work-in-progress	334.1	361.3
Completed buildings including show homes	102.9	89.6
Part exchange inventories	30.2	34.5
	1,137.4	**1,164.8**

[1] Work-in-progress has been represented to show land and work-in-progress separately as land represents a major component of inventories and has different characteristics to other work-in-progress.

Total inventories of £497.6m (2023: £520.2m) were recognised as cost of sales in the year.

During the year £14.2m (2023: £13.4m) additional NRV was charged consisting of £8.5m, mainly on legacy developments and £5.7m on freehold reversionary interests as disclosed in note 4.

Inventories are stated after an NRV provision of £22.3m (2023: £20.2m), which it is currently forecast around half will be used in the next financial year.

Movements in the NRV provision in the current and prior year are shown below:

	2024 £m	2023 £m
At beginning of the year	20.2	12.6
NRV charged in the year	14.2	13.4
NRV used in the year	(12.1)	(5.8)
Total movement in NRV in the year	**2.1**	**7.6**
At end of the year	**22.3**	**20.2**

19 MOVEMENT IN NET (DEBT)/CASH

	2024 £m	Movement £m	2023 £m
Cash and cash equivalents	73.8	(88.8)	162.6
Bank loans and senior loan notes	(82.3)	15.4	(97.7)
Net (debt)/cash	**(8.5)**	**(73.4)**	**64.9**

20 INTEREST-BEARING LOANS AND BORROWINGS

	2024 £m	2023 £m
Non-current		
Senior loan notes	65.0	85.0
Revolving credit and senior loan notes issue costs	(1.8)	(1.5)
	63.2	**83.5**
Current		
Senior loan notes	20.0	15.0
Revolving credit and senior loan notes issue costs	(0.9)	(0.8)
	19.1	**14.2**

There were undrawn amounts of £250.0m (2023: £250.0m) under the RCF at the consolidated statement of financial position date. The Group remained undrawn until 30 June 2024. From 1 July 2024 to 31 October 2024, the Group had average drawings of £64.0m (2023: undrawn) under the RCF. See note 24 for additional disclosures.

21 TRADE AND OTHER PAYABLES

	2024 £m	Represented[1] 2023 £m
Non-current		
Land payables on contractual terms	31.8	64.7
Other payables	1.7	2.0
Contract liabilities	-	0.3
Accruals and deferred income	8.8	2.7
	42.3	**69.7**
Current		
Land payables on contractual terms	99.8	140.8
Other trade payables	67.8	61.8
Contract liabilities	6.9	5.7
Amounts due to joint ventures	0.1	0.7
Taxes and social security costs	1.7	1.7
Other payables	1.1	1.1
Accruals and deferred income	107.8	116.8
	285.2	**328.6**

[1] See note 29 for an explanation of the prior year representation.

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 2024 the difference between the fair value and nominal value of land payables is £3.7m (2023: £6.8m).

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. 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.

Amounts due to joint ventures are interest free and repayable on demand. See note 14 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 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 £21.8m (2023: £14.2m) and relate to the cost to complete outstanding site infrastructure and amenities on completed developments. Included within the £21.8m completed site accruals is £8.8m exceptional charge in the year. See note 4 for additional disclosure.

22 PROVISIONS

	Combustible materials £m	Legal provision £m	Completed site provisions £m	Joint ventures £m	Other provisions £m	Total £m
At 1 November 2022	140.8	-	-	1.2	1.0	143.0
Provided in the year	12.0	13.0	-	-	0.4	25.4
Utilised in the year	(12.6)	-	-	-	(0.6)	(13.2)
Released in the year	-	-	-	-	(0.2)	(0.2)
Imputed interest	4.6	-	-	-	-	4.6
Funding commitment change	-	-	-	(0.3)	-	(0.3)
At 31 October 2023 as previously presented	**144.8**	**13.0**	**-**	**0.9**	**0.6**	**159.3**
Represented[1]	-	-	9.8	-	-	9.8
At 31 October 2023 as presented	**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**
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**
At 31 October 2023						
Non-current (represented[1])	73.6	-	1.4	-	0.2	75.2
Current (represented[1])	71.2	13.0	8.4	0.9	0.4	93.9
	144.8	**13.0**	**9.8**	**0.9**	**0.6**	**169.1**

[1] See note 29 for an explanation of the prior year representation.

Combustible materials

In March 2023 the Group signed the DLUHC 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. The Directors have used a combination of BSF costed information, other external information, and internal assessments as a basis for the provision, which is a best estimate at this time.

The Group is making good progress with its assessment programme for both external walls and internal fire safety and is working through the 291 buildings within the scope of the Developer Remediation Contract in a risk-based sequence. At the beginning of January 2025 the Group has external wall assessments and internal assessments on 211 and 169 buildings respectively, each out of the 291 buildings within its scope. The Group has committed to performing 100% of assessments by July 2025. Due to the quantity and nature of the projects, the multiple stakeholders involved and the availability of appropriately qualified and experienced consultants and contractors, we expect to complete the remedial works within five years.

