RNS Number : 6249Y
Taylor Wimpey PLC
27 February 2025

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Taylor Wimpey plc
Full year results for the year ended 31 December 2024

Well positioned for sustained growth

Jennie Daly, Chief Executive, commented:

"I'm pleased with our performance in 2024, delivering a strong sales rate and in line results while achieving the highest customer service scores and overall build quality that we have ever had at Taylor Wimpey. This is testament to the hard work and commitment of our teams across the Group.

The start of the Spring selling season has been robust, and we have seen good levels of demand for our homes. Affordability - while remaining a challenge for many, especially first time buyers - is also moving in the right direction. As a result, our total order book is up on last year, putting us in a strong position to grow housing volumes this year. We expect to deliver full year 2025 UK completions in the range of 10,400 to 10,800 excl. JVs and for Group performance to be in line with market expectations[1].

We welcome the Government's recent planning reforms which are capable of delivering a real step change in planning outcomes. We look forward to seeing increased resources and a focus on the implementation phase to drive these outcomes and deliver much-needed new homes across the UK."

Operational highlights:

- Group completions (including JVs) of 10,593 (2023: 10,848)
- UK net private sales rate of 0.75 homes per outlet per week (2023: 0.62). Excluding bulk deals, the net private sales rate was 0.67 (2023: 0.54)
- UK average selling price on private completions of £356k (2023: £370k) with the overall average selling price £319k (2023: £324k)
- Operated in the UK from an average of 216 outlets (2023: 238) and opened 55 outlets in the year (2023: 47), ending the year with a total of 213 outlets (31 December 2023: 237)
- Strong landbank of c.79k plots (31 December 2023: c.80k plots) and a c.4k plots year on year increase in the short term owned landbank to c.66k plots
- Year end net cash‡ position of £565 million (31 December 2023: £678 million net cash), ahead of our guidance as a result of the timing of land purchases
- Final ordinary dividend of 4.66 pence per share, subject to shareholder approval at the AGM, total dividend for the year of 9.46 pence per share (2023: 9.58 pence per share), consistent with our Ordinary Dividend Policy to return 7.5% of net assets per annum

[1]As published on 24 February 2025, the Company compiled consensus expectation for full year 2025 Group operating profit* is £444 million.

Responsible business and a leader in sustainability:

- Rated five-star for customer service in the Home Builders Federation (HBF) survey with Taylor Wimpey's highest ever customer service score of 96% (2023: 92%)
- Improved Construction Quality Review (CQR) score of 4.93 (2023: 4.89)
- Annual Injury Incidence Rate (AIIR)†*** per 100,000 employees and contractors of 212 (2023: 151)
- Overall employee engagement score of 93% (2023: 93%), with a 73% response rate (2023: 69%)
- Contributed £345 million to local communities across the UK (2023: £405 million)
- Reduced absolute operational carbon emissions by 47% from a 2019 baseline (2023: 35%)
- Added a net £68.9 million to the Group's cladding fire safety provision in the year and making good progress on remediation of identified buildings
- Recognition of ESG progress: included in the Dow Jones Sustainability Europe Index and S&P Sustainability Yearbook 2025, The Financial Times Europe's Climate Leaders list, rated A- by CDP Climate Change and recognised in Sustainalytics 2025 ESG top rated companies, with an ESG Risk Rating of Low
- In 2024, again achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, the only housebuilder to hold this standard during the year

housebuilder to hold this standard during the year

- Selected four ESG metrics (across Health and Safety, Diversity and Inclusion, and timber frame completions) for independent limited assurance procedures by PwC
- Recognised in the NHBC Pride in the Job Awards, with 62 Quality Awards (2023: 51), 16 Seal of Excellence Awards (2023: 13), two Regional Awards and the Supreme Award in the Large Builder category

Group financial highlights:

	2024	2023	Change
Revenue £m	3,401.2	3,514.5	(3.2)%
Operating profit* £m	416.2	470.2	(11.5)%
Operating profit margin*† %	12.2%	13.4%	(1.2)ppt
Profit before tax £m	320.3	473.8	(32.4)%
Profit before tax and exceptional items £m	418.5	473.8	(11.7)%
Profit for the year £m	219.6	349.0	(37.1)%
Basic earnings per share pence	6.2	9.9	(37.4)%
Adjusted basic earnings per share pence††	8.4	9.9	(15.2)%
Ordinary dividend per share pence	9.46	9.58	(1.3)%
Tangible net assets value per share pence†	123.8	127.1	(2.6)%
Net cash £m	564.8	677.9	(16.7)%

N.B. Definitions can be found at the end of the Group financial review

Current trading and outlook

The start of the Spring selling season has been robust and we have seen good levels of demand for our homes.

Appointments and overall customer interest in our homes remain at healthy levels, supported by our quality product, site locations and focused sales and marketing efforts. There is good mortgage availability at competitive rates as lenders remain committed to the mortgage market. As a result, the encouraging sales performance seen towards the end of 2024 has continued in the year to date.

The year to date net private sales rate (w/e 23 February 2025) is 0.75 per outlet per week (2024 equivalent period: 0.67), up 12% year on year. We have seen some incremental improvement in market pricing since the start of the year with current pricing flat year on year. The cancellation rate is 16% (2024 equivalent period: 12%) and the number of down valuations remain low.

As at 23 February 2025, our total order book excluding joint ventures was £2,255 million (2024 equivalent period: £1,949 million), comprising 8,021 homes (2024 equivalent period: 7,402 homes).

We have a strong landbank, and an excellent strategic pipeline with over c.26.5k plots for first principle planning determination in the planning system as at 31 December 2024, (2023: c.30.2k plots). We were more active in the land market than expected in 2024, approving c.12k plots (2023: c.3k plots) which, as previously reported, partly reflects an increase in attractive opportunities brought forward in the run up to the Budget. We will remain active and opportunistic in our approach to land acquisition in 2025.

As previously stated, we have begun to see modest build cost inflation and we expect this to be low single digit for the year, depending on the response from our subcontractors to rising employer costs. We will continue to work with our supply chain to identify opportunities for savings across the business.

While appetite for Section 106 affordable housing continues to be impacted by headwinds faced by Housing Associations, we have good visibility on this year's affordable deliveries.

Overall, given the strong order book and confidence in delivery of our plans, we expect 2025 performance to be in line with market expectations[1]. This reflects 2025 UK completions excluding JVs in the range of 10,400 to 10,800, with approximately 45% occurring in the first half of the year. Margin in the first half will reflect weighting of completions over the year, the impact of underlying pricing in the order book at the start of the year (which was c.0.5% lower year on year), and build cost inflation.

Looking ahead, we operate in an attractive market, with significant underlying demand for the quality homes we build. We have a clear strategy focused on driving value and operational excellence while investing in the long term success and sustainability of the business. We have a strong balance sheet, excellent landbank and experienced teams, and are well positioned to deliver sustained growth.

-Ends-

A presentation to analysts will be hosted by Chief Executive Jennie Daly and Group Finance Director Chris Carney, at 9am on Thursday 27 February 2025. This presentation will be webcast live on our website: www.taylorwimpey.co.uk/corporate

An on-demand version of the webcast will be available on our website in the afternoon of 27 February 2025.

For further information please contact:

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Notes to editors:

Taylor Wimpey plc is a customer-focused homebuilder operating at a local level from 22 regional businesses across the UK. We also have operations in Spain. Our purpose is to build great homes and create thriving communities.

For further information please visit the Group's website: www.taylorwimpey.co.uk/corporate

Follow our company page on LinkedIn, Taylor Wimpey plc

2024 overview

During the year, we maintained strong operational focus and delivered a good financial performance against a mixed backdrop. Total Group completions including joint ventures (JVs) were 10,593 (2023: 10,848). UK home completions excluding JVs were 9,972 (2023: 10,356). We provided 2,178 affordable homes excluding JVs (2023: 2,351) equating to 22% of total UK completions (2023: 23%). UK average selling price on private completions was £356k (2023: £370k) with the overall average selling price £319k (2023: £324k).

Group operating profit of £416.2 million, was in line with our guidance, with an operating profit margin of 12.2% (2023: 13.4%), reflecting the build cost and pricing dynamics as well as impact of overhead costs being recovered across fewer completions.

Exceptional costs in the year, before tax, totalled £98.2 million consisting of the net cladding fire safety provision increase in the year (£68.9 million), loss on disposal of the Winstanley and York Road joint venture (£13.6 million) and the impact of our share of the cladding fire safety provision recognised in the Greenwich Millennium Village joint venture (£15.7 million).

Profit for the year was £219.6 million (2023: £349.0 million). We continued to be highly cash generative with a year end net cash position of £564.8 million (31 December 2023: £677.9 million), ahead of our guidance as a result of the timing of land purchases.

In the UK, we opened 55 outlets in the year (2023: 47). We traded from an average of 216 outlets in 2024 (2023: 238) and ended the year with a total of 213 outlets (31 December 2023: 237), slightly ahead of expectations due to a small number of delayed outlet closings.

We also prepared our business for growth in 2025 and beyond, with a continued focus on progressing our existing landbank while taking advantage of increased opportunities in the land market in 2024. We worked to ensure our regional businesses are equipped to grow, using technology to enhance our operating efficiency and with targeted investment to increase our responsiveness to market opportunity. For example, scaling up our timber frame business and upgrading our warehouse management system at Taylor Wimpey Logistics, to ensure we are fit for the future.

Our purpose and contribution to the UK economy

Our purpose is to build great homes and create thriving communities. This is a shared purpose across our business and value chain. It is not only vital for our customers but also has far reaching positive societal impacts of which we are extremely proud.

The new build housing sector makes a substantial contribution to both the communities in which we operate and the UK economy as a whole. We build much needed homes and infrastructure, create new communities and enhance existing communities, and strive to make a significant social and economic contribution to local economies across the UK.

The Home Builders Federation (HBF) estimates that the housebuilding industry contributes around £53 billion per year in economic activity and provides around 270k direct jobs in England and Wales, with many more employed indirectly in various roles across our supply chain.

It is not always well understood the very real benefit that housebuilding can bring to a local area. Our new housing developments drive economic growth and positively benefit local communities.

In 2024, Taylor Wimpey contributed £345 million to local communities across the UK via planning obligations (2023: £405 million). This funded affordable housing, green spaces, community facilities, commercial and leisure facilities, transport infrastructure, heritage buildings and public art, and helped to deliver on our purpose.

The homes we build are significantly more carbon efficient than the vast majority of existing housing stock and the new build sector is at the forefront of the UK's efforts to deliver zero carbon ready homes.

Performance and positioning

2024 saw the return of some stability to the UK's new homes market. However, the year was not without its challenges. At the start of 2024, an improved interest rate outlook meant lower mortgage rates for our customers with affordability improving. The summer brought positive changes to the planning system from the new Government, aimed at getting Britain building, but some caution on UK finances ahead of the Autumn Budget. After the Budget, forecasts for future inflation rose slightly and mortgage rates began to rise, albeit modestly.

Against that backdrop we are pleased with our sales performance which remained resilient throughout 2024. Our net private sales rate for the year of 0.75 (2023: 0.62) reflects the hard work of our teams and the high-quality of our locations.

Affordability remained challenging for many potential customers, particularly first time buyers, in particular in the South of England. Incentives remained an important element in driving customer commitment throughout 2024 and overall pricing in the year end order book was marginally lower than the prior year. We continued to optimise the balance between pricing and volume with a focus both on margin and return on capital. However, as stated, 2024 margin continued to be impacted by build cost and pricing dynamics as well as the impact of overhead costs being recovered across fewer completions.

Our regional businesses continue to work hard to embed the efficiency savings we have made over the past few years. Build costs on new tenders were stable over the course of the year. We expect the 2025 cost environment to years. Build costs on new tenders were stable over the course of the year. We expect the 2025 cost environment to return to a more normal profile of low single digit cost increases, given the extended period without price increases for our suppliers and well known inflationary pressures for businesses as a result of the Autumn Budget changes to National Insurance and Minimum Wage.

During the year we focused on setting up our business for growth in 2025 and beyond. We entered this year with a strong order book and an excellent landbank. We currently have outlets open that are expected to deliver all of this year's legal completions and have prepared our highly engaged and experienced teams for the next phase in the cycle, to deliver growth in 2025 and beyond.

Proven strategy and fit for the future

Our strategy remains consistent and is centred on four strategic cornerstones: land, operational excellence, sustainability and capital allocation to build a stronger and more resilient business. These strategic cornerstones guide our principles of working while allowing us to be agile to respond to opportunities and risks in changing market conditions.

We manage the business through the cycle which means that while short term performance is important, strategic decisions also protect the longer term interests of the Group and its stakeholders. Our approach has enabled us to optimise value for our stakeholders and, through our differentiated Ordinary Dividend Policy, to provide a reliable income stream for our investors through this cycle.

While short term market conditions remain uncertain, the long term fundamentals remain very strong with an increasingly marked undersupply of housing estimated at over four million homes, that is particularly acute in some areas of the country.

Being fit for the future includes making sure we have the strategy and structures in place across all areas of our business to build the capacity to support our ambition for growth, focusing on areas we can control.

The changes to the National Planning Policy Framework (NPPF) introduced by the Government, will require local authorities to identify land to meet the housing needs of their area for a five year period. Required housing need is now based on a stock-based approach (a proportion of existing housing in each region), which has removed ambiguity and increased the national total annual approvals required to 370k plots per year. If a local authority is unable to provide evidence that it has a five year housing land supply, there will be presumption in favour of sustainable development.

