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Vistry Group PLC
26 March 2025

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Full year results for the year ended 31 December 2024

Vistry Group PLC (the Group) announces it full year results for the year ended 31 December 2024.

Greg Fitzgerald, Chief Executive commented:

"2024 was a challenging year for the Group resulting in a disappointing financial performance, despite strong growth in completions and revenue. We have concluded a rigorous set of reviews and year end procedures with no further issues being identified, and much work has been done to ensure the Group has the right people, structure, systems and controls in place to move forward with confidence.

"Our focus is now firmly on the future and executing our differentiated partnerships strategy. We are pleased to see the Government bring forward a further £2 billion of much-needed funding for affordable homes, and will be seeking to progress as quickly as possible with our partners to deliver quality new homes across the country. We continue to drive a capital light, high return model, with a targeted 40% return on capital employed in the medium term.

"Finally, demonstrating that the Group retains a strong financial position remains a top priority for 2025 and we expect to deliver improved cash generation and reduce net debt through the year."

£m unless otherwise stated	2024	2023 restated[2]	Change
Adjusted basis[1]			
Total completions (number)	17,225	16,118	+7%
Revenue	4,329.2	4,042.1	+7%
Operating profit	358.2	476.1	-25%
Operating profit margin	8.3%	11.8%	-3.5ppts
Profit before tax	263.5	407.3	-35%
Basic earnings per share	55.9p	85.8p	-35%
Return on capital employed[3]	14.6%	20.9%	-6.3ppts
Reported basis			
Revenue	3,779.3	3,564.2	+6%
Operating profit	167.0	300.0	-44%
Profit before tax	104.9	293.0	-64%
Basic earnings per share	22.0p	62.1p	-65%
Net debt	(180.7)	(88.8)	-103%

[1] Completions include 100% of joint ventures. All other financials are shown on an adjusted basis to include the proportional contribution of the joint venture and to exclude amortisation of acquired intangible assets and exceptional items.

[2] The results for 2023 have been restated to correct the prior year error that arose due to the cost forecasting issue in the South Division.

FY24 headlines

- Total completions increased by 7% to 17,225 units (FY23: 16,118 units) with Partner Funded completions up by 18% to 12,633 units (FY23: 10,722 units) and Open Market completions down by 15% to 4,592 units (FY23: 5,396 units), and average selling prices remaining firm
- Delivering high quality much needed new homes is the Group's top priority, and we expect to be awarded a 5-Star HBF Customer Satisfaction rating for the sixth consecutive year in 2025
- The Group significantly underperformed financially in the year, reporting adjusted profit before tax of £263.5m (FY23: £407.3m)
- The issues relating to the forecasting of costs in the South Division were identified during the year and as previously reported, had a total impact of £165m
- Following year end procedures, the phasing of the impact of the South Division has been adjusted to include a £20.5m restatement to prior years and the net impact on FY24 adjusted profit before tax has been revised to £91.5m, as compared to the previously expected £105m
- The Group continued to secure attractive new land and development opportunities throughout FY24, totalling 16,508 (FY23: 15,288) mixed tenure plots
- The Group has increased its building safety provision by £117.1m in FY24 largely due to additional buildings identified as needing remediation. This has driven a net increase in the total provision as at 31 December 2024 of £35.4m to £324.4m (31 December 2023: £289.0m)
- Group net debt position of £180.7m as at 31 December 2024 (31 December 2023: £88.8m)

Cash generation and capital allocation

- Ensuring the Group retains a strong financial position remains a key priority for FY25. The Group expects to deliver improved cash generation resulting in a steady reduction in average net borrowings through the year and a year-on-year reduction in the Group's net debt as at 31 December 2025
- The Group is targeting a c. £200m reduction in excess working capital in FY25, addressing a build-up of Open Market stock units in FY24. Tighter cash controls have been introduced at a site level, and there is weekly monitoring at an executive level
- The Group is also looking at ways to accelerate the cash release from its former Housebuilding landbank with options including bulk sales and discounting under consideration
- In September 2024, the Group announced a total capital distribution of £130m comprising a £55m ordinary distribution in respect of the H1 24 earnings and a £75m special distribution. The Group has completed £38m to date and expects to complete the remaining £92m via share buyback, to be concluded in H1 2026
- Reflecting the performance in FY24, the Group is not proposing any final ordinary distribution in respect of the FY24 adjusted earnings. Future distributions will be made in accordance with Group's capital allocation policy