The Group recorded a further combustible materials charge of £131.7m in the year of which £98.5m relates to non-surveyed buildings for which the Group is now able to estimate a charge based on experience gained of remediation costs for similar surveyed buildings and £15.2m relates to costs for buildings surveyed in the year requiring remediation, both of which were previously disclosed as contingent liabilities and thus not provided for previously. The Group has used its experience gained to date on the cost analysis of surveyed and tendered buildings, of which the number surveyed has increased significantly over the year, to compute a reliable estimate for these buildings. Previously any exposure on these buildings were considered as contingent liabilities since the Group was not able to reliably estimate any required costs, or if it was probable that a provision was required based on the best information available at the time, influenced by the lower level of buildings previously surveyed. The balance of £18.0m relates to changes in forecast build cost scope and price over the duration of remediation for buildings upon which a provision was already recognised. The provision is stated after a related discount of £21.1m, which unwinds to the consolidated income statement as finance expense over the expected duration of the provision.

The provision of £249.3m represents the Group’s best estimate of future costs on 31 October 2024. The Group will continue to assess the magnitude and utilisation of this provision in future reporting periods. 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 £24.9m higher/lower.

The Group spent £33.3m in the year across several buildings requiring further 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 £67.8m of the remaining provision within one year, which includes £22.8m repayable to the BSF, and the balance within one to five years. 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 is continuing to review the recoverability of costs incurred from third parties where it has a contractual right of recourse. In the year £4.4m 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 the prior year 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 Director’s 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 Group currently does not have a set timeline for when the matter will be concluded.

Completed site provisions
During the first half of the 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. During the year 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 four sites and a limited number of other sites is £23.6m (2023: £9.8m). Discounting has not been applied to the balance as the impact would not be material. The prior year comparative has been represented to reallocate some completed site provisions previously disclosed within accruals (see note 29). Included within the £23.6m completed site provisions is £16.2m exceptional charge in the year. See note 4 for consolidated income statement disclosure.

23 SHARE CAPITAL

	Shares issued Number	Nominal value Pence	Share capital £	Share premium account £
Ordinary shares as at 1 November 2022, 31 October 2023 and 31 October 2024	**256,920,539**	**5**	**12,846,027**	**74,227,216**

Ordinary shares are issued and fully paid.

For details of outstanding share options at 31 October 2024 see note 16.

Own shares held
The Group and Company holds shares within ESOT for participants of certain share-based payment schemes. These are held within retained earnings. During the year 250,000 shares were purchased by the ESOT for £0.5m (2023: 840,000 shares were purchased by the ESOT for £1.9m) and the ESOT transferred 248,124 (2023: 1,027,884) shares to employees and Directors to satisfy options as detailed in note 16 and 21,968 shares as part of Martyn Clark’s share-based awards from previous employment in Crest Nicholson Holdings plc were issued on joining at a cost of £0.1m. The number of shares held within the ESOT (Treasury shares), and on which dividends have been waived, at 31 October 2024 was 580,164 (2023: 600,256). These shares are held within the financial statements in equity at a cost of £1.4m (2023: £1.5m). The market value of these shares at 31 October 2024 was £1.0m (2023: £1.0m).

24 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. A five-year summary of this can be found in the unaudited historical summary on page 69, in addition to its return on average capital employed.

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, and is forecasting, to operate within these capital requirements.

There were undrawn amounts of £250.0m (2023: £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 carries interest at SONIA plus 2.15% and ends in 2027.

Both the senior loan notes and the RCF are subject to three covenants that are measured quarterly in January, April, July and October each 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 (EBIT) 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 20.1%, interest cover was 3.5 times and consolidated tangible net worth was £699.9m.

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 2024 results are presented below:

- Reduction in absolute scope 1 and 2 emissions in line with our science-based targets. In 2024 this target was met.
- Increasing the number of our suppliers engaging with the Supply Chain Sustainability School. In 2024 this target was met.
- Reduction in carbon emissions associated with the use of our homes. In 2024 this target was met.
- Increasing the number of our employees in trainee positions and on training programmes. In 2024 this target was not met.

As a result of meeting 3 out of 4 of the metrics for 2024 the margin on the RCF will be amended down by 0.025% (2023: 0.05% based on achieving 4 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 £73.8m (2023: £162.6m) which are held by the providers of its banking facilities. The Group has bank facilities of £250.0m expiring in October 2027; as at 31 October 2024 with £250.0m 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 £3.3m (2023: £3.7m) 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 £22.6m (2023: £29.5m) is funding provided on four (2023: 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 17. Within trade receivables the other largest single amount outstanding at 31 October 2024 is £7.6m (2023: £12.1m) 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 (2023: 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 2024:

2024	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
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**

2023	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
Senior loan notes	100.0	112.5	18.5	23.1	2.4	68.5
Financial liabilities carrying no interest – represented[1]	391.6	399.0	325.1	42.7	28.3	2.9
At 31 October 2023 – represented[1]	**491.6**	**511.5**	**343.6**	**65.8**	**30.7**	**71.4**

[1] See note 29 for an explanation of the prior year representation.