We are optimistic that these changes to the planning system should help unlock the land needed to support homebuilding in coming years, placing the land market on a similar footing to that of 2012 to 2019 when land conditions were supportive of industry growth. For our part, we are focusing on the proactive submission of high-quality applications to planning authorities to best position Taylor Wimpey to benefit from improvements to the planning process. As at 31 December 2024 we had c.26.5k such applications for first principle planning determination in the planning system (2023: c.30.2k), with a significant number to follow. This will translate into more outlets which will provide future opportunities to grow volumes.

In 2024, we continued to focus on embedding the operational efficiencies and savings we have delivered over the last few years and this remains an ongoing focus. However, we also put in place many of the building blocks to prepare for the next phase of the market and enable us to grow our volumes, with market demand, including investing in aspects key to the long term sustainability of the business, to ensure we are fit for the future.

For example, in 2024, we delivered cost savings through our measured value improvement programme. We identified savings in certain product types and by omitting products from certain supplier contracts to source more efficiently elsewhere. We continued to drive standardisation through Taylor Wimpey Logistics (TWL) and by driving greater conformity to our standard house types, which comprised 94% of our 2024 home completions excluding apartments (2023: 90%).

TWL is a key differentiator and remains integral to our drive for increased efficiency and standardisation. TWL holds strategic stock and then provides build packs that can be called off on a 'just in time' basis for site. This improves control, consistency of supply and also provides a buffer for our regional businesses, which received orders 98% on time in full from TWL in 2024. This enhances the efficiency of our operations as well as visibility for our site teams and subcontractors. In 2024, we installed a new warehouse management system to future proof our facility and further increase efficiency and quality.

During 2024, we delivered the first kits as planned from our ISO 9001 accredited timber frame manufacturing factory. This has been a strategic component of the ability of our businesses to scale up and to also increase sustainability. We continue to scale up timber frame production and our regional businesses are actively looking for opportunities suitable for timber frame. In combination with our existing suppliers, our own facility will help us in our goal to increase timber frame usage to 30% of our completions by 2030. In 2024, 1,624 of our completions were timber frame (2023: 1,661).

We continue to support the UK's transition to net zero through delivery of energy-efficient, low carbon homes and delivery of our Net Zero Transition Plan. As we move forward, we are ensuring that commitment to the UK's biodiversity and nature is still prioritised as changes to the planning system are rolled out. In 2024, we again achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, the only housebuilder to hold this standard during the year.

For a number of years Carbon Trust have provided limited assurance over our carbon and energy data; this year we have gone further by selecting four additional ESG metrics (across Health and Safety, Diversity and Inclusion and timber frame completions) that have been subjected to independent limited assurance procedures by PwC, demonstrating our commitment to ESG.

It matters to us how we achieve our results. We are a leader in build quality in the volume industry and have again improved our CQR score. This is a key performance indicator (KPI), reflecting our commitment to delivering high-quality homes for our customers.

Further KPIs relate to our customer service and we are particularly pleased to have increased our 8-week customer service score to 96% (2023: 92%) our highest ever performance, and our 9-month customer service score to 80% (2023: 77%). This is the result of targeted work over the past few years and the efforts of our excellent teams to improve our processes. We have improved management information systems with our Customer Relationship Management (CRM) system and enhanced the customer journey by raising standards, increasing customer contact points and the speed of our response. Continuous improvement in our customer offer is one of the ways we will continue to drive and capture opportunities in all market conditions.

The industry is facing a significant skills shortage. We are pleased to have highly skilled and engaged employees and in 2024, we launched a compelling employee value proposition, to ensure we will continue to attract and retain the best people, a key component of our preparedness for the future.

We are developing our IT capabilities via our Innovate^{TW} programme with a focus on improving our processes, increasing business-led innovation, and using technology to share best practice quickly across the Group. Our team are working to identify actionable ideas from over 260 received from employees so far. We have also employed artificial intelligence (AI) to simplify tasks and free up employee time for more value added activities, such as supporting our customers, monitoring build programmes and ensuring build quality, and closely scrutinising costs.

New workstreams are designed to enable us to optimise our operations in a sustainable way. Continuous business improvement remains key to protecting stakeholder value against a backdrop of increasing regulatory and economic demands. This includes increased standardisation and use of modern methods of construction such as timber frame.

2025 priorities

Over the past year we have set up the business for growth, with a strong financial position and order book, and an excellent landbank, meaning we are well placed for 2025. This year we want to embrace those opportunities for growth and further drive performance.

There are aspects that we consider as fundamental to Taylor Wimpey and as such these are considered 'business as usual' including, health, safety and environmental protection, high-quality build, an excellent customer service journey for all customers and partners and a keen focus on cost. Over and above the fundamentals we have a number of specific focus areas for 2025:

- **Continue to improve build efficiency and compliance:** protecting the value we create means enhancing efficiency and extracting economies of scale to deliver best practice across the Group. Build compliance and standard processes are key to ensure we continue to drive performance and optimise efficiencies.
- **Deliver sales performance and optimise price:** our teams are incentivised to drive value as we continue to optimise the balance between sales rate and price.
- **Drive outlet openings:** business wide focus on delivering new quality outlets efficiently to support execution of the growth opportunity, with asset turn and return on capital front of mind. We expect to open more outlets in 2025 than in 2024 with outlet openings to be weighted towards the second half of the year.
- **Further digitise our processes to drive efficiencies and future proof the business:** we are developing our IT capabilities via our Innovate^{TW} programme with a focus on digitising our processes to create the platform to deliver greater business-led innovation, using technology to share best practice quickly across the Group.
- **Employee value proposition:** our industry is facing a skills shortage, and we continue to work hard to attract and retain the best people. Our revamped employee value offer outlines the benefits of working for Taylor Wimpey, including development and training for all our employees and additional enhancements to our family policies, including improvements to maternity, adoption, paternity, and the introduction of paid carers leave.
- **Deliver against our environmental targets and commitments in our Environment Strategy and Net Zero Transition Plan:** environmental performance is growing in importance and, like health and safety, is a key priority for Taylor Wimpey. Increasingly we need to extend our environmental performance data to ensure we can comply with changing regulation and drive progress on our sustainability commitments.

Competition and Markets Authority (CMA)

Taylor Wimpey welcomed the CMA's final report, published on 26 February 2024, from its housebuilding market study with its focus on improving the planning system, adoption of amenities and outcomes for house buyers.

At that time of publication, the CMA commenced an investigation into a number of housebuilders, including Taylor Wimpey, relating to concerns that they may have exchanged competitively sensitive information. On 10 January 2025, the CMA updated its timetable stating that further investigation, including additional evidence gathering and CMA analysis and review, would continue until May 2025.

We will continue to cooperate fully with the CMA in relation to its investigation as we have done throughout the process to date.

Commitment to sustainability

Environment and net zero by 2045

We published our Net Zero Transition Plan in early 2023, with our goal to be net zero aligned in our operations by 2035 and to reach net zero carbon emissions across our value chain by 2045, five years ahead of the UK Government's target. Our net zero targets have been independently validated by the Science Based Targets initiative (SBTi). Our Environment Strategy, Building a Better World, includes ambitious targets up to 2030 across climate, nature, resources and waste.

As stated, in 2024, we again achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, the only housebuilder to hold this standard during the year. A scope 1 and 2 carbon reduction measure was included in the incentive plans for senior leadership and regional management in 2024 to support progress on our near term carbon reduction targets. For a number of years we have received limited assurance over our carbon and energy data from The Carbon Trust.

We were included in the Dow Jones Sustainability Europe Index and the S&P Sustainability Yearbook 2025, rated A- by CDP Climate Change and recognised in Sustainalytics 2025 ESG top rated companies, with an ESG Risk Rating of 'Low'. We are a member of Next Generation, the sustainability benchmark for UK housebuilders, and received a silver rating in 2024.

Cladding fire safety

The safety of our customers is of paramount importance, and we have always been guided by this principle. It is our long held view that leaseholders should not have to pay for the cost of fire safety remediation and our priority has always been to ensure that customers in Taylor Wimpey buildings have a solution to cladding remediation.

We took early and proactive action, committing significant funding and resources to address fire safety and cladding issues on all affected Taylor Wimpey apartment buildings built since 1992.

In 2022, we signed up to the Government's Building Safety Pledge for Developers and the Welsh Government Building Safety Developer Remediation Pact which reaffirmed our commitment that leaseholders should not have to pay for fire safety remediation. In the first half of 2023 we also signed the Scottish Safer Buildings Accord. Prior to signing these, we had already begun working on affected Taylor Wimpey buildings. By the end of 2022 we had recorded a total we had already begun working on affected Taylor Wimpey buildings. By the end of 2022 we had recorded a total provision for cladding fire safety remediation works of £245.0 million.

In the first half of 2024 we reassessed the remediation costs based on tenders received and based on this updated information and enhanced cost appraisal, the expected fire safety remediation cost was increased by £88.0 million. The increase was due to increased costs based on recent tenders, including project delivery administration costs and funding of the Building Safety Fund pre-tender costs and a small number of new buildings being added. In the second half of 2024 one of the Group's joint ventures recognised a provision for remediation works on the buildings it built and as a result £19.1 million has been released from the provision held by the Group in relation to those buildings. This results in a net charge for the year of £68.9 million, recognised in operating expenses as an exceptional item.

During the year we spent £28.5 million on remediation works and continued to progress work with building owners, management companies and leaseholders and we remain committed to resolving these issues as soon as practicable for our leaseholders. We have 203 buildings within the scope of our provision, all of which have been assessed by our specialist team. We signed the Ministry of Housing, Communities and Local Government's Joint Plan in 2024 and are working to meet the targets it sets out.

Winstanley and York Road joint venture

In December 2024, we disposed of our interest in the Winstanley and York Road Regeneration LLP joint venture - this was a mutual agreement with Wandsworth Council enabling the Council to take a new approach to prioritise the delivery of affordable housing provision. The JV was formed in 2017 to deliver a 12-to-15-year estate regeneration scheme including a mixed-use development of up to 2,550 homes, improved community facilities and a new park. Under the JV, 139 homes, a new school, church, multi-use games area and play area have been successfully delivered. The net impact was a £13.6 million loss, recognised as an exceptional cost in 2024.

Capital allocation framework

Our priority is to maintain a strong balance sheet with low adjusted gearing. We use cash generated by the business to fund our investment in land and work in progress to support and drive future growth. Thereafter, our aim is to provide an attractive and reliable income stream to our shareholders throughout the cycle, including during a normal downturn, via an ordinary cash dividend linked to Group net assets.

In line with our Ordinary Dividend Policy to return 7.5% of net assets, or at least £250 million annually, we have today announced a final ordinary dividend payment of 4.66 pence per share, which is subject to shareholder approval at the Annual General Meeting (AGM). With the 2024 interim dividend payment of 4.80 pence per share, the total ordinary dividend for the year is 9.46 pence per share or approximately £335 million.

Board changes

After just over nine years, Humphrey Singer stepped down from the Board on 31 December 2024. Scilla Grimble, independent Non Executive Director, succeeded Humphrey as Chair of the Audit Committee with effect from 1 September 2024 and Lord Jitesh Gadhia, independent Non Executive Director, succeeded Humphrey as the Senior Independent Director.

Martyn Coffey joined the Board as an independent Non Executive Director on 1 December 2024 and became a member of the Audit and Nomination and Governance Committees. Having previously served as CEO of Marshalls Plc for over ten years and as a Non Executive Director of Eurocell plc for eight years, Martyn brings a wealth of experience and deep knowledge of manufacturing for the building industry and of supply chains.

Operational review

Our operational review focuses on the UK (unless stated otherwise) as the majority of metrics are not comparable in our Spanish business. There is a short summary of the Spanish business in the Group financial review. The financial review is presented at Group level, which includes Spain, unless otherwise indicated. Joint ventures are excluded from the operational review and are separated out in the Group financial review, unless stated otherwise.

Our Key Performance Indicators (KPIs)

Our key performance indicators align to our strategic cornerstones.

UK	2024	2023	Change
Land			
Land cost as % of average selling price on approvals	17.0%	15.2%	1.8ppt
Landbank years	c.7.8	c.7.7	1.3%
% of completions from strategically sourced land	40%	45%	(5)ppt
Operational excellence			
Construction Quality Review (average score / 6)	4.93	4.89	0.8%
Average reportable items per inspection	0.18	0.28	(0.10)
Annual Injury Incidence Rate (per 100,000 employees and contractors)	212	151	40.4%
Employee engagement (annual survey)	93%	93%	-
Sustainability			
Customer satisfaction 8-week score 'Would you recommend?'	96%	92%	4ppt
Customer satisfaction 9-month score 'Would you recommend?'	80%	77%	3ppt
Reduction in operational carbon emissions intensity against our 2019 baseline	21%	5%	16ppt

N.B. The 8-week 'would you recommend' score for 2024 relates to customers who legally completed between October 2023 and September 2024, with the comparator relating to the same period 12 months prior. The 9-month 'would you recommend' score for 2024 relates to customers who legally completed between October 2022 and September 2023, with the comparator relating to the same period 12 months prior.

2024 sales, completions and pricing

Total Group completions including joint ventures were 10,593 (2023: 10,848). UK home completions excluding joint ventures were 9,972 (2023: 10,356). We provided 2,178 affordable homes excluding joint ventures (2023: 2,351) equating to 22% of total UK completions (2023: 23%). Our UK net private sales rate for 2024 was 0.75 homes per outlet per week (2023: 0.62). Excluding the impact of bulk deals, the net private sales rate was 0.67 (2023: 0.54). The cancellation rate for the full year was 15% (2023: 18%).

UK average selling price on private completions was £356k (2023: £370k) with the overall average selling price £319k (2023: £324k).

We estimate that market-led house prices have seen c.1% deflation for completions in 2024 (2023: c.1% inflation).

In the second half of the year, we experienced weaker pricing in the South of England where affordability has been most stretched, compared to the North where we have captured some price growth. As a result, underlying pricing in the year end order book was around 0.5% lower year on year.