Government stimulus

- The Government is committed to addressing the country's acute housing crisis and is implementing a range of much-needed demand and supply side initiatives to support this ambition
- The recent announcement of a £2 billion injection of new affordable homes grant funding is very positive, and alongside the £800m of top-up funding previously announced, will drive investment momentum across the affordable housing sector ahead of the launch of the 2026 Affordable Homes Programme
- We have also seen strong progress with supply side initiatives particularly focused on land release and planning
- The Construction Skills Mission Board will address skills shortages, overseeing a £600m package aimed at training 60,000 construction workers by 2029

Current trading and FY25 outlook

- Group's forward order book totals £4.4bn (14 March 2024: £4.6bn), with 65% (FY24: 65%) of forecast FY25 units secured
- The Group sales rate of 0.59 (2024: 0.81) sales per site per week for the year to date is down on prior year reflecting a low volume of Partner Funded transactions in the first quarter
- We expect Partner Funded activity to step-up as the new £2bn of affordable housing funding is allocated, with a greater H2 weighting of Partner Funded delivery for the Group in FY25
- We are expecting overall Partner Funded volumes in FY25 to be at a similar level to FY24, with strong momentum going into FY26
- In the Open Market, we have seen some uptick in our sales rate in the past four weeks and expect this to continue to improve
- Whilst our sales outlets will continue to reduce as we roll-off former Housebuilding sites, we expect to maintain Open Market volumes at a similar level to FY24 in FY25
- We are seeing some upward pressure on build costs and are expecting low single digit build cost inflation in FY25
- The Group continues to expect to make year on year progress in profit in FY25, with profits being more H2 weighted than in prior years. H1 margins will reflect a greater proportion of delivery from lower margin sites and some impact on profit from actions being taken to accelerate cash generation. We expect H2 margin recovery to be driven by the commencement of new higher margin developments and the benefit of operating leverage from higher volumes in the second half

Medium term

- The Group continues to target a 40% return on capital employed, a 12%+ operating margin and revenue growth of 5% to 8% p.a. in the medium term
- The Board remains confident in the Group's differentiated partnerships strategy and expects to see good progress towards the Group's medium-term targets as we see both a step up in partner investment supported by Government policy, and a recovery in the Open Market

Investor Presentation

There will be an investor and analyst presentation at 8:30am today, 26 March 2025 at Numis, 45 Gresham St, London EC2V 7BF. There will also be a live webcast of this event available on our corporate website at www.vistrygroup.co.uk or via the following link https://stream.brrmedia.co.uk/broadcast/67a5f823836d608dd9cedaf1

A playback facility will be available shortly afterwards.

For further information please contact:

Vistry Group PLC

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2024 overview

Vistry's financial performance in 2024 was significantly below our expectations at the start of the year, with the Group reporting adjusted profit before tax of £263.5m (FY23 restated: £407.3m). The Group's profitability in the year was significantly reduced by cost forecasting issues in its South Division, with the impact on FY24 adjusted profit before tax totalling £91.5m. The performance was also impacted by some delays to concluding agreements with our Partners and other commercial transactions at the end of the year.

There has been an extensive review process across the Group to fully understand the cost forecasting issues, with a clear set of immediate priorities and actions for the business. Organisational and leadership changes have also been implemented to best position the Group going forward.

I want to thank all our employees and partners for their hard work and commitment during what has been a challenging period.

In the year, the Group delivered a 7% increase in total units to 17,225 (FY23: 16,118), confirming Vistry's position as the country's largest homebuilder by volume, and adjusted revenues increased by 7% to £4.3bn (FY23: £4.0bn). The mix of total units was 73% Partner Funded and 27% Open Market, and the Group's sales rate averaged 1.07 (FY23: 0.96) sales per site per week, up 11% on FY23.