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 £85.0m of senior loan notes which are at fixed interest rates. For the year ended 31 October 2024 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 £0.2m (2023: £nil).

The interest rate profile of the financial liabilities of the Group was:

	2024 £m	Represented[1] 2023 £m
Sterling bank borrowings, loan notes and long-term creditors		
Financial liabilities carrying interest	85.0	100.0
Financial liabilities carrying no interest	326.7	391.6
	411.7	**491.6**

[1] See note 29 for an explanation of the prior year representation.

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 14 months (2023: 26 months).

	2024	Represented[1] 2023
	£m	£m
The maturity of the financial liabilities is:		
Repayable within one year	297.6	335.6
Repayable between one and two years	34.5	60.3
Repayable between two and five years	77.0	78.9
Repayable after five years	2.6	16.8
	411.7	**491.6**

[1] See note 29 for an explanation of the prior year representation.

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, discounted 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:

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**	

2023	Nominal interest rate	Face value £m	Carrying value £m	Maturity
Current				
Senior loan notes	3.15%	15.0	15.0	2024
Non-current				
Senior loan notes	3.32%-3.87%	85.0	85.0	2025-2029
Total interest-bearing loans		**100.0**	**100.0**	

Financial assets and liabilities by category

	2024	2023
Financial assets	£m	£m
Sterling cash deposits	73.8	162.6
Trade receivables	62.2	60.9
Amounts due from joint ventures	22.6	29.5
Other receivables	12.5	22.7
Total financial assets at amortised cost	**171.1**	**275.7**
Financial assets at fair value through profit and loss	3.3	3.7
Total financial assets	**174.4**	**279.4**

Financial liabilities	2024	2023
	£m	£m
Senior loan notes	85.0	100.0
Land payables on contractual terms carrying no interest	131.6	205.5
Amounts due to joint ventures	0.1	0.7
Lease liabilities	12.0	6.4
Other trade payables	67.8	61.8
Other payables	2.8	3.1
Accruals (represented[1])	112.4	114.1
Total financial liabilities at amortised cost (represented[1])	**411.7**	**491.6**

[1] See note 29 for an explanation of the prior year representation.

25 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 16 as a result of the Virgin Media 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 2024 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2024 and will review again in 2025 based on the findings of the detailed investigation.

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has entered into contractual commitments with the UK Government to identify and remediate those buildings it has developed with possible life-critical fire safety defects. Accordingly, while the Group believes that most significant liabilities will have been identified through the process of building owners assessing buildings and applying for BSF funding and through the Group commissioning assessments to date, contingent liabilities exist where additional buildings have not yet been identified which require remediation. Due to the challenges of developing a reliable estimate of these possible costs, it is not practicable to disclose an expected range. As discussed in note 22, in 2024 the Group has now provided for the estimated cost relating to identified non-surveyed buildings.

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.

26 NET (DEBT)/CASH AND LAND CREDITORS

	2024	2023
	£m	£m
Cash and cash equivalents	73.8	162.6
Non-current Interest-bearing loans and borrowings	(63.2)	(83.5)
Current Interest-bearing loans and borrowings	(19.1)	(14.2)
Net (debt)/cash	**(8.5)**	**64.9**
Land payables on contractual terms carrying no interest	(131.6)	(205.5)
Net debt and land creditors	**(140.1)**	**(140.6)**

27 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 74-91 of our 2024 Annual Report to be published in February 2025. 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 16.

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:

	2024 £m	2023 £m
Interest income on joint venture funding	0.7	1.2
Project management fees recognised	1.9	1.9
Amounts due from joint ventures, net of expected credit losses	22.6	29.5
Amounts due to joint ventures	0.1	0.7
Funding to joint ventures	(13.1)	(13.0)
Repayment of funding from joint ventures	36.4	11.7
Dividends received from joint ventures	2.5	1.5

28 GROUP UNDERTAKINGS

In accordance with Section 409 Companies Act 2006, the following is a list of all the Group's undertakings at 31 October 2024.

Subsidiary undertakings
At 31 October 2024 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 shareholding (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	Dormant	31 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	Active	31 December	83.33%
Clevedon Developments Limited	1	Dormant	31 October	100%
Clevedon Investment Limited	1	Active	31 October	100%
CN Assets Limited	1	Dormant	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%
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%

[1] 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.
2: Units 1,2, & 3 Beech Court Wokingham Road, Hurst, Reading, England, RG10 0RU.
[2] CN Finance plc is the only direct holding of Crest Nicholson Holdings plc.

Entity name	Registered office[1]	Active / dormant	Year end date	Voting rights and shareholding (direct or indirect)
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%
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 & 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.

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 2024.

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 2024 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%
Elmsbrook (Crest A2D) LLP	4	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%
English Land Banking Company Limited	1	Active	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.

Joint operations
The Group is party to a joint unincorporated arrangement with Linden Homes Limited, the purpose of which was to acquire, and develop, a site in Hemel Hempstead, Hertfordshire. 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 was designated as a joint operation.