Underlying build cost inflation on completions in 2024 was c.1.5% (2023: c.8.5%).

We ended the year with a strong order book valued at £1,995 million (31 December 2023: £1,772 million), excluding joint ventures, which represents 7,312 homes (31 December 2023: 6,999 homes), of which 3,208 are private (2023: 2,565) and 4,104 are affordable (2023: 4,434).

In the UK, we traded from an average of 216 outlets in 2024 (2023: 238) and ended the year with a total of 213 outlets (31 December 2023: 237), slightly ahead of expectations due to a small number of delayed outlet closings.

Land

As at 31 December 2024, our short term landbank stood at c.79k plots (2023: c.80k plots). The short term owned proportion of our landbank increased by c.4k plots to c.66k plots. Our strategic land pipeline was c.136k potential plots (2023: c.142k potential plots). We approved c.12k plots (2023: c.3k plots) in 2024 which, as previously reported, partly reflects increased opportunities in the land market in the run up to the Autumn Budget.

The average cost of land as a proportion of average selling price within the short term owned landbank remains low at 12.9% (2023: 13.7%). This reflected the impact of strategic land pull through as well as the regional mix of sites being weighted towards the North.

The average selling price in the short term owned landbank in 2024 increased by 5.2% to £344k (2023: £327k).

As at 31 December 2024, we were building on, or due to start in the first quarter of 2025, on 98.4% of sites with implementable planning (2023: 99.6%).

Our success in developing our strong strategic pipeline means that 56% of our short term landbank has originated from this source (2023: 54%). In the year, 40% of our completions were sourced from the strategic pipeline (2023: 45%).

During 2024, we converted a further c.6k plots from the strategic pipeline to the short term landbank (2023: c.8k plots).

Customers

We are pleased to have increased our Home Builders Federation (HBF) 8-week 'would you recommend?' score to 96%, the best we have ever recorded (2023: 92%) and retained our five-star rating. We also saw an increase in our 9-month score which gives us insight into how customers feel about the homes and places we build over the longer term. Our score is our highest ever at 80% (2023: 77%) which reflects the work we have been doing to strengthen our customer service and build quality and to improve the time taken to resolve customer issues.

We encourage customers to leave reviews on Trustpilot. At the end of 2024, with 10,107 reviews, we had a 4 out of 5 star rating (end of 2023: 4 out of 5 with 8,950 reviews).

We have prioritised working with all our partners to deliver excellent customer service and leverage our customer database capabilities and data insights provided by our fully integrated CRM system to better support our customers and align our marketing strategy, in order to build a strong order book. In a changing market, understanding our customers is more important than ever.

Build quality

We continue to see improvements in our build quality as measured by the NHBC CQR score, which measures build quality at key build stages. In 2024, we scored an average of 4.93 (2023: 4.89) from a possible score of six. This compares with an industry benchmark group average score of 4.70.

We aim to maintain high standards by ensuring our quality assurance processes are embedded at every stage of the build. We clearly communicate our quality standards to subcontractors and invest in training, process improvements and regular inspections throughout the build process to ensure consistently high standards and prevent quality issues from occurring.

Placemaking

Good placemaking ensures our teams plan, design and deliver schemes that become successful and sustainable new communities, where our customers can enjoy a good quality of life.

Placemaking is about creating communities that are socially, environmentally and economically sustainable. During 2024, we have been developing our Placemaking Charter, a new framework to further embed strong placemaking standards across our business. The Charter will be fully rolled out to our teams in 2025 and is based around five key principles:

- Connected communities
- Places where life happens
- Attractive and welcoming places
- Safe places
- Places designed with nature

Access to transport and local infrastructure and facilities contributes to the success of our schemes. In 2024, we contributed £345 million to local communities in which we build across the UK via planning obligations (2023: £405 million). This funded a range of infrastructure and facilities including affordable housing, green space, community facilities, commercial and leisure facilities, transport infrastructure, heritage buildings and public art. We aim to install infrastructure at an early stage of the build process to enhance our schemes and help the new community become established quickly. We also invest in public and community transport, walkways and cycle paths.

Employees

Health and safety

Health and safety remains our number one priority and it is the first topic covered in every Board, Group Management

Team (GMT) and regional management team meeting across the country. Building sites are inherently dangerous places and so it is essential that strict safety protocols are identified, embedded, monitored and enforced and a clear, consistent and disciplined approach to safety is paramount throughout the organisation. 98% of our employees agree that we take health and safety seriously (2023: 98%).

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 212 in 2024 (2023: 151). This reflects an increase in minor slips, trips and falls. Around 40% of accidents were slips, trips and falls and this will be an increased area of focus this year.

Despite the increase, we remain below the HBF Home Builder Average AIIR of 246.

Our AIIR for major injuries per 100,000 employees and contractors was 59 in 2024 (2023: 65).

Culture and people

We have a strong culture at Taylor Wimpey which we and our employees are proud of. This is demonstrated in our latest employee survey with an overall employee engagement score of 93% (2023: 93%), with a 73% response rate (2023: 69%).

We seek feedback from, and engagement with, all employees. This includes regular updates and Teams calls from the Chief Executive and a wide variety of senior management. It is important that management is accessible and visible. In addition to regular visits to the regional businesses, we operate a National Employee Forum, National Young Person's Forum and Local Employee Forums in our regional businesses, where employee representatives are able to feedback to, and ask questions of, members of the Board and other senior management directly. We also support six employee resource groups to advance our Equality, Diversity and Inclusion agenda. During 2024, our voluntary employee turnover rate reduced to 12.1% (2023: 14.2%).

We are pleased to report that Taylor Wimpey was once again recognised in the NHBC Pride in the Job Awards, achieving a total of 62 Quality Awards (2023: 51), 16 Seal of Excellence Awards (2023: 13) and two Regional Awards. We are proud to announce that in January 2025, Site Manager, David McClure, from our Castle Gate development in West Scotland was honoured with the Supreme Award in the Large Builder category - the very highest achievement in the Pride in the Job awards programme.

Skills

During 2024, we directly employed, on average, 4,354 people across the UK (2023: 4,618) and provided opportunities for, on average, a further c.9.4k operatives (2023: c.9.3k) on our sites.

We recognise that building the skills of our current and future workforce is essential to address current and potential future skills gaps in our industry and subcontractor base. We continue to work closely with our partners, peer companies, industry associations and educational organisations to identify and address skills gaps and upskill our workforce and also share best practice within the industry bodies.

We support our regional businesses to develop local links with colleges, universities and schools and encourage a diverse range of candidates to consider careers in housebuilding. Each of our regional businesses has a schools engagement plan and we engaged with 550 schools and reached 330,000 students in 2024 also offering webinars for parents / guardians.

Our career converters programme supports ex-service personnel to join our business. In 2024, this included a focus on recruiting former service personnel to Trainee Assistant Site Manager roles.

Equality, diversity and inclusion (ED&I)

We remain committed to creating a more diverse workforce and will publish our third Diversity and Inclusion Report in 2025. We have set quantitative targets to improve gender balance at all levels and to increase ethnic minority representation. Our targets are aspirational, but we believe that it is important to be ambitious and hold ourselves to account.

Our aim is to create a workplace where colleagues feel championed and supported regardless of their background and identity.

Investment in ED&I is a long term commitment for Taylor Wimpey, supported by our Board, and all levels of our leadership. Alongside our successes, we remain focused on the areas we still need to progress. Due to market conditions, we recruited and employed fewer people in 2024, and this impacted our ability to make progress on our diversity targets.

Our workforce is not yet reflective of the UK's ethnic diversity. As at 31 December 2024, 5.5% of our employees were from a Black, Asian or other minority ethnic background (2023: 5.7%). Ethnic representation in the GMT and direct reports was 6.9% (2023: 6.9%) and 2.5% in regional business leadership roles (2023: 3.7%).

In 2024, our employee base comprised 2,823 males (2023: 2,912) and 1,503 females (2023: 1,524), which equates to a gender mix of 65% male (2023: 66%) and 35% female (2023: 34%) across the Company. Our GMT was 33% female (2023: 33%). Our Board of Directors was 44% female (2023: 44%), comprising 4 females (2023: 4) and 5 males (2023: 5). Females in the GMT and direct reports to GMT was 26% (2023: 28%), comprising 19 females (2023: 20) and 53 males (2023: 52).

Reduced overall recruitment impacted our graduate and trainee recruitment. 33% of graduates were females (2023: 62%) and 29% were from a minority ethnic background (2023: 17%). In our other early entry talent programmes the figures were 14% and 11% (2023: 15% and 7%).

In line with the Gender Pay Gap regulations, we calculated our 2024 gender pay gap based on pay and bonus data at the 'snapshot date' of 5 April 2024 (paid over the preceding 12 months). The calculations cover all staff employed by Taylor Wimpey UK Limited as at 5 April 2024. This data shows that our mean gender pay gap was 8% in favour of men (2023: 6% in favour of men) and median pay gap 6% in favour of men (2023: 2% in favour of men).

The shift in our pay gap this year reflects a number of factors, including: lower levels of sales commission (due to market conditions) which impacts more female employees (females make up 81% of sales employees (2023: 83%)); larger than average pay increases for all lower paid employees which impacted more male employees; and a reduction in the overall number of employees. We will continue to focus on our programmes to increase female representation across different functions and levels of the business which will reduce the pay gap over time. More information is available online in our Diversity and Inclusion Report.

Charity partnerships

During 2024, we continued our partnership with our national charities as well as local charity partners across the UK. Our national partners are Youth Adventure Trust, Every Youth, Crisis, CRASH, Magic Breakfast, and St Mungo's. In total, during 2024, we donated and fundraised c.£1 million for registered charities (2023: c.£1 million). This included supporting St Mungo's Construction Skills Training Centres to help people recovering from homelessness gain new skills and find employment in the construction industry.

This year we also took part in CRASH's Christmas washbag campaign, where our employees assembled more than 3,000 bags with essential toiletries, such as soap, toothbrushes, and toothpaste, for homeless charities and hospices across the UK. In its tenth year, our annual Taylor Wimpey Challenge reached the £1 million milestone for total funds raised. In 2024, 355 employees took part in the event and headed to the Jurassic Coast in Dorset, with a total of 56 teams that raised over £113k for the Youth Adventure Trust, and over £44k to support other charities. In addition, through our partnership with Magic Breakfast we contributed £80k to help serve over 285k breakfasts to pupils in England and Scotland from September 2023 to September 2024.

Sustainability

We recognise the importance of sustainability which is integrated throughout our business and has been incorporated as one of our four strategic cornerstones. Our approach encompasses environmental, social, economic and governance aspects.

Our Environment Strategy, Building a Better World, is our response to the environmental crisis and the physical and transitional risks posed by climate change. It sets out how we will play our part in creating a greener, healthier future for our customers, colleagues and communities, with ambitious targets up to 2030 focusing on climate change, increasing nature on our developments, cutting waste and improving resource efficiency.

Environment Strategy performance update

Our strategic objectives	Performance update
Climate change Achieve our science-based carbon reduction target: - Reduce operational carbon emissions intensity by 36% by 2025 from a 2019 baseline - Reduce scope 3 emissions by 52.8% per 100 sqm of completed floor area from a 2019 base year (based on a reduction of 46.2% in absolute emissions against the base year)	Since 2019, our operational emissions intensity has decreased by 21% and absolute operational emissions have fallen by 47%. We have reduced scope 3 carbon emissions intensity by 8% compared with 2023 and by 12% against our 2019 baseline. Absolute scope 3 emissions decreased by 9% compared with 2023 and by 41% against our baseline.
Nature Increase natural habitats by 10% on new sites from 2023 and include our priority wildlife enhancements from 2021.	New sites submitting their first planning application now include a minimum biodiversity net gain (BNG) of at least 10% in line with regulation. We have published guidance and held training sessions for our regional businesses to support them to manage the risks, costs and opportunities associated with BNG. We integrate nature enhancements on all suitable new sites and have started with hedgehog highways, bee bricks, bug hotels, bird boxes and bat boxes. Since 2021, we have installed over 5,500 wildlife enhancements such as bee bricks, bug hotels, bird and bat boxes, to support native species and 326 sites included hedgehog highways.
Resources and waste Cut our waste intensity by 15% by 2025 and use more recycled materials.	Our waste intensity has reduced by 14% against our 2019 baseline, and by 22% compared with 2023. Total waste volumes also decreased year-on-year and against our baseline. Our Towards Zero Waste Strategy and Action Plan guide our approach to reducing waste.

N.B. At the time of publication, our waste data was undergoing audit by the Carbon Trust. We will publish the final audited figures on our website on completion of this process which could differ from those reported here.

A full summary of our Environmental Strategy and progress against targets will be published in our Annual Report and Accounts 2024 and Sustainability Summary and Data document 2024.

Climate change and net zero

Our approach to climate change aims to reduce emissions from our business and value chain, to manage the business risk, and to prepare for the impacts of climate change on our business, supply chain and customers. We take a science-based approach and aim to continually review and improve performance.

Our Net Zero Transition Plan commits us to reduce our climate footprint ahead of the UK's 2050 target. The two key commitments in our strategy are:

- Net zero aligned in our operations by 2035 (scope 1 and 2)
- Net zero emissions across our value chain by 2045 (scope 1, 2 and 3) (comprising at least a 90% absolute reduction and neutralising residual emissions)

Our target was developed with the Carbon Trust in line with the requirements of the SBTi Corporate Net Zero Standard. Our net zero target for 2045 has been validated by the SBTi confirming that it is aligned with the SBTi's 1.5°C mitigation pathways for reaching net zero by 2050 or sooner. This is currently the most ambitious designation available through the SBTi process. Our near term targets have also been validated by the SBTi. We have achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, and were one of the first organisations to gain this new standard.