The Group is party to a joint unincorporated arrangement with CGNU Life Assurance Limited, 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 arrangement with Passion Property Group Limited, the purpose of which was to develop a site in London. The development was completed in 2014 and there are no material balances in the Group financial statements relating to this joint arrangement as at 31 October 2024. The two parties were jointly responsible for the control and management of the site's development, with each party having prescribed funding obligations and 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 as structured such that the Group has a direct interest in the underlying assets and liabilities of each arrangement.

Crest Nicholson Employee Share Ownership Trust
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.

29 PRIOR YEAR REPRESENTATION

The 2023 comparatives have been represented for completed site costs, other operating income, other operating expenses, administrative expenses and exceptional items as detailed below. Where relevant to these changes, other disclosures in the notes to the financial statements have also been represented.

Completed site costs

In previous years, all costs yet to be incurred on sites where all sales have been recognised were included within accruals and deferred income. These costs predominantly relate to the finalisation of infrastructure and amenities works, which often occur towards the end of the site's life. In certain instances, accruals have also been made to cover remedial works to remedy defects and other remediation works identified post completion. This approach is consistent with industry practice.

The Group reviewed all completed site accruals in the year after the Group became aware of build defects initially identified on four sites. In relation to these sites, 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. Completed site costs for these sites are now presented as a provision rather than an accrual.

Accordingly, the 31 October 2023 completed site accruals were reviewed with £9.8m of balances forecast to cover remedial works (completed site provisions, which are subject to higher estimation uncertainty) rather than normal site finalisation costs (completed site accruals). A third balance sheet, as required under IAS 1, has not been presented given the relative significance of these changes to the financial statements. If restated, accruals of £9.8m would be represented as provisions. This change in presentation resulted in the representation of £8.4m current accruals to current provisions and £1.4m of non-current accruals to non-current provisions.

As discussed within note 4 the Group has presented £25.0m of the current year completed sites charge as exceptional. This is a change in the accounting policy for exceptional items. The previous year's completed sites charge has been reviewed on a site by site basis to align with the revised policy, with £6.6m of that charge now being classified as an exceptional item. Accordingly, the prior year pre-exceptional cost of sales has been reduced by £6.6m, with this now disclosed as an exceptional item.

Other operating income, other operating expenses and administrative expenses

In the current year the Group has presented other operating income and other operating expenses which includes rental income, joint venture and other management fee income and the income and expenses associated with part exchange sales. In the current year these balances are material and therefore the prior year comparatives have been represented to present consistent information. Previously these balances were not material.

In previous years rental income has been included within cost of sales, being directly related to current and past residential developments and being immaterial in value. The Group now includes this income within other operating income and has represented the comparative by moving £1.6m income from cost of sales to other operating income.

In previous years joint venture and other management fee income has been included within administrative expenses, being related to the employee costs incurred by the Group in project managing its joint venture businesses. The Group now includes joint venture management fee income within other operating income and has represented the comparative by moving £3.0m from administrative expenses to other operating income.

In previous years part exchange income and related expenses have been included within net administrative expenses and separately presented in the notes to the accounts as other operating income and other operating expenses respectively, with the net result on these sales being immaterial. In the current year due to other income statement representations the Group has separately disclosed these within the primary statements.

Represented financial information

The below tables disclose the represented prior year financial information.

Consolidated income statement	As previously reported £m	Represented £m	As presented £m
Pre-exceptional			
Cost of sales	(556.9)	5.0	(551.9)
Gross profit	100.6	5.0	105.6
Other operating income	-	44.7	44.7
Other operating expenses	-	(40.9)	(40.9)
Administrative expenses	(55.8)	(2.2)	(58.0)
Operating profit	44.2	6.6	50.8
Profit before tax	41.4	6.6	48.0
Income tax expense	(10.0)	(1.7)	(11.7)
Profit for the year attributable to equity shareholders	31.4	4.9	36.3
Basic earnings per share (pence)	12.3	1.9	14.2
Diluted earnings per share (pence)	12.2	1.9	14.1
Exceptional items			
Cost of sales	(14.3)	(6.6)	(20.9)
Gross loss	(14.3)	(6.6)	(20.9)
Operating loss	(14.3)	(6.6)	(20.9)
Loss before tax	(18.3)	(6.6)	(24.9)
Income tax credit	4.8	1.7	6.5
Loss for the year attributable to equity shareholders	(13.5)	(4.9)	(18.4)
Total			
Cost of sales	(571.2)	(1.6)	(572.8)
Gross profit/(loss)	86.3	(1.6)	84.7
Other operating income	-	44.7	44.7
Other operating expenses	-	(40.9)	(40.9)
Administrative expenses	(55.8)	(2.2)	(58.0)
Consolidated statement of financial position			
2023 current trade and other payables	(337.0)	8.4	(328.6)
2023 current provisions	(85.5)	(8.4)	(93.9)
2023 non-current trade and other payables	(71.1)	1.4	(69.7)
2023 non-current provisions	(73.8)	(1.4)	(75.2)
2022 current trade and other payables	(407.1)	8.2	(398.9)
2022 current provisions	(72.2)	(8.2)	(80.4)
2022 non-current trade and other payables	(41.8)	1.6	(40.2)
2022 non-current provisions	(70.8)	(1.6)	(72.4)
Notes to the accounts			
Exceptional completed site costs	-	(6.6)	(6.6)
Total exceptional cost of sales charge	(14.3)	(6.6)	(20.9)
Total exceptional charge	(18.3)	(6.6)	(24.9)
Tax credit on exceptional charge	4.8	1.7	6.5
Total exceptional charge after tax credit	(13.5)	(4.9)	(18.4)
Current accruals and deferred income	125.2	(8.4)	116.8
Non-current accruals and deferred income	4.1	(1.4)	2.7
Financial liability accruals	123.9	(9.8)	114.1
Carrying value of financial liabilities carrying no interest	401.4	(9.8)	391.6
Total carrying value of financial liabilities carrying no interest	501.4	(9.8)	491.6
Contractual cashflows of financial liabilities carrying no interest	408.8	(9.8)	399.0
Total contractual cashflows of financial liabilities carrying no interest	521.3	(9.8)	511.5
Financial liabilities carrying no interest due within 1 year	333.5	(8.4)	325.1
Total financial liabilities carrying no interest due within 1 year	352.0	(8.4)	343.6
Financial liabilities carrying no interest - repayable 1-2 years	44.1	(1.4)	42.7
Total financial liabilities carrying no interest - repayable 1-2 years	67.2	(1.4)	65.8