Our Net Zero Transition Plan comprises a four-stage roadmap detailing the actions we will take to achieve our overall

Our Net Zero Transition Plan comprises a four-stage roadmap detailing the actions we will take to achieve our overall commitment and supporting targets, incorporating both new and existing workstreams such as the construction of low and zero carbon ready homes, increasing the use of construction materials with lower embodied carbon including timber frame, transitioning to 100% renewable electricity, reducing or replacing fossil fuels and decarbonising our fleet.

In 2024, we reduced absolute operational emissions (scope 1 and 2) by 47% against our 2019 baseline, with operational emissions intensity falling by 21% over the same period. This reflects fewer completions in 2024 compared to 2019 as well as the impact of carbon reduction measures such as our sourcing of renewable electricity and a reduction in the use of diesel due to roll out of hybrid generators and use of hydrotreated vegetable oil.

A carbon reduction measure is part of the incentive schemes for our senior and regional leadership to help drive further progress.

We report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our Annual Report and Accounts. We also publish a Sustainability Summary and Data document with additional data including the Sustainability Accounting Standards Board (SASB) recommended disclosures for our sector. For a number of years we have received limited assurance over our carbon and energy data from The Carbon Trust.

Nature and resource efficiency

Our Environment Strategy targets include biodiversity net gain requirements and go beyond regulation to deliver priority wildlife enhancements and wildlife friendly planting. Since 2021, we have installed over 5,500 wildlife enhancements such as bee bricks, bug hotels, bird boxes and bat boxes to support native species, and 326 sites included hedgehog highways.

Our Towards Zero Waste Strategy and action plan sets out a three year programme of action and capacity building in relation to resource use and waste across all stages of development. We are working with our suppliers to reduce waste from packaging, increase recycling and identify opportunities to increase use of sustainable and recycled materials.

Preparing for regulatory changes and opportunities in green building

Over the next five years there will be significant changes to new build homes in the UK reflecting the UK's climate change targets. Our target is to reduce emissions from customer homes in use by 75% by 2030, and we are testing a range of technologies and enhanced fabric standards to achieve this.

Following the phasing in of the new Parts L, F & O of the Building Regulations in England from June 2022, Parts L & F from November 2022 for Wales and Section 6 in Scotland from February 2023, our homes have enhanced fabric standards with additional features that include wastewater heat recovery systems, triple glazing and PV panels. Homes built to this specification will achieve a 31% reduction in carbon emissions compared with our previous specification.

We expect an update from the Government following the consultation on Future Homes Standard (FHS) regulation later in the year. We have been preparing for this regulation which will see our homes become all electric and zero carbon ready and successfully completed our first trial of zero carbon ready homes in 2023.

The Building Safety Act in England has introduced enhanced building safety and compliance measures for the design, construction and management of buildings. We are well prepared due to our existing procedures and the quality of our site management teams, which can be evidenced in our high Construction Quality Review (CQR) scores.

The Building Safety Levy was first announced by the previous Government, which conducted two consultations (from July 2021 to October 2021 and November 2022 to February 2023). So far the Government has stated that the Levy will be charged on all new residential buildings in England (subject to exemptions) which require building control approval, and applications for building control after the date the regulations come into force will be liable for the levy charge. The Levy aims to raise around £3.4 billion over at least ten years and the Government intends that the Levy will come into effect in Autumn 2025. While we are awaiting further detail and the implementation date, we are proactively mitigating and managing risk, in so far as is possible, in our landbank and strategic pipeline and in our approach to ongoing and future land buying.

Group financial review

Income statement

Group revenue was £3,401.2 million in 2024 (2023: £3,514.5 million), with Group completions, excluding joint ventures, being 2.7% lower at 10,476 (2023: 10,766). The UK average selling price on private completions decreased by 3.8% to £356k (2023: £370k), due to both underlying price deflation and mix. Partially offsetting this, the UK average selling price on affordable housing increased to £186k (2023: £168k), with a slightly lower proportion of affordable housing in 2024 (22%) than the prior year (2023: 23%). This resulted in the total UK average selling price being 1.5% lower at £319k (2023: £324k).

Group gross profit decreased to £648.7 million (2023: £716.5 million), with build cost inflation and house price deflation partially offset by a higher profit generated from land sales in the period, resulting in a gross margin of 19.1% (2023: 20.4%).

Net operating expenses were £314.8 million (2023: £248.7 million), which includes £68.9 million of exceptional costs relating to the cladding fire safety provision as described in the previous section and £13.6 million loss on disposal of the Winstanley and York Road joint venture, arising from the difference between proceeds on disposal and the Group's net investment in the joint venture, with no such amounts in the prior year.

Excluding exceptional costs, the net operating expenses were £232.3 million (2023: £248.7 million), which was predominantly made up of administrative costs of £242.0 million (2023: £232.7 million) that increased due to cost inflation and investment in our timber frame facility and IT infrastructure. This resulted in a profit on ordinary activities before financing of £333.9 million (2023: £467.8 million), £416.4 million (2023: £467.8 million) excluding exceptional items.

Completions from joint ventures in the year were 117 (2023: 82). The Group's share of joint ventures' results in the year, excluding exceptional items, was a £0.2 million loss (2023: £2.4 million profit). The loss arose from operating costs of the Winstanley and York Road joint venture now disposed of and on joint ventures that are between phases of developments. One of the Group's joint ventures has recognised an exceptional expense for building remediation works on buildings it constructed. The Group had previously provided for its share of the costs in its central provision held for cladding fire safety, which has been released in the year as noted above. Including exceptional items the Group's share of joint ventures' results, after tax, was a £15.9 million loss (2023: £2.4 million profit).

When including the share of joint ventures' results in the profit on ordinary activities before financing and exceptional items, the resulting operating profit was £416.2 million (2023: £470.2 million), delivering an operating profit margin of 12.2% (2023: 13.4%). The total order book value of joint ventures as at 31 December 2024 increased to £28 million (31 December 2023: £6 million), representing 104 homes (31 December 2023: nine).

The net finance income of £2.3 million (2023: £3.6 million) reflects that interest earned on deposits continued to more than offset the imputed interest on land acquired on deferred terms, bank interest and interest on the pension scheme.

Profit on ordinary activities before tax decreased to £320.3 million (2023: £473.8 million). The total tax charge for the period was £100.7 million (2023: £124.8 million), a rate of 31.4% (2023: 26.3%); the current year includes a credit of £20.2 million in respect of the exceptional charge recognised. The pre-exceptional tax charge was £120.9 million (2023: £124.8 million), representing an underlying tax rate of 28.9% (2023: 26.3%).

As a result, profit for the year was £219.6 million (2023: £349.0 million).

Basic earnings per share was 6.2 pence (2023: 9.9 pence). The adjusted basic earnings per share was 8.4 pence (2023: 9.9 pence).

Spain

Our Spanish business primarily sells second homes to European and other international customers, with a small proportion of sales being primary homes for Spanish occupiers. The business completed 504 homes (2023: 410) with the average selling price increasing to €440k (2023: €400k), due to regional mix, and to a lesser extent mix of house types sold. The total order book as at 31 December 2024 was consistent at 491 homes (31 December 2023: 490 homes).

Gross margin was 28.2% (2023: 28.1%), this flowed through to an operating profit of £47.4 million (2023: £35.3 million) and an operating profit margin of 25.4% (2023: 24.7%).

The total plots in the landbank stood at 3,214 (31 December 2023: 2,755), with net operating assets** of £89.5 million (31 December 2023: £94.0 million).

Balance sheet

Net assets at 31 December 2024 decreased to £4,405.2 million (31 December 2023: £4,523.4 million), with net operating assets decreasing marginally by £6.7 million (0.2)%, to £3,817.0 million (31 December 2023: £3,823.7 million). Return on net operating assets** decreased to 10.9% (31 December 2023: 12.6%) due primarily to the reduction in Group operating profit. Group net operating asset turn†* was 0.89 times (31 December 2023: 0.94), reflecting both the decreased revenue and slightly higher average net operating assets.

Land

Land as at 31 December 2024 increased by £118.0 million in the period to £3,387.5 million due to being active and opportunistic in reviewing land opportunities, resulting in land creditors increasing to £627.9 million (31 December 2023: £516.1 million). Included within the gross land creditor balance is £39.9 million of UK land overage commitments (31 December 2023: £44.9 million). £355.9 million of the land creditors is expected to be paid within 12 months and £272.0 million thereafter (31 December 2023: £301.2 million and £214.9 million).

As at 31 December 2024, the UK short term landbank comprised 78,626 plots (31 December 2023: 80,323), with a net book value of £2.9 billion (31 December 2023: £2.8 billion). Short term owned land had a net book value of £2.9 billion (31 December 2023: £2.7 billion), representing 65,521 plots (31 December 2023: 61,190). The controlled short term landbank represented 13,105 plots (31 December 2023: 19,133).

The value of strategic owned land decreased to £180 million (31 December 2023: £242 million), representing 31,764 plots (31 December 2023: 34,319), with a further total controlled strategic pipeline of 104,375 plots (31 December 2023: 107,676). Total potential revenue in the owned and controlled landbank was £60 billion (31 December 2023: £61 billion).

Work in progress (WIP)

Total WIP investment, excluding part exchange and other, increased to £1,949.3 million (31 December 2023: £1,871.0 million), due to build cost inflation and preparing for volume growth in 2025 and beyond, including new site infrastructure. Average WIP per UK outlet also increased as a result to £8.9 million (31 December 2023: £7.6 million).

Provisions and deferred tax

Provisions increased to £306.7 million (31 December 2023: £286.7 million) due to the £88.0 million increase in the first half of the year in the cladding fire safety provision, which in the second half of the year was reduced by £19.1 million as a joint venture recognised a provision for those works directly. This net £68.9 million increase was partly offset by utilisation of that provision (£28.5 million) as works have been carried out, as well as utilisation in other provisions which largely relate to remedial works on a limited number of sites around the Group.

The net deferred tax asset of £20.6 million (31 December 2023: £23.4 million) relates to the pension deficit and UK and Spanish provisions that are tax deductible when the expenditure is incurred.

Pensions

During 2023, the Group engaged with the Trustee of the Taylor Wimpey Pension Scheme (TWPS) on the triennial valuation of the Scheme with a reference date of 31 December 2022. The valuation was concluded in March 2024 and showed that the TWPS had a surplus of £55 million on its Technical Provisions funding basis and a funding level of 103%. As a result, no deficit contributions were required to be paid to the TWPS or to the escrow account established following the 2019 valuation. The escrow account will remain in place until 30 June 2028, at which point a funding test will be conducted and funds will either be paid to TWPS or returned to the Group.

In March 2024, the Group also reached agreement with the Trustee to restructure the Group's Pension Funding Partnership (PFP). The restructure retained the existing contributions payable until 2029 but replaced the payment of up to £100 million that may have been due in 2029, with seven annual payments of up to £12.5 million each from 2029 to 2035. These are only payable if the TWPS has a deficit on its Technical Provisions funding basis at the prior 31 December.

The Group continues to provide a contribution for Scheme expenses (£2.0 million per year) and also makes contributions via the PFP (£5.1 million per year). Total Scheme contributions and expenses in the period were £7.1 million (2023: £7.1 million) with no further amounts paid into the escrow account (2023: nil). At 31 December 2024, the IAS 19 valuation of the Scheme was a surplus of £90.2 million (31 December 2023: £76.7 million). Due to the

the IAS 19 valuation of the Scheme was a surplus of £90.2 million (31 December 2023: £76.7 million). Due to the rules of the TWPS, any surplus cannot be recovered by the Group and therefore a deficit has been recognised on the balance sheet under IFRIC 14. The deficit is equal to the present value of the remaining committed payments and any forecasted distributions from the PFP.

Retirement benefit obligations of £22.2 million at 31 December 2024 (31 December 2023: £26.5 million) comprise a defined benefit pension liability of £22.0 million (31 December 2023: £26.3 million) and a post-retirement healthcare liability of £0.2 million (31 December 2023: £0.2 million).

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks.

Net cash and financing position

Net cash decreased to £564.8 million at 31 December 2024 from £677.9 million at 31 December 2023, due primarily to the increased investment in WIP. Average net cash for the year was £494.5 million (31 December 2023: £606.6 million).

Despite the decrease in completions in the period, management of land and WIP spend has resulted in a cash conversion‡ of 74.9% of operating profit for the year ended 31 December 2024 (2023: 61.4%).

Net cash, combined with land creditors, resulted in an adjusted gearing‡‡ of 1.4% (31 December 2023: (3.6)%).

At 31 December 2024, our committed borrowing facilities were £683 million, of which the £600 million revolving credit facility was undrawn throughout the period. The weighted average maturity of the committed borrowing facilities at 31 December 2024 was 4.6 years (31 December 2023: 4.8 years). During the year an extension of one year to 2029 was agreed for the revolving credit facility. The revolving credit facility includes three sustainability-linked performance measures to be assessed and verified annually, which can have a minor impact on the margin. The three performance measures are: reductions in scope 1 and 2 GHG emissions; reductions in waste; and reductions in carbon emissions of the homes we build. These measures align with our environment strategy, Building a Better World.

Dividends

Subject to shareholder approval at the AGM scheduled for 30 April 2025, the 2024 final ordinary dividend of 4.66 pence per share will be paid on 9 May 2025 to shareholders on the register at the close of business on 28 March 2025 (2023 final dividend: 4.79 pence per share). In combination with the 2024 interim dividend of 4.80 pence per share this gives total ordinary dividends for the year of 9.46 pence per share (2023 ordinary dividend: 9.58 pence per share).

The dividend will be paid as a cash dividend, and shareholders have the option to reinvest all of their dividend under the Dividend Re-Investment Plan (DRIP), details of which are available on our website: www.taylorwimpey.co.uk/corporate.

Going concern

The Directors remain of the view that the Group's financing arrangements and balance sheet strength provide both the necessary liquidity and covenant headroom to enable the Group to conduct its business for at least the next 12 months from the date of signature of the 2024 financial statements. Accordingly, the financial statements are prepared on a going concern basis, see Note 1 of the Condensed Consolidated Financial Statements for further details of the assessment performed.

Viability disclosure

In accordance with the 2018 UK Corporate Governance Code, the Directors and the senior management team have assessed the prospects and financial viability of the Group for a period longer than the 12 months required for the purpose of the 'going concern' assessment.

Time period

The Directors have assessed the viability of the Group over a five-year period, taking account of the Group's current financial position, current market circumstances and the potential impact of the Principal and emerging risks facing the Group. The Directors have determined this as an appropriate period over which to assess the viability based on the following:

- It is aligned with the Group's bottom-up five-year budgeting and forecasting cycle
- Five years represents a reasonable estimate of the typical time between purchasing land, its progression through the planning cycle, building out the development and selling homes to customers from it

Five years is also a reasonable period for consideration given the following broader external trends:

- The cyclical nature of the market in which the Group operates, which tends to follow the economic cycle
- Consideration of the impact of government policy, planning regulations and the mortgage market
- Long term supply of land, which is supported by our strategic land pipeline
- Changes in technology and customer expectations

Assessment of prospects

We consider the long term prospects of the Group in light of our business model. Our strategy to deliver sustainable value is achieved through delivering high-quality homes for our customers, in the locations where people want to live, whilst carefully managing our cost base and the Group's balance sheet.

In assessing the Group's prospects and long term viability, due consideration is given to:

- The Group's current performance and the Group's financing arrangements
- The wider economic environment and mortgage market, as well as changes to government policies and regulations, including those influenced by sustainability, climate change and the environment, that could impact the Group's business model
- Strategy and business model flexibility, including customer dynamics and approach to land investment
- Principal Risks associated with the Group's strategy and business model, including those which have the most impact on our ability to remain in operation and meet our liabilities as they fall due

Principal Risks

Principal Risks

The Principal Risks, to which the Group is subject, have undergone a comprehensive review by the GMT and Board in the current year. Consideration is given to the risk likelihood based on the probability of occurrence and potential impact on our business, together with the effectiveness of mitigations.

The Directors identified the Principal Risks that have the most impact on the longer term prospects and viability of the Group, and as such these have been used in the modelling of a severe but plausible downside scenario, as:

- Government policies, regulations and planning (A)
- Mortgage availability and housing demand (B)
- Availability and costs of materials and subcontractors (C)
- Quality and reputation (F)
- IT environment and security (I)

A range of sensitivity analyses for these risks together with likely mitigating actions that would be adopted in response to these circumstances were modelled, including a severe but plausible downside scenario in which the impacts were aggregated together.

The impact from 'Natural resources and climate change' (H) is not deemed to be material within the five-year forecast period, as costs associated with the regulatory changes have been included in the modelling.

Assessment of viability

The Group adopts a disciplined annual business planning process involving the management teams of the UK regional businesses and Spain, and the Group's senior management, and is built on a bottom-up basis. This planning process covers a five-year period comprising a detailed budget for the next financial year, together with a forecast for the following four financial years ('forecast').

The financial planning process considers the Group's profitability and Income Statement, Balance Sheet including landbank, gearing and debt covenants, cash flows and other key financial metrics over the forecast period. These financial forecasts are based on a number of key assumptions, the most important of which include:

- Timing and volume of legal completions of new homes sold, which includes annual production volumes and sales rates over the life of the individual developments
- Average selling prices achieved
- Build costs and cost of land acquisitions
- Working capital requirements
- Capital repayment plan, where we have assumed the payment of the ordinary dividend in line with the current policy, which is a minimum of £250 million or 7.5% of the Group's net assets per annum, throughout the period

Stress testing our risk resilience

The assessment considers sensitivity analysis on a series of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these we have included macroeconomic and industry-wide projections as well as matters specific to the Group.

The severe but plausible downside scenario reflects the aggregated impact of sensitivities, taking account of a further decline in customer confidence, disposable incomes and mortgage availability. To arrive at our stress test we have drawn on experience gained from managing the business through previous economic downturns.

We have applied the market dynamics encountered at those times, as well as the mitigations adopted, to our 2025 expectations in order to test the resilience of our business. As a result, we have stress tested our business against the following severe but plausible downside scenario, which can be attributed back to the Group's Principal Risks that have been identified as having the most impact on the longer term prospects and viability of the Group.

Volume (Principal Risk: A, B, C, F) - a further decline in total volumes of 10% in 2025 from 2024 levels, before recovering back to 2024 levels by 2027.

Price (Principal Risk: B) - a reduction to current selling prices of 5%, remaining at these levels across 2025 and 2026 before recovering to current levels by 2027.

One-off costs (Principal Risk: A, F, I) - a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in government regulations or financial penalty has been included in 2025.

Within the scenario, current build costs are forecast to increase by 2% in 2025 but further cost increases will be minimised due to lower volumes reducing demand for materials and resources. Land cost also remains broadly flat, as the possible increase in availability due to lower volumes is offset by a restriction in supply.

The mitigating actions considered in the model include a continued reduction in land investment, a reduction in the level of production and work in progress held and further reducing our overhead base to reflect the lower volumes.

If this scenario were to occur, the Directors also have a range of additional options to maintain financial strength, including a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend and/or raising debt.

At 31 December 2024, the Group had a cash balance of £647 million and access to £600 million from a fully undrawn revolving credit facility, together totalling £1,247 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Confirmation of viability

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Definitions

* Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures.

*† Operating profit margin is defined as operating profit divided by revenue.

** Return on net operating assets (RONOA) is defined as rolling 12 months' operating profit divided by the average of the opening and closing net operating assets of the 12-month period, which is defined as net assets less net cash, excluding net taxation balances and accrued dividends.

† Tangible net assets per share is defined as net assets before any accrued dividends, excluding intangible assets, divided by the number of ordinary shares in issue at the end of the period.

†† Adjusted basic earnings per share represents earnings attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.

†* Net operating asset turn is defined as 12 months' rolling total revenue divided by the average of opening and closing net operating assets of the 12-month period.

†*** The Annual Injury Incidence Rate (AIIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12-month basis, where the number of employees and contractors is calculated using a monthly average over the same period.

‡ Net cash is defined as total cash less total borrowings.

‡‡ Cash conversion is defined as operating cash flow divided by operating profit on a rolling 12-month basis, with operating cash flow defined as cash generated from operations (which is before income taxes paid, interest paid and payments related to exceptional charges).

‡‡‡ Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.

The Group uses Alternative Performance Measures (APMs) as important financial performance indicators to assess underlying performance of the Group. The Group's two main financial targets are operating profit margin and return on net operating assets. Definitions and reconciliations to the equivalent statutory measures are included in Note 13 of the Condensed Consolidated Financial Statements.

Shareholder information

The Company's 2025 Annual General Meeting (AGM) will be held at 10:30am on 30 April 2025 in the Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE.

Copies of the Annual Report and Accounts 2024 will be available from 25 March 2025 on the Company's website www.taylorwimpey.co.uk/corporate. Hard copy documents will be posted to shareholders who have elected to receive them and will also be available from our registered office at Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR from 27 March 2025.

A copy of the Annual Report and Accounts 2024 will be submitted to the National Storage Mechanism and will be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism

Directors' responsibilities

The responsibility statement below has been prepared in connection with the full Annual Report and Accounts for the year ended 31 December 2024. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge that:

- 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; 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.

This responsibility statement was approved by the Board of Directors on 26 February 2025 and is signed on its behalf by:

Robert Noel, Chair

Jennie Daly, Chief Executive

Principal Risks and uncertainties

The Board has overall responsibility for risk oversight, for maintaining a robust risk management and internal control system and for determining the Group's appetite and tolerance for exposure to the Principal Risks to the achievement of its strategy. Our Annual Report and Accounts 2024 details the full governance procedures and processes for identification and subsequent monitoring of the risks undertaken by the Group.

The Audit Committee supports the Board in the management of risk and is responsible for reviewing the effectiveness of the risk management and internal control processes during the year.

The Chief Executive is primarily responsible for the management of the risks with the support of the GMT and other senior managers located in the business. In line with the 2018 UK Corporate Governance Code, the Board holds formal risk reviews at least half yearly and routinely considers risk at each Board meeting as appropriate. The formal assessment includes a robust consideration of the Principal Risks, to ensure they remain appropriate, a review of the key risks identified by the business, their risk profiles and mitigating factors, and an annual review of the established risk appetite and tolerance levels. During the year, one of our Principal Risks ('Mortgage availability and housing demand') saw an increase in its inherent and residual profiles, primarily due to a new key risk being identified around availability of funding for affordable housing, impacting demand. In addition, the previously named 'Cyber security' Principal Risk has been renamed 'IT environment and security', although there is no change to the coverage of the risk. Our Principal Risks are described in more detail in the tables below.

The Board also considers emerging risks which could impact on the Group's ability to deliver its strategy. The emerging risks are those where the extent and implications are not yet fully understood but consideration has been given to the potential timeframe of occurrence and velocity of impact that these could have on the Group. As part of our risk management process, these are monitored and reviewed on an ongoing basis and discussed and agreed by the Board.

Our emerging risks are grouped into the categories listed in the table below, which also contains some narrative description against each category indicating example focus areas into which the identified emerging risks fall.

Category	Example focus area
Environmental/climate	Unpredictable weather patterns

Operational/build	Adaption of building methodologies
Political/economic	Geopolitical uncertainty
Social	Customer demographics and preferences
Governmental	Changing Government policies

The Group considers other specific risk areas recognising the increasing complexity of the industry in which it operates and which are in addition to its identified Principal Risks. We continue to monitor and mitigate the impacts on our supply chain and labour force and the overall economic market impacting mortgage availability and demand.

Our Sustainability and Climate Change Risk and Opportunity Register highlights the material risks and opportunities facing the Group in relation to sustainability and climate change. In addition, our climate change-related risks and opportunities are available as part of our 2024 CDP submission. More information is available at www.taylorwimpey.co.uk/corporate.

The Principal Risks, their mitigations and risk indicators are detailed below:

Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunities**
A. Government policies, regulations and planning The industry in which we operate is becoming increasingly regulated. Failure to adhere to government regulations could impact our operational performance and our ability to meet our strategic objectives. Changes to the planning system or planning delays could result in missed opportunities to optimise our landbank, affecting profitability and production delivery. Accountability Group Technical Director Director of Planning Regional Managing Directors	Moderate	Low	**Example risk indicators** New government regulations (e.g. around planning and climate) - Delays in planning - Sentiment towards the industry (e.g. cladding fire safety remediation) **Key mitigations** - Research conducted to update technical specification of our new house type range, in preparation for the Future Homes Standard (FHS), including a trial of five FHS-compliant plots - Consultation with government agencies - Cladding fire safety remediation and signing of the Government's Building Safety Pledge for Developers - Engagement with national and local government - Working with HBF and other stakeholders - Member of Future Homes Hub **Opportunities** To build enhanced collaborative networks with stakeholders and peers, to monitor the implications of regulatory change. Lead the business in addressing pressing environmental issues, including reducing our carbon footprint and targeting biodiversity.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
B. Mortgage availability and housing demand A decline in the economic environment, driven by sustained growth in interest rates, increased cost of living, low wage inflation or increasing levels of unemployment, could result in tightened mortgage availability and challenge mortgage affordability for our customers, resulting in a direct impact on our volume targets. Accountability UK Sales and Marketing Director Regional Sales and Marketing Directors	Moderate	Low	**Example risk indicators** - Interest rate increases - Levels of unemployment - Volume of enquiries/people visiting our developments - UK household spending/levels of disposable income - Loan to value metrics - Number and value of bids from affordable housing providers **Key mitigations** - Increase outlets to provide greater customer choice and flexibility to respond quickly to changing market conditions - Review of pricing and incentives offered

Description	Residual risk rating	Risk appetite	Example risk indicators, mitigations and opportunity
			- Monitor external market data (e.g. HBF and mortgage lenders) - Strong relationships with mainstream lenders - Work with financial services industry to ensure customers receive appropriate advice on mortgage products **Opportunities** To continue to develop strong working relationships with established mainstream lenders and those wishing to increase volume in the new build market.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
C. Availability and costs of materials and subcontractors Increase in housing demand and production or a breakdown within the supply chain may further strain the availability of skilled subcontractors and materials and put pressure on utility firms to keep up with the pace of installation, resulting in increased costs and construction delays. Accountability Supply Chain Director Procurement Director Group Commercial Director	Moderate	Low-moderate	**Example risk indicators** - Material and trade shortages - Material and trade price increases - Level of build quality and waste produced from sites - Longer build times - Number of skilled trades **Key mitigations** - Central procurement and key supplier agreements - Supplier and subcontractor relationships - Disaster recovery and business continuity plans with all key suppliers - Buffer stock with key suppliers - Contingency plans for critical path products - Direct trade and apprenticeship programmes - Key commodity risk assessment matrix - Regular checks on all key suppliers - Monitoring of the supply chain **Opportunities** To develop and implement different build methods as alternatives to conventional brick and block.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
D. Attract and retain high-calibre employees An inability to attract, develop, motivate and retain high-calibre employees, together with a failure to consider the retention and succession of key management, could result in a failure to deliver our strategic objectives, a loss of corporate knowledge and a loss of competitive advantage. Accountability Group HR Director Every employee managing people	Low	Moderate	**Example risk indicators** - Employee engagement score - Number of, and time to fill, vacancies - Employee turnover levels **Key mitigations** - Production Academy and Production Manager succession development programme - Schools outreach strategy - Collaboration with major organisations on sector skills plan - Graduate and apprenticeship programmes - Management training - Enhanced remote working procedures - Educational masterclasses - Salary benchmarking **Opportunities** To further develop in-house capability, expertise and knowledge.