Alternative performance measures (unaudited)	As previously reported £m/%	Represented £m/%	As presented £m/%
Adjusted operating profit	44.2	6.6	50.8
Return on capital employed	6.3%	1.0%	7.3%
<u>Pre-exceptional</u>			
Gross profit	100.6	5.0	105.6
Gross profit margin	15.3%	0.8%	16.1%
Operating profit	44.2	6.6	50.8
Operating profit margin	6.7%	1.0%	7.7%
Profit before tax	41.4	6.6	48.0
Income tax expense	(10.0)	(1.7)	(11.7)
Profit after tax	31.4	4.9	36.3
Basic earnings per share (pence)	12.3	1.9	14.2
Diluted earnings per share (pence)	12.2	1.9	14.1
<u>Exceptional items</u>			
Gross loss	(14.3)	(6.6)	(20.9)
Gross loss margin	(2.2)%	(1.0)%	(3.2)%
Operating loss	(14.3)	(6.6)	(20.9)
Operating loss margin	(2.2)%	(1.0)%	(3.2)%
Loss before tax	(18.3)	(6.6)	(24.9)
Income tax credit	4.8	1.7	6.5
Loss after tax	(13.5)	(4.9)	(18.4)
Basic loss per share (pence)	(5.3)	(1.9)	(7.2)
Diluted loss per share (pence)	(5.2)	(1.9)	(7.1)
<u>Total</u>			
Gross profit/(loss)	86.3	(1.6)	84.7
Gross profit/(loss) margin	13.1%	(0.2)%	12.9%
Historical summary (unaudited)			
Gross profit	100.6	5.0	105.6
Gross profit margin	15.3%	0.8%	16.1%
Other operating income	-	44.7	44.7
Other operating expenses	-	(40.9)	(40.9)
Administrative expenses	(55.8)	(2.2)	(58.0)
Operating profit before joint ventures	44.2	6.6	50.8
Operating profit before joint ventures margin	6.7%	1.0%	7.7%
Operating profit after joint ventures	46.9	6.6	53.5
Operating profit after joint ventures margin	7.1%	1.0%	8.1%
Profit before taxation	41.4	6.6	48.0
Income tax expense	(10.0)	(1.7)	(11.7)
Profit after taxation attributable to equity shareholders	31.4	4.9	36.3
Basic earnings per share (pence)	12.3	1.9	14.2
Return on average capital employed	6.3%	1.0%	7.3%
Return on average equity	3.6%	0.6%	4.2%

CREST NICHOLSON HOLDINGS PLC
COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

	Note	2024 £m	Restated[1] 2023 £m
ASSETS			
Non-current assets			
Investments	4	33.6	31.9
Current assets			
Trade and other receivables	5	162.5	186.4
TOTAL ASSETS		**196.1**	**218.3**
NET ASSETS		**196.1**	**218.3**
SHAREHOLDERS' EQUITY			
Share capital	6	12.8	12.8
Share premium account	6	74.2	74.2
Share-based payments reserve	6	32.1	30.3
Retained earnings:			
At 1 November		101.0	138.0
Profit for the year		8.4	8.6
Other changes in retained earnings		(32.4)	(45.6)
At 31 October		**77.0**	**101.0**
TOTAL SHAREHOLDERS' EQUITY		**196.1**	**218.3**

1 See note 9 for an explanation of the prior year restatement.

The Company recorded a profit for the financial year of £8.4m (2023: £8.6m).
The notes on pages 63 – 66 form part of these financial statements.
The financial statements on pages 61 – 66 were approved by the Board of Directors on 3 February 2025.