Description	Residual risk rating	Risk appetite	Example risk indicators, mitigations and opportunity
E. Land availability An inability to secure land at an appropriate cost, the purchase of land of poor quality or in the wrong location, or the incorrect timing of land purchases in relation to the economic cycle could impact future profitability. Accountability Divisional Chairs Regional Managing Directors Regional Land and Planning Directors Managing Director Group Strategic Land Group Land Director	Low	Moderate	**Example risk indicators** - Movement in landbank years - Number of land approvals - Timing of conversions from strategically sourced land **Key mitigations** - Critically assess opportunities - Land quality framework - Engagement with national and local government - Review of land portfolio - Obtaining specialist environmental and legal advice **Opportunities** A strong balance sheet allows us to invest when land market conditions are attractive.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
F. Quality and reputation The quality of our products is key to our strategic objective of being a customer-focused business and in ensuring that we do things right first time. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased costs. Accountability Customer Director UK Head of Production Director of Design	Moderate	Low	**Example risk indicators** - Customer satisfaction scores (8-week and 9-month) - Number of NHBC claims - Construction Quality Review (CQR) scores - Average reportable items per inspection found during NHBC inspections at key stages of the build **Key mitigations** - Customer-ready Home Quality Inspection - Consistent Quality Approach - Quality Managers in the business - Customer-driven strategy - Enhanced data analytics - Ombudsman readiness **Opportunities** To better understand the needs of our customers, enabling increased transparency of our build profile. To lead the industry in quality standards (our CQR score) and reduce the number of reportable items identified through monitoring defects at every stage of build.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
G. Health, safety and environment The health and safety of all our employees, subcontractors, visitors and customers is of paramount importance. Failure to implement and monitor our stringent health, safety and environment (HSE) procedures and policies across all parts of the business could lead to accidents or site-related incidents, resulting in serious injury or loss of life. Accountability Head of Health, Safety and Environment Regional Managing Directors	Low	Low	**Example risk indicators** - Increase in near misses and fatalities - Health and safety audit outcomes - Number of reportable health and safety incidents **Key mitigations** - Embedded HSE system - HSE training and inductions - Mental health training and support for all employees - Robust monitoring and reporting procedures - Utilisation of certified operatives - Identification, review and evaluation of the impact of new construction methods and

			impact of new construction methods and materials **Opportunities** To lead the industry in health and safety and to reduce the amount and level of incidents.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
H. Natural resources and climate change An inability to reduce our environmental footprint, the challenges of a degraded environment including the impacts of climate change, nature loss and water scarcity on our business, supply chain scarcity due to environmental change and the increasing desire of our customers to live more sustainably could impact our reputation, ability to attract investment and obtain planning permission and the delivery of our strategic targets. Accountability Director of Sustainability Regional Managing Directors	Moderate	Low	**Example risk indicators** - Energy use and greenhouse gas emissions - Biodiversity net gain % - Construction waste generation and waste to landfill **Key mitigations** - Net Zero Transition Plan - Published Environment Strategy - Adopted and verified science-based targets - Climate change governance, including LEAF Committee and sustainability champions - Achievement of Carbon Trust Standard - HBF and investor liaison - Training and development in house and in our supply chain - External benchmarking - Collection and interpretation of data to drive relevant actions **Opportunities** Sustainable homes and developments attractive to customers. A sustainable business of choice for investors. Advantageous planning positions.
Description	**Residual risk rating**	**Risk appetite**	**Example risk indicators, mitigations and opportunity**
I. IT environment and security The Group places increasing reliance on IT to conduct its operations and the requirement to maintain the accuracy and confidentiality of its information systems and the data contained therein. A cyber-attack leading to the corruption, loss or theft of data could result in reputational and operational damage. Accountability IT Director	Moderate	Low-moderate	**Example risk indicators** - Number of devices with critical and high open vulnerabilities - Number of devices without latest patching in place - Phishing test results - Cyber training completion statistics - Number of users with administrative privileges to critical systems **Key mitigations** - Complex passwords policy and multi-factor authentication for remote access - Regular security patching and penetration testing - Risky logins check - Intrusion detection and prevention systems - Suspected phishing emails process - Mandated cyber training for all staff - Cyber insurance - Dedicated Head of Cyber Security - Cyber security KPIs - Enhanced end-point protection software implemented across the IT estate - Blocked traffic originating from countries deemed a threat to the UK

			Opportunities Together with our service partners, provide a level of security to reinforce our reputation as a trusted partner.

Cautionary note concerning forward looking statements

This report contains certain forward-looking statements. These statements are made by the Directors and include statements regarding their current intentions, beliefs and expectations, based on the information available to them up to the time of their approval of this report and unless otherwise required by applicable law, the Company and its Directors undertake no obligation to update or revise these forward looking statements, nor do they accept any liability should the future results actually achieved fail to correspond to the forward-looking statements included in this report.

By their nature these forward-looking statements involve uncertainty (including both economic and business risk factors) and are subject to a number of risks since future events and circumstances can cause actual results and developments to differ materially to those anticipated. As such, these forward-looking statements should be treated with caution.

Nothing in this report should be construed as a profit forecast and does not constitute or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Taylor Wimpey plc or any other invitation or inducement to engage in investment activities and does not constitute a recommendation to sell or buy any such securities.

Consolidated Income Statement

for the year to 31 December 2024

£ million	Note	**Before exceptional items 2024**	**Exceptional items 2024**	**Total 2024**	Before exceptional items 2023	Exceptional items 2023	Total 2023
Continuing operations							
Revenue	2	**3,401.2**	**-**	**3,401.2**	3,514.5	-	3,514.5
Cost of sales		**(2,752.5)**	**-**	**(2,752.5)**	(2,798.0)	-	(2,798.0)
Gross profit		**648.7**	**-**	**648.7**	716.5	-	716.5
Net operating expenses	4	**(232.3)**	**(82.5)**	**(314.8)**	(248.7)	-	(248.7)
Profit on ordinary activities before financing		**416.4**	**(82.5)**	**333.9**	467.8	-	467.8
Finance income	5	**29.7**	**-**	**29.7**	29.5	-	29.5
Finance costs	5	**(27.4)**	**-**	**(27.4)**	(25.9)	-	(25.9)
Share of results of joint ventures		**(0.2)**	**(15.7)**	**(15.9)**	2.4	-	2.4
Profit before taxation		**418.5**	**(98.2)**	**320.3**	473.8	-	473.8
Taxation (charge)/credit	6	**(120.9)**	**20.2**	**(100.7)**	(124.8)	-	(124.8)
Profit for the year		**297.6**	**(78.0)**	**219.6**	349.0	-	349.0

		2024	2023
Basic earnings per share	7	**6.2p**	9.9p
Diluted earnings per share	7	**6.2p**	9.9p
Adjusted basic earnings per share	7	**8.4p**	9.9p
Adjusted diluted earnings per share	7	**8.4p**	9.9p

All of the profit for the year is attributable to the equity holders of the Parent Company.

Consolidated Statement of Comprehensive Income

for the year to 31 December 2024

£ million	Note	**2024**	2023
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(8.8)**	(2.4)
Movement in fair value of hedging instruments		**3.9**	1.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	10	**1.4**	0.8
Tax charge on items taken directly to other comprehensive income	8	**(0.4)**	(0.2)
Other comprehensive expense for the year		**(3.9)**	(0.6)
Profit for the year		**219.6**	349.0
Total comprehensive income for the year		**215.7**	348.4

All of the comprehensive income for the year is attributable to the equity holders of the Parent Company.

Consolidated Balance Sheet

at 31 December 2024

£ million	Note	**2024**	2023
Non-current assets			

Intangible assets		**1.5**	2.6
Property, plant and equipment		**21.9**	22.0
Right-of-use assets		**35.9**	37.8
Interests in joint ventures		**26.9**	70.5
Trade and other receivables		**14.9**	28.1
Other financial assets	10	**10.8**	10.3
Deferred tax assets	8	**20.6**	23.4
		132.5	194.7
Current assets			
Inventories	9	**5,376.6**	5,169.6
Trade and other receivables		**130.4**	124.4
Tax receivables		**4.4**	-
Cash and cash equivalents		**647.4**	764.9
		6,158.8	6,058.9
Total assets		**6,291.3**	6,253.6
Current liabilities			
Trade and other payables		**(1,083.9)**	(992.8)
Lease liabilities		**(10.4)**	(8.8)
Tax payables		**(1.6)**	(1.6)
Provisions		**(161.7)**	(124.9)
		(1,257.6)	(1,128.1)
Net current assets		**4,901.2**	4,930.8
Non-current liabilities			
Trade and other payables		**(350.7)**	(295.8)
Lease liabilities		**(28.0)**	(31.0)
Bank and other loans		**(82.6)**	(87.0)
Retirement benefit obligations	10	**(22.2)**	(26.5)
Provisions		**(145.0)**	(161.8)
		(628.5)	(602.1)
Total liabilities		**(1,886.1)**	(1,730.2)
Net assets		**4,405.2**	4,523.4
Equity			
Share capital		**291.3**	291.3
Share premium		**777.9**	777.9
Own shares		**(27.6)**	(29.7)
Other reserves		**539.5**	544.4
Retained earnings		**2,824.1**	2,939.5
Total equity		**4,405.2**	4,523.4

Consolidated Statement of Changes in Equity

for the year to 31 December 2024

£ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Total equity at 1 January 2023		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1
Other comprehensive (expense)/income for the year		-	-	-	(1.2)	0.6	(0.6)
Profit for the year		-	-	-	-	349.0	349.0
Total comprehensive (expense)/income for the year		-	-	-	(1.2)	349.6	348.4
Utilisation of own shares		-	-	13.4	-	-	13.4
Cash cost of satisfying share options		-	-	-	-	(12.6)	(12.6)
Share-based payment credit		-	-	-	-	8.9	8.9
Tax credit on items taken directly to statement of changes in equity	8	-	-	-	-	1.1	1.1
Dividends approved and paid	12	-	-	-	-	(337.9)	(337.9)
Total equity at 31 December 2023		291.3	777.9	(29.7)	544.4	2,939.5	4,523.4
Other comprehensive (expense)/income for the year		**-**	**-**	**-**	**(4.9)**	**1.0**	**(3.9)**
Profit for the year		**-**	**-**	**-**	**-**	**219.6**	**219.6**
Total comprehensive (expense)/income for the year		**-**	**-**	**-**	**(4.9)**	**220.6**	**215.7**
Own shares acquired		**-**	**-**	**(4.0)**	**-**	**-**	**(4.0)**
Utilisation of own shares		**-**	**-**	**6.1**	**-**	**-**	**6.1**
Cash cost of satisfying share options		**-**	**-**	**-**	**-**	**(5.4)**	**(5.4)**
Share-based payment credit		**-**	**-**	**-**	**-**	**9.2**	**9.2**
Tax charge on items taken directly to statement of changes in equity	8	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**
Dividends approved and paid	12	**-**	**-**	**-**	**-**	**(339.4)**	**(339.4)**
Total equity at 31 December 2024		**291.3**	**777.9**	**(27.6)**	**539.5**	**2,824.1**	**4,405.2**

Consolidated Cash Flow Statement

for the year to 31 December 2024

£ million	Note	**2024**	2023
Profit on ordinary activities before financing		**333.9**	467.8
Adjustments for:			

Depreciation and amortisation		**14.3**	12.7
Pension contributions in excess of charge to the income statement		**(4.0)**	(3.8)
Share-based payment charge		**9.2**	8.9
Loss on disposal of assets		**14.5**	0.3
Increase in provisions excluding exceptional payments		**53.9**	17.3
Operating cash flows before movements in working capital		**421.8**	503.2
Increase in inventories		**(86.8)**	(148.7)
Decrease in receivables		**3.8**	40.2
Decrease in payables		**(27.1)**	(105.8)
Cash generated from operations		**311.7**	288.9
Payments related to exceptional charges		**(34.1)**	(20.8)
Income taxes paid		**(102.5)**	(126.5)
Interest paid		**(10.2)**	(12.0)
Net cash generated from operating activities		**164.9**	129.6
Investing activities:			
Interest received		**28.1**	26.4
Dividends received from joint ventures		**-**	11.7
Proceeds on disposal of property, plant and equipment		**0.1**	-
Purchase of property, plant and equipment		**(3.4)**	(6.8)
Purchase of software		**-**	(0.1)
Proceeds on disposal of joint venture		**18.5**	-
Amounts received from/(invested in) joint ventures		**30.6**	(3.8)
Net cash generated from investing activities		**73.9**	27.4
Financing activities:			
Lease capital repayments		**(9.6)**	(7.9)
Cash received on exercise of share options		**0.7**	3.0
Purchase of own shares		**(4.0)**	-
Repayment of borrowings		**-**	(87.0)
Proceeds from borrowings		**-**	87.0
Dividends paid		**(339.4)**	(337.9)
Net cash used in financing activities		**(352.3)**	(342.8)
Net decrease in cash and cash equivalents		**(113.5)**	(185.8)
Cash and cash equivalents at beginning of year		**764.9**	952.3
Effect of foreign exchange rate changes		**(4.0)**	(1.6)
Cash and cash equivalents at end of year	11	**647.4**	764.9

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

These results do not constitute the Group's statutory accounts for the year ended 31 December 2024 but are derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The external auditors have reported on those accounts; its report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498 of the Companies Act 2006.