On behalf of the Board

Martyn Clark
Director

Bill Floydd
Director

CREST NICHOLSON HOLDINGS PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2024

	Note	Share capital £m	Share premium account £m	Share-based payments reserve £m	Retained earnings £m	Total equity £m
Balance at 1 November 2022 previously reported		12.8	74.2	-	138.0	225.0
Restated[1]		-	-	28.7	-	28.7
Balance at 1 November 2022 (Restated[1])		12.8	74.2	28.7	138.0	253.7
Profit for the financial year and total comprehensive income		-	-	-	8.6	8.6
Transactions with shareholders						
Dividends paid		-	-	-	(43.6)	(43.6)
Exercise of share options through employee share ownership trust	4	-	-	-	(2.9)	(2.9)
Net proceeds from the issue of shares and exercise of share options		-	-	-	0.9	0.9
Equity-settled share-based payments (Restated[1])		-	-	1.6	-	1.6
Balance at 31 October 2023 (Restated[1])		**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**

1 See note 9 for an explanation of the prior year restatement.

CREST NICHOLSON HOLDINGS PLC
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, with the exception of the prior period restatement as disclosed in note 9.

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.

As outlined in FRS 101 paragraph 8(a) the Company is exempt from the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payments. This exemption has been taken in the preparation of these financial statements.

As outlined in FRS 101 paragraph 8(d-e) the Company is exempt from the requirements of IFRS 7 Financial Instruments: Disclosures, and from the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement. These exemptions have been taken in the preparation of these financial statements.

As outlined in FRS 101 paragraph 8(g) the Company is exempt from the requirement to disclose a third balance sheet in relation to the matters set out in Note 9. This exemption has been taken in the preparation of these financial statements.

As outlined in FRS 101 paragraph 8(h) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. This exemption has been taken in the preparation of these financial statements.

As outlined in FRS 101 paragraph 8(i) the Company is exempt from the requirement to provide information about the impact of IFRSs that have been issued but are not yet effective. This exemption has been taken in the preparation of these financial statements.

Under FRS 101 paragraph 8(j) the Company is exempt from the requirement to disclose related party transactions with its subsidiary undertakings on the grounds that they are wholly owned subsidiary undertakings of Crest Nicholson Holdings plc. This exemption has been taken in the preparation of these financial statements.

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 2026 (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 24 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 2025. 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 2023 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.

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 Company contributions to the Crest Nicholson ESOT and the impact of the capital contribution in respect of the cost of equity-settled share-based payments born by other subsidiary companies. The ESOT will use the contribution to acquire Company ordinary shares in the market in order to satisfy share options under the Company's share incentive schemes. 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 purchase of shares in the Company by the ESOT are charged directly to equity.

Audit fee
Auditor's remuneration for audit of these financial statements of £32,000 (2023: £30,000) 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.

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 74-91 of our 2024 Annual Report to be published in February 2025.

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	Restated[1] Total £m
At 1 November 2022	2.6	28.7	31.3
Additions	1.9	1.6	3.5
Disposals	(2.9)	-	(2.9)
At 31 October 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**

1 See note 9 for an explanation of the prior year restatement.

The additions and disposals in the year to investments in own shares relate to Company contributions/utilisation to/from the Trust. The additions 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

	2024 £m	2023 £m
Amounts due from Group undertakings	**162.5**	**186.4**

Amounts due from Group undertakings are unsecured, repayable on demand and carry an interest rate of 7.0% (2023: 5.0%). Amounts due from Group undertakings are stated after an allowance of £nil has been made (2023: £nil) in respect of expected credit losses. £nil (2023: £nil) provision was made during the year, £nil (2023: £nil) was utilised, and £nil (2023: £nil) provision was released during the year.

6 SHARE CAPITAL

The Company share capital is disclosed in note 23 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 2024 is given in note 28 of the consolidated financial statements.

9 PRIOR YEAR RESTATEMENT

The Company issues equity instruments to employees of its subsidiaries Crest Nicholson Operations Limited and Crest Nicholson plc in settlement of the Group's share incentive schemes. The appropriate share-based payment expense has been recognised in the financial statements of the subsidiaries. The prior-year statement of financial position and statement of changes in equity has been restated to reflect the cumulative capital contribution that should have been recorded as an investment in subsidiaries given the Company does not receive any direct employee services. This restatement has no impact on the Company's retained earnings, or the consolidated financial statements of the Group.

	As previously reported 2022 £m	Restated 2022 £m	As presented 2022 £m	As previously reported 2023 £m	Restated 2023 £m	As presented 2023 £m
ASSETS						
Non-current assets						
Investments	2.6	28.7	31.3	1.6	30.3	31.9
Current assets						
Trade and other receivables	222.4	-	222.4	186.4	-	186.4
TOTAL ASSETS	**225.0**	**28.7**	**253.7**	**188.0**	**30.3**	**218.3**
NET ASSETS	**225.0**	**28.7**	**253.7**	**188.0**	**30.3**	**218.3**
SHAREHOLDERS' EQUITY						
Share capital	12.8	-	12.8	12.8	-	12.8
Share premium account	74.2	-	74.2	74.2	-	74.2
Share-based payments reserve	-	28.7	28.7	-	30.3	30.3
Retained earnings:						
At 1 November	166.1	-	166.1	138.0	-	138.0
Profit for the year	10.5	-	10.5	8.6	-	8.6
Other changes in retained earnings	(38.6)	-	(38.6	(45.6)	-	(45.6)
At 31 October	**138.0**	**-**	**138.0**	**101.0**	**-**	**101.0**
TOTAL SHAREHOLDERS' EQUITY	**225.0**	**28.7**	**253.7**	**188.0**	**30.3**	**218.3**

CREST NICHOLSON HOLDINGS PLC
ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

The Group uses a number of alternative performance measures (APM) which are not defined within IFRS. The Directors use the APM, along with IFRS measures, to assess the operational performance of the Group as detailed in the Strategic Report on pages 1-50 of our 2024 Annual Report to be published in February 2025 and above. Definitions and reconciliations of the financial APM 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:

	2024 £m	2023 £m
Revenue	618.2	657.5
Group's share of joint venture revenue (note 14)	39.9	34.6
Sales	**658.1**	**692.1**

Return on capital employed
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 reduced to 4.1% (2023 (represented[1]): reduced to 7.3%).

		2024	Represented[1] 2023	
Adjusted operating profit	£m	31.3	50.8	
Average of opening and closing capital employed	£m	764.4	699.0	
ROCE	**%**	**4.1**	**7.3**	
Capital employed		2024	2023	2022
Equity shareholders' funds	£m	728.9	856.3	883.1
Net (debt)/cash (note 19)	£m	8.5	(64.9)	(276.5)
Closing capital employed	**£m**	**737.4**	**791.4**	**606.6**

[1] See note 29 for an explanation of the prior year representation.

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 18.1% (2023: increased to 24.0%).

		2024	2023
Land creditors (note 21)	£m	131.6	205.5
Net assets	£m	728.9	856.3
Land creditors as a percentage of net assets	%	**18.1**	**24.0**

Net (debt)/cash
Net (debt)/cash is cash and cash equivalents plus non-current and current interest-bearing loans and borrowings. Net (debt)/cash illustrates the Group's overall liquidity position and general financial resilience. Net cash has reduced in the year to £8.5m net debt from £64.9m net cash in 2023.

	2024 £m	2023 £m
Cash and cash equivalents	73.8	162.6
Interest-bearing loans and borrowings	(82.3)	(97.7)
Net (debt)/cash	**(8.5)**	**64.9**

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 these adjusted performance metrics reflect a more accurate view of its core operations and business performance. Adjusted and pre-exceptional are used interchangeably. EBIT margin for share award performance conditions is equivalent to operating profit margin.

Year ended 31 October 2024		Statutory	Exceptional items	Adjusted
Gross (loss)/profit	£m	(71.6)	158.4	86.8
Gross (loss)/profit margin	%	(11.6)	25.6	14.0
Operating (loss)/profit	£m	(128.7)	160.0	31.3
Operating (loss)/profit margin	%	(20.8)	25.9	5.1
Net finance expense	£m	(14.9)	6.1	(8.8)
(Loss)/profit before tax	£m	(143.7)	166.1	22.4
Income tax credit/(expense)	£m	40.2	(48.2)	(8.0)
(Loss)/profit after tax	£m	(103.5)	117.9	14.4
Basic (loss)/earnings per share	Pence	(40.4)	46.0	5.6
Diluted (loss)/earnings per share	Pence	(40.4)	46.0	5.6

Year ended 31 October 2023 (Represented[1])		Statutory	Exceptional items	Adjusted
Gross profit	£m	84.7	20.9	105.6
Gross profit margin	%	12.9	3.2	16.1
Operating profit	£m	29.9	20.9	50.8
Operating profit margin	%	4.5	3.2	7.7
Net finance expense	£m	(10.1)	4.6	(5.5)
Share of post-tax profit/(loss) of joint ventures using the equity method	£m	3.3	(0.6)	2.7
Profit before tax	£m	23.1	24.9	48.0
Income tax expense	£m	(5.2)	(6.5)	(11.7)
Profit after tax	£m	17.9	18.4	36.3
Basic earnings per share	Pence	7.0	7.2	14.2
Diluted earnings per share	Pence	7.0	7.1	14.1

[1] See note 29 for an explanation of the prior year representation.