The consolidated financial statements are prepared in accordance with UK-adopted international accounting standards. The statutory accounts have been prepared based on the accounting policies and method of computations consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

Going concern

Group forecasts have been prepared that have considered the Group's current financial position and current market circumstances. The forecasts were subject to sensitivity analysis, including a severe but current market circumstances. The forecasts were subject to sensitivity analysis, including a severe but plausible scenario together with the likely effectiveness of mitigating actions.

The assessment considered sensitivity analysis based on a number of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these, the Group included macroeconomic and industry wide projections, as well as matters specific to the Group. To arrive at the sensitivity analysis, the Group has also drawn on experience gained managing the business through previous economic downturns and stress tested the business against a number of scenarios including:

- Volume - a further decline in total volumes of 10% in 2025 from 2024 levels, before recovering back to 2024 levels by 2027
- Price - a reduction to current selling prices of 5%, remaining at these levels across 2025 and 2026 before recovering to current levels by 2027
- Costs - a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in government regulations or financial penalty has been included in 2025

Mitigations to this sensitivity analysis include a reduction in land investment, a reduction in the level of production and work in progress held and optimising the overhead base to ensure it is aligned with the scale of the operations through the cycle. If this scenario were to occur, the Directors also have a range of additional options to maintain financial strength, including a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend and/or raising debt.

At 31 December 2024, the Group had a cash balance of £647 million and had access to £600 million from a fully undrawn revolving credit facility, together totalling £1,247 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Based on these forecasts, it is considered that there are sufficient resources available for the Group to conduct its business, and meet its liabilities as they fall due, for at least the next 12 months from the date of these consolidated financial statements. Consequently the consolidated financial statements have been prepared on a going concern basis.

Notes to the Condensed Consolidated Financial Statements (continued)

2. Revenue

An analysis of the Group's continuing revenue is as follows:

£ million	**2024**	2023
Private sales	**2,960.7**	3,103.5
Partnership housing	**404.1**	395.6
Land and other	**36.4**	15.4
	3,401.2	3,514.5

3. Operating segments

The Group operates in two countries, the United Kingdom and Spain.

The United Kingdom is split into five geographical operating segments, each managed by a Divisional Chair who sits on the Group Management Team; there are also central operations covering the corporate functions and Strategic Land. The Group aggregates the UK operations into a single reporting segment on the basis that they share similar economic characteristics. In addition, each Division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and local housing associations, follows a single UK sales process and operating framework, is subject to the same macro-economic factors including mortgage availability and has the same cost of capital arising from the utilisation of central banking and debt facilities. As a result, the disclosure reflects the two reportable segments of the UK and Spain. Revenue in Spain arises entirely on private sales.

	2024			2023		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total
Revenue						
External sales	**3,214.6**	**186.6**	**3,401.2**	3,371.7	142.8	3,514.5
Result						
Profit before joint ventures, finance income/(costs) and exceptional items	**369.0**	**47.4**	**416.4**	432.5	35.3	467.8
Share of results of joint ventures before exceptional items	**(0.2)**	**-**	**(0.2)**	2.4	-	2.4
Operating profit (Note 13)	**368.8**	**47.4**	**416.2**	434.9	35.3	470.2
Exceptional items (Note 4)	**(98.2)**	**-**	**(98.2)**	-	-	-
Profit before net finance income	**270.6**	**47.4**	**318.0**	434.9	35.3	470.2
Net finance income			**2.3**			3.6
Profit before taxation			**320.3**			473.8
Taxation charge			**(100.7)**			(124.8)
Profit for the year			**219.6**			349.0

	2024			2023		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total
Segment operating assets	**5,355.4**	**236.6**	**5,592.0**	5,153.2	241.6	5,394.8
Joint ventures	**26.9**	**-**	**26.9**	70.5	-	70.5
Segment operating liabilities	**(1,654.8)**	**(147.1)**	**(1,801.9)**	(1,494.0)	(147.6)	(1,641.6)
Net operating assets	**3,727.5**	**89.5**	**3,817.0**	3,729.7	94.0	3,823.7

Net operating assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net current taxation			**2.8**			(1.6)
Net deferred taxation			**20.6**			23.4
Net cash			**564.8**			677.9
Net assets			**4,405.2**			4,523.4

Notes to the Condensed Consolidated Financial Statements (continued)

3. Operating segments (continued)

	2024			2023		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total
Other information						
Property, plant and equipment additions	**3.3**	**0.1**	**3.4**	6.6	0.2	6.8
Right-of-use asset additions	**9.2**	**0.2**	**9.4**	20.7	0.4	21.1
Software additions	**-**	**-**	**-**	0.1	-	0.1
Property, plant and equipment depreciation	**(2.4)**	**(0.1)**	**(2.5)**	(1.7)	(0.1)	(1.8)
Right-of-use asset depreciation	**(10.4)**	**(0.3)**	**(10.7)**	(8.9)	(0.3)	(9.2)
Amortisation of intangible assets	**(1.1)**	**-**	**(1.1)**	(1.7)	-	(1.7)

4. Net operating expenses and profit on ordinary activities before financing

Profit on ordinary activities before financing for continuing operations has been arrived at after charging/(crediting):

£ million	**2024**	2023
Administration expenses	**242.0**	232.7
Other expenses	**101.4**	101.7
Other income	**(111.1)**	(85.7)
Exceptional items	**82.5**	-
Net operating expenses	**314.8**	248.7

The majority of the other income and other expenses shown above relates to the income and associated costs arising on the sale of part exchange properties. Also included in other income and other expenses are profit/loss on the sale of property, plant and equipment, the revaluation of certain shared equity mortgage receivables and abortive land acquisition costs.

Exceptional items

£ million	**2024**	2023
Provision in relation to cladding fire safety	**68.9**	-
Loss on disposal of joint venture	**13.6**	-
	82.5	-
Share of results of joint ventures	**15.7**	-
Total exceptional items	**98.2**	-

Cladding fire safety

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments. The provision was increased subsequently to reflect guidance issued as well as the Group signing, in 2022, the Government's Building Safety Pledge for Developers which extended the period covered to all buildings constructed by the Group since 1992. The Group has reassessed the remediation costs based on tenders received in the current year; based on this updated information and enhanced cost appraisal, the expected costs have increased by £88.0 million, as reported in the Group's half year results. The increase is due to escalation of costs on recent tenders, a small number of new buildings being added and increased project delivery administration costs, including the funding of Building Safety Fund pre-tender costs. Given the detailed assessment performed based on this information becoming available, the estimation uncertainty has reduced.

In addition in the second half of the year, one of the Group's joint ventures has recognised a provision for remediation works on the buildings it built and as a result £19.1 million has been released from the provision held by the Group in relation to those buildings. The net impact is a £68.9 million exceptional expense recognised in 2024 in relation to cladding fire safety.

Loss on disposal of joint venture

During the year, the Group disposed of its interest in Winstanley and York Road Regeneration LLP and has recognised a £13.6 million loss arising from the difference between proceeds on disposal and the Group's net investment in the joint venture. This expense, being non-recurring, and outside of the normal operations of the Group, has been recognised as an exceptional item.

Notes to the Condensed Consolidated Financial Statements (continued)

4. Net operating expenses and profit on ordinary activities before financing (continued)

Share of results of joint ventures

As noted above a joint venture of the Group has recognised in the year a provision for remediation costs on buildings it built. The Group's share of that cost, net of tax, has been recognised as an exceptional item in line with the recognition of the Group's cladding fire safety provision.

Profit on ordinary activities before financing has been arrived at after charging:

£ million	**2024**	2023

Cost of inventories recognised as an expense in cost of sales	**2,635.0**	2,646.8
Property, plant and equipment depreciation	**2.5**	1.8
Right-of-use asset depreciation	**10.7**	9.2
Amortisation of intangible assets	**1.1**	1.7

5. Finance income and finance costs

£ million	**2024**	2023
Interest receivable	**29.7**	29.5
	29.7	29.5

£ million	**2024**	2023
Interest on bank and other loans	**(8.0)**	(8.3)
Foreign exchange loss	**(0.1)**	(0.5)
	(8.1)	(8.8)
Unwinding of discount on land creditors and other items	**(16.7)**	(14.8)
Interest on lease liabilities	**(1.5)**	(1.0)
Net interest on pension liability (Note 10)	**(1.1)**	(1.3)
	(27.4)	(25.9)

Notes to the Condensed Consolidated Financial Statements (continued)

6. Taxation charge

Tax (charged)/credited in the income statement is analysed as follows:

£ million		**2024**	2023
Current tax:			
UK:	Current year	**(91.9)**	(116.6)
	Adjustment in respect of prior years	**4.1**	1.8
Overseas:	Current year	**(11.2)**	(6.7)
	Adjustment in respect of prior years	**-**	0.1
		(99.0)	(121.4)
Deferred tax:			
UK:	Current year	**(3.8)**	(2.5)
	Adjustment in respect of prior years	**2.7**	(0.2)
Overseas:	Current year	**(0.6)**	(0.7)
	Adjustment in respect of prior years	**-**	-
		(1.7)	(3.4)
		(100.7)	(124.8)

Corporation tax is calculated at 29.0% (2023: 27.5%) of the estimated assessable profit for the year in the UK. This includes corporation tax at the rate of 25.0% (2023: 23.5%) for the year and residential property developer tax at the rate of 4.0% (2023: 4.0%) on profits arising from residential property development activities. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the year includes an exceptional credit of £20.2 million relating to the cladding fire safety provision and other exceptional items (2023: £nil).

The charge for the year can be reconciled to the profit per the income statement as follows:

£ million	**2024**	2023
Profit before tax	**320.3**	473.8
Tax at the UK corporation tax rate of 29.0% (2023: 27.5%)	**(92.9)**	(130.3)
Net over provision in respect of prior years	**6.8**	1.7
Net impact of items that are not taxable or deductible	**(13.7)**	0.1
(Derecognition)/recognition of deferred tax assets	**(2.8)**	1.0
Other rate impacting adjustments	**1.9**	2.7
Tax charge for the year	**(100.7)**	(124.8)

Notes to the Condensed Consolidated Financial Statements (continued)

7. Earnings per share

	2024	2023
Basic earnings per share	**6.2p**	9.9p
Diluted earnings per share	**6.2p**	9.9p
Adjusted basic earnings per share	**8.4p**	9.9p
Adjusted diluted earnings per share	**8.4p**	9.9p
Weighted average number of shares for basic earnings per share - million	**3,538.5**	3,530.4
Weighted average number of shares for diluted earnings per share - million	**3,551.9**	3,537.5

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and any associated net tax amounts, are presented to provide a measure of the underlying performance of the Group. A reconciliation of earnings attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below.

£ million	**2024**	2023

Earnings for basic and diluted earnings per share	**219.6**	349.0
Adjust for exceptional items (Note 4)	**98.2**	-
Adjust for tax on exceptional items (Note 6)	**(20.2)**	-
Earnings for adjusted basic and adjusted diluted earnings per share	**297.6**	349.0

8. Deferred tax

£ million	Share-based payments	Capital allowances	Temporary differences on overseas provisions	Retirement benefit obligations	Losses and other temporary differences	Total
At 1 January 2023	0.6	2.8	6.0	8.6	8.0	26.0
Credit/(charge) to income	0.2	(0.8)	(0.6)	(0.7)	(1.5)	(3.4)
Charge to other comprehensive income	-	-	-	(0.2)	-	(0.2)
Credit to statement of changes in equity	1.1	-	-	-	-	1.1
Foreign exchange	-	-	(0.1)	-	-	(0.1)
At 31 December 2023	1.9	2.0	5.3	7.7	6.5	23.4
(Charge)/credit to income	**(0.2)**	**(2.3)**	**(0.6)**	**(0.9)**	**2.3**	**(1.7)**
Charge to other comprehensive income	-	-	-	**(0.4)**	-	**(0.4)**
Charge to statement of changes in equity	**(0.4)**	-	-	-	-	**(0.4)**
Foreign exchange	-	-	**(0.3)**	-	-	**(0.3)**
At 31 December 2024	**1.3**	**(0.3)**	**4.4**	**6.4**	**8.8**	**20.6**

Closing deferred tax on temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or liability is settled. Accordingly, deferred tax on UK temporary differences has been calculated at 29% (31 December 2023: 29%). Deferred tax on Spanish temporary differences has been calculated at 25% (31 December 2023: 25%).

Notes to the Condensed Consolidated Financial Statements (continued)

8. Deferred tax (continued)

The net deferred tax balance is analysed into assets and liabilities as follows:

£ million	**2024**	2023
Deferred tax assets	**21.6**	25.0
Deferred tax liabilities	**(1.0)**	(1.6)
	20.6	23.4

The Group has not recognised temporary differences relating to tax losses carried forward and other temporary differences amounting to £15.9 million (2023: £2.0 million) in the UK and £18.4 million (2023: £19.4 million) in Spain. The UK and Spanish temporary differences have not been recognised as insufficient certainty exists as to their future utilisation.

At the balance sheet date, the Group has unused UK capital losses of £269.7 million (2023: £269.7 million). No deferred tax asset has been recognised in respect of the capital losses at 31 December 2024 (2023: £nil) because the Group does not believe that it is probable that these capital losses will be utilised in the foreseeable future.

9. Inventories

£ million	**2024**	2023
Land	**3,387.5**	3,269.5
Development and construction costs	**1,949.3**	1,871.0
Part exchange and other	**39.8**	29.1
	5,376.6	5,169.6

The markets in our core geographies, which are the primary drivers of our business, continue to trade positively. At 31 December 2024, the Group completed a net realisable value assessment of inventory, considering each site individually and based on estimates of sales price, costs to complete and costs to sell. At 31 December 2024, the provision held in the United Kingdom was £25.1 million (2023: £26.5 million) and £28.0 million in Spain (2023: £32.4 million).