CREST NICHOLSON HOLDINGS PLC
HISTORICAL SUMMARY (UNAUDITED)
For the year ended/as at 31 October 2024

	Note		2024[1]	Represented 2023[1]	2022[2]	2021[3]	2020[4]
Consolidated income statement							
Revenue		£m	618.2	657.5	913.6	786.6	677.9
Gross profit		£m	86.8	105.6	194.3	166.7	107.7
Gross profit margin		%	14.0	16.1	21.3	21.2	15.9
Other operating income		£m	75.8	44.7	-	-	-
Other operating expenses		£m	(69.9)	(40.9)	-	-	-
Administrative expenses		£m	(60.8)	(58.0)	(51.1)	(51.1)	(50.3)
Net impairment losses on financial assets		£m	(0.6)	(0.6)	(2.3)	(1.0)	(0.3)
Operating profit before joint ventures		£m	31.3	50.8	140.9	114.6	57.1
Operating profit before joint ventures margin		%	5.1	7.7	15.4	14.6	8.4
Share of post-tax (loss)/profit of joint ventures		£m	(0.1)	2.7	4.0	1.7	(0.5)
Operating profit after joint ventures (EBIT)		£m	31.2	53.5	144.9	116.3	56.6
Operating profit after joint ventures margin		%	5.0	8.1	15.9	14.8	8.3
Net finance expense		£m	(8.8)	(5.5)	(7.1)	(9.1)	(10.7)
Profit before taxation		£m	22.4	48.0	137.8	107.2	45.9
Income tax expense		£m	(8.0)	(11.7)	(28.8)	(19.9)	(8.5)
Profit after taxation attributable to equity shareholders		£m	14.4	36.3	109.0	87.3	37.4
Basic earnings per share		Pence	5.6	14.2	42.5	34.0	14.6
Consolidated statement of financial position							
Equity shareholders' funds	1	£m	728.9	856.3	883.1	901.6	825.3
Net debt/(cash)	2	£m	8.5	(64.9)	(276.5)	(252.8)	(142.2)
Capital employed closing		£m	737.4	791.4	606.6	648.8	683.1
Gearing	3	%	1.2	(8.2)	(45.6)	(39.0)	(20.8)
Land creditors		£m	131.6	205.5	198.7	222.9	205.7
Net debt/(cash) and land creditors	4	£m	140.1	140.6	(77.8)	(29.9)	63.5
Return on average capital employed	5	%	4.1	7.3	22.4	17.2	7.6
Return on average equity	6	%	1.8	4.2	12.2	10.1	4.5
Housing							
Home completions	7	Units	1,873	2,020	2,734	2,407	2,247
Open market average selling price	8	£000	403	406	388	359	336
Short-term land	9	Units	13,935	14,922	14,250	14,677	14,991
Strategic land	10	Units	17,700	18,830	22,450	22,308	22,724
Total short-term and strategic land		Units	31,635	33,752	36,700	36,985	37,715
Land pipeline gross development value	11	£m	11,450	12,163	12,111	11,834	11,360

[1] Consolidated income statement statistics, return on average capital employed and return on average equity are presented before exceptional items as presented in note 4 of the 2024 consolidated financial statements. 2023 results have been represented, see note 29 for an explanation.
[2] 2022 consolidated income statement statistics, return on average capital employed and return on average equity are presented before exceptional items relating to total combustible materials provision charge £105.0m. Not represented for the items in note 29.
[3] 2021 consolidated income statement statistics, return on average capital employed and return on average equity are presented before exceptional items relating to net combustible materials provision charge £28.8m, inventory impairment credit £8.0m, and finance expense credit £0.5m. Not represented for the items in note 29.
[4] 2020 consolidated income statement statistics, return on average capital employed and return on average equity are presented before exceptional items relating to combustible materials provision £0.6m, inventory impairment £43.2m, restructuring costs £7.5m and impairment losses on financial assets £7.6m. 2020 equity shareholders' funds, capital employed closing, gearing and return on average equity have been represented to reflect the change in accounting policy on land options. Not represented for the items in note 29.

Note

1 Equity shareholders' funds = Group total equity (share capital plus share premium plus retained earnings).
2 Net debt/(cash) = Cash and cash equivalents less non-current and current interest-bearing loans and borrowings.
3 Gearing = Net debt/(cash) divided by capital employed closing.
4 Net debt/(cash) and land creditors = Land creditors less net cash or add net borrowings.
5 Return on capital employed = Adjusted operating profit before joint ventures divided by average capital employed (capital employed = equity shareholders' funds plus net borrowing or less net cash).
6 Return on average equity = Adjusted profit after taxation attributable to equity shareholders divided by average equity shareholders' funds.
7 Units completed = Open market and housing association homes recognised in the year. In 2021 to 2024 units completed includes joint ventures units at full unit count and is stated on an equivalent unit basis. This equivalent unit basis allocates a proportion of the unit count for a deal to the land sale element where the deal contains a land sale. 2020 units completed includes the Group's share of joint venture units and no equivalent unit allocation to land sale elements.
8 Open market average selling price = Revenue recognised in the year on open market homes (including the Group's share of revenue recognised in the year on open market homes by joint ventures), divided by open market home completions (adjusted to reflect the Group's share of joint venture units).
9 Short-term land = Land controlled by the Group with a minimum resolution to grant planning permission.
10 Strategic land = Longer-term land controlled by the Group without planning permission.
11 Land pipeline gross development value = Forecast development revenue of the land pipeline.