The table below details the movements on the inventory provision recorded in the year.

£ million	**2024**	2023
1 January	**58.9**	51.5
Net (utilised)/additions	**(4.2)**	8.0
Foreign exchange	**(1.6)**	(0.6)
31 December	**53.1**	58.9

Notes to the Condensed Consolidated Financial Statements (continued)

10. Retirement benefit obligations

Total retirement benefit obligations of £22.2 million (2023: £26.5 million) comprise a defined benefit pension liability of £22.0 million (2023: £26.3 million) and a post-retirement healthcare liability of £0.2 million (2023: £0.2 million).

Defined benefit pension scheme

The Group's defined benefit pension scheme in the UK is the TWPS. The TWPS is a funded defined benefit pension scheme which provides benefits to beneficiaries in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on an individual member's length of service and their salary in the final years leading up to retirement or date of ceasing active accrual if earlier. Pension payments are generally increased in line with inflation subject to caps specified in the TWPS rules. The TWPS is closed to new members and future accrual.

The Group operates the TWPS under the UK regulatory framework. Benefits are paid to members from a Trustee-administered fund and the Trustee is responsible for ensuring that the TWPS is well managed and that members' benefits are secure. Scheme assets are held in trust.

The TWPS Trustee's other duties include managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary powers. The Group works closely with the Trustee to manage the TWPS. The Trustee of the TWPS owes fiduciary duties to the TWPS' beneficiaries. The appointment of the Directors to the Trustee Board is determined by the TWPS trust documentation.

The most recent triennial valuation of the TWPS was undertaken with a reference date of 31 December 2022. The result of this valuation was a Technical Provisions surplus at 31 December 2022 of £55 million. As a result, no deficit contributions were required to be paid to the TWPS or to the escrow account established following the 2019 valuation. On an IAS 19 accounting basis the underlying surplus in the TWPS at 31 December 2024 was £90.2 million (2023: £76.7 million). The terms of the TWPS are such that the Group does not have an unconditional right to a refund of surplus. As a result, the Group recognised an adjustment to the underlying surplus in the TWPS on an IAS 19 accounting basis of £112.2 million (2023: £103.0 million), resulting in an IFRIC 14 deficit of £22.0 million (2023: £26.3 million), which represented the present value of future contributions under the funding plan.

The TWPS Trustee holds a fixed charge over the escrow account, established following the 2019 valuation, that is recognised in other financial assets and at 31 December 2024 held £10.8 million (31 December 2023: £10.3 million), with interest earned by the escrow account being retained within the escrow account. Transfers out of the escrow account (either to the TWPS or the Group) are subject to the 2019 triennial funding arrangement entered into between the Group and the Trustee and as such the funds are restricted from use by the Group for other purposes and are therefore not classified as cash or cash equivalents. The escrow account will be in place until 30 June 2028, at which point a funding test will be conducted and funds will either be paid to the TWPS or returned to the Group.

Notes to the Condensed Consolidated Financial Statements (continued)

10. Retirement benefit obligations (continued)

In 2013, the Group introduced a £100.0 million Pension Funding Partnership (PFP) that utilises the Group's show homes, as well as six offices, in a sale and leaseback structure. This provides an additional £5.1 million of annual funding for the TWPS. In March 2024, the Group reached agreement with the Trustee to restructure the PFP. The restructure retained the existing contributions payable until 2029 but replaced the payment of up to £100 million that may have been due in 2029, with seven annual payments of up to £12.5 million each from 2029 to 2035. These are only payable if the TWPS has a deficit on its Technical Provisions funding basis at the prior 31 December. The assets held within the PFP do not affect the IAS 19 figures (before IFRIC 14) as they remain assets of the Group, and are not assets of the TWPS. At 31 December 2024, there was £75.1 million of property and £37.6 million of cash held within the structure (2023: £79.9 million of property and £32.7 million of cash).

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks. The TWPS assets are approximately 102% (2023: 98%) hedged against changes in both interest rates and inflation expectations on the scheme's long term funding basis that is currently used for investment strategy purposes. The TWPS also benefits from a bulk annuity contract which covers some of the largest liabilities in the scheme, providing protection against interest rate, inflation and longevity risk.

Accounting assumptions:

The assumptions used in calculating the accounting costs and obligations of the TWPS, as detailed below, are set by the Directors after consultation with independent actuaries. The basis for these assumptions is prescribed by IAS 19 and they do not reflect the assumptions that may be used in future funding valuations of the TWPS.

	2024	2023
At 31 December		
Discount rate for scheme liabilities	**5.35%**	4.60%
General pay inflation	**n/a**	n/a
Deferred pension increases	**2.30%**	2.15%
Pension increases	**1.95%-3.70%**	1.90%-3.70%

The table below shows the impact to the present value of scheme liabilities of movements in key assumptions.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on scheme liabilities (%)
Discount rate	Decrease by 0.5% p.a.	Increase by £75m	4.9
Rate of inflation*	Increase by 0.5% p.a.	Increase by £41m	2.7

Rate of inflation	Increase by [illegible]	Increase by [illegible]	[illegible]
Life expectancy	Members live 1 year longer	Increase by £62m	4.0

* Assumed to affect deferred revaluation and pensioner increases in payment.

Notes to the Condensed Consolidated Financial Statements (continued)

10. Retirement benefit obligations (continued)

The table below details the movements in the TWPS pension liability and assets recorded through the income statement and other comprehensive income.

£ million	Present value of obligation	Fair value of scheme assets	Asset/(liability) recognised on balance sheet
At 1 January 2024	**(1,679.8)**	**1,653.5**	**(26.3)**
Administration expenses	-	**(3.1)**	**(3.1)**
Interest (expense)/income	**(74.7)**	**73.6**	**(1.1)**
Total amount recognised in income statement	**(74.7)**	**70.5**	**(4.2)**
Remeasurement loss on scheme assets	-	**(98.5)**	**(98.5)**
Change in demographic assumptions	**(1.0)**	-	**(1.0)**
Change in financial assumptions	**104.1**	-	**104.1**
Experience gain	**1.3**	-	**1.3**
Adjustment to liabilities for IFRIC 14	**(4.5)**	-	**(4.5)**
Total remeasurements in other comprehensive income	**99.9**	**(98.5)**	**1.4**
Employer contributions	-	**7.1**	**7.1**
Employee contributions	-	-	-
Benefit payments	**110.3**	**(110.3)**	-
At 31 December 2024	**(1,544.3)**	**1,522.3**	**(22.0)**

£ million	Present value of obligation	Fair value of scheme assets	Asset/(liability) recognised on balance sheet
At 1 January 2023	(1,675.9)	1,646.3	(29.6)
Administration expenses	-	(3.3)	(3.3)
Interest (expense)/income	(80.3)	79.0	(1.3)
Total amount recognised in income statement	(80.3)	75.7	(4.6)
Remeasurement gain on scheme assets	-	29.7	29.7
Change in demographic assumptions	27.1	-	27.1
Change in financial assumptions	(34.9)	-	(34.9)
Experience loss	(29.5)	-	(29.5)
Adjustment to liabilities for IFRIC 14	8.4	-	8.4
Total remeasurements in other comprehensive income	(28.9)	29.7	0.8
Employer contributions	-	7.1	7.1
Employee contributions	-	-	-
Benefit payments	105.3	(105.3)	-
At 31 December 2023	(1,679.8)	1,653.5	(26.3)

Notes to the Condensed Consolidated Financial Statements (continued)

11. Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
Balance at 1 January 2023	952.3	(88.5)	863.8
Net cash flow	(185.8)	-	(185.8)
Foreign exchange	(1.6)	1.5	(0.1)
Balance at 31 December 2023	764.9	(87.0)	677.9
Net cash flow	**(113.5)**	-	**(113.5)**
Foreign exchange	**(4.0)**	**4.4**	**0.4**
Balance at 31 December 2024	**647.4**	**(82.6)**	**564.8**

12. Dividends

£ million	**2024**	2023
Proposed		
Interim dividend 2024: 4.80p (2023: 4.79p) per ordinary share of 1p each	**169.9**	169.1
Final dividend 2024: 4.66p (2023: 4.79p) per ordinary share of 1p each	**165.0**	169.4
	334.9	338.5
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2023: 4.79p (2022: 4.78p) per ordinary share of 1p each	**169.5**	168.8
Interim dividend 2024: 4.80p (2023: 4.79p) per ordinary share of 1p each	**169.9**	169.1
	339.4	337.9

The Directors recommend a final dividend for the year ended 31 December 2024 of 4.66 pence per share (2023: 4.79 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£165 million based on the number of shares in issue at the end of the year (2023: £169.5 million). The final dividend will be paid on 9 May 2025 to all shareholders registered at the close of business on 28 March 2025.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2024.

Notes to the Condensed Consolidated Financial Statements (continued)

13. Alternative performance measures

The Group uses a number of alternative performance measures (APMs) which are not defined within UK-adopted international accounting standards. The Directors use these measures in order to assess the underlying operational performance of the Group and, as such, these measures should be considered alongside the statutory measures. The following APMs are referred to throughout the year end results.

Profit before taxation and exceptional items and profit for the period before exceptional items

The Directors consider the removal of exceptional items from the reported results provides more clarity on the performance of the Group. They are reconciled to profit before tax and profit for the period on the face of the Consolidated Income Statement.

Operating profit and operating profit margin

Throughout the statement, operating profit is used as one of the main measures of performance. Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures. The Directors consider this to be an important measure of the underlying performance of the Group. Operating profit margin is calculated as operating profit divided by total revenue.

	2024	2023
Profit on ordinary activities before financing (£m)	**333.9**	467.8
Adjusted for:		
Share of results of joint ventures (£m)	**(15.9)**	2.4
Exceptional items (£m)	**98.2**	-
Operating profit (£m)	**416.2**	470.2
Revenue (£m)	**3,401.2**	3,514.5
Operating profit margin	**12.2%**	13.4%

Net operating assets

Net operating assets is defined as basic net assets less net cash, excluding net taxation balances and accrued dividends. Average net operating assets is the average of the opening and closing net operating assets of the 12 month period. With return on net operating assets, the Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2024	2023	2022
Basic net assets (£m)	**4,405.2**	4,523.4	4,502.1
Adjusted for:			
Cash (£m)	**(647.4)**	(764.9)	(952.3)
Borrowings (£m)	**82.6**	87.0	88.5
Net taxation (£m)	**(23.4)**	(21.8)	(18.8)
Accrued dividends (£m)	**-**	-	-
Net operating assets (£m)	**3,817.0**	3,823.7	3,619.5
Average basic net assets (£m)	**4,464.3**	4,512.8	
Average net operating assets (£m)	**3,820.4**	3,721.6	

Return on net operating assets

Return on net operating assets is defined as rolling 12-month operating profit divided by the average of opening and closing net operating assets. The Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2024	2023
Operating profit (£m)	**416.2**	470.2
Average net operating assets (£m)	**3,820.4**	3,721.6
Return on net operating assets	**10.9%**	12.6%

Notes to the Condensed Consolidated Financial Statements (continued)

13. Alternative performance measures (continued)

Net operating asset turn

This is defined as 12 month rolling total revenue divided by the average of opening and closing net operating assets. The Directors consider this to be a good indicator of how efficiently the Group is utilising its assets to generate value for shareholders.

	2024	2023
Revenue (£m)	**3,401.2**	3,514.5
Average net operating assets (£m)	**3,820.4**	3,721.6
Net operating asset turn	**0.89**	0.94

Tangible net assets per share

This is calculated as net assets before any accrued dividends, excluding intangible assets, divided by the number of ordinary shares in issue at the end of the period. The Directors consider this to be a good measure of the value intrinsic within each ordinary share.

	2024	2023
Basic net assets (£m)	**4,405.2**	4,523.4
Adjusted for:		
Intangible assets (£m)	**(1.5)**	(2.6)
Tangible net assets (£m)	**4,403.7**	4,520.8
Ordinary shares in issue (millions)	**3,557.0**	3,557.0
Tangible net assets per share (pence)	**123.8**	127.1

Net cash

Net cash is defined as cash and cash equivalents less total borrowings. This is considered by the Directors to be the best indicator of the financing position of the Group. This is reconciled in Note 11.

Cash conversion

This is defined as cash generated from operations, which excludes payments relating to exceptional charges, divided by operating profit on a rolling 12 month basis. The Directors consider this measure to be a good indication of how efficiently the Group is turning profit into cash.

	2024	2023
Cash generated from operations (£m)	**311.7**	288.9
Operating profit (£m)	**416.2**	470.2
Cash conversion	**74.9%**	61.4%

Adjusted gearing

This is defined as adjusted net debt divided by basic net assets. The Directors consider this to be a more representative measure of the Group's gearing levels. Adjusted net debt is defined as net cash less land creditors.

	2024	2023
Cash (£m)	**647.4**	764.9
Loans (£m)	**(82.6)**	(87.0)
Net cash (£m)	**564.8**	677.9
Land creditors (£m)	**(627.9)**	(516.1)
Adjusted net debt (£m)	**(63.1)**	161.8
Basic net assets (£m)	**4,405.2**	4,523.4
Adjusted gearing	**1.4%**	(3.6)%

Adjusted basic and diluted earnings per share

This is calculated as earnings attributed to the shareholders, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period. The Directors consider this provides an important measure of the underlying earnings capacity of the Group. Note 7 shows a reconciliation from basic and diluted earnings per share to adjusted basic and diluted earnings per share.

Notes to the Condensed Consolidated Financial Statements (continued)

14. Post balance sheet events

There were no material subsequent events affecting the Group after 31 December 2024.