As a responsible developer, we work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love. We are supportive of the Government's ambitions to address the country's acute housing crisis, and the Group's Partnerships model and mixed tenure delivery, positions us well to help deliver a significant step up in much needed new homes across the country, in particular affordable homes.

The Government's recent announcement of a £2 billion injection of new affordable homes grant funding is very positive, and alongside the £800m of top-up funding previously announced, will drive investment momentum across the affordable housing sector ahead of the launch of the 2026 Affordable Homes Programme. As a strategic partner to Homes England, Vistry will apply for an allocation of this top-up affordable housing grant.

The Government has made good progress in addressing the supply side initiatives to support a significant step up in the delivery of new homes across the country, including the restoration of mandatory housing targets, and changes to the planning and infrastructure regulatory framework. We are pleased to see the Government address the issue of skills shortages within the construction industry through the establishment of the Construction Skills Mission Board and allocation of a £600m funding package, targeted to provide training for 60,000 construction workers by 2029.

Partner Funded demand

We saw a reasonable level of demand from our partners in 2024, signing more than 220 new agreements with over 70 partners including registered providers (RPs), local authorities (LAs) and private rented sector (PRS) providers.

Partner Funded units increased by 18% in FY24 to 12,633 (FY23: 10,722), demonstrating the resilience of the Partner Funded market. Our Partner Funded ASP increased to £236k (FY23: £222k), reflecting changes in mix.

We saw a step up in demand from PRS providers in the year with PRS sales representing 21% of total unit sales, up from 13% in FY23. S106 affordable housing represented 27% of total units in FY24 (FY23: 28%) and additional affordable was 25% (FY23: 26%) of total units.

The need to invest in the maintenance and remediation of existing housing stock continued to impact the demand for new housing from some traditional RPs, particularly in London in the year, and we worked closely with our partners to ensure Vistry remains their partner of choice for their new housing investment. For profit registered providers are less impacted by these issues and continued to be a growth subsector of this market.

Demand from affordable housing partners slowed somewhat in Q3 24 ahead of the outcome of the Autumn Budget at the end of October. Whilst the additional £500m affordable housing grant announced with this budget, and the further £300m announced in February 2025 were positively received, ongoing uncertainty around the timing and quantum of future Government funding for affordable housing, led to subdued levels of partner demand in Q4 24 and Q1 25.

Open Market demand
Open Market sales decreased by 15% to 4,592 (FY23: 5,396) units in FY24, with our Open Market sales performance in the year below our expectations at the start of 2024.

The expected interest rate cuts during 2024 did not materialise, and the open market remained constrained reflecting ongoing mortgage affordability challenges, particularly for first time buyers. The Group's Open Market average sales price remained firm at £385k (FY23: £390k), with our Open Market sales programme supported with incentives of up to c. 5% of the Open Market sales price.

Forecast cost issues within the Group's South Division
On 8 October 2024, the Group reported it had become aware of the underestimation of the total full-life cost projections to complete several of its developments in its South Division. The South Division was one of the Group's six divisions and consisted of four regional business units. The issues were predominantly on developments which formed part of the Group's former Housebuilding business and where there was also a high concentration of former Housebuilding management.

Group management acted promptly and an extensive programme of independent and internal reviews was initiated to verify the nature and scope of the issues, confirm the impact, and determine any resultant actions required. Changes to the Division's management team were also implemented.

The independent review was carried out over four weeks by the forensics team of a large accounting firm and reported to the Chair of the Audit Committee. The scope of the review was primarily focused on the cost reporting process, culture and management in the South Division. It also included a wider review across the Group to ascertain if similar issues existed in other parts of the business.

In addition to the work undertaken by the independent reviews, additional internal investigations and review processes were conducted which included deep-dive reviews of all four regions in the South Division, mandated detailed Cost Value Reconciliations (CVRs), and balance sheet reviews for all other regions.

The reviews concluded that the significant issues were found to be confined to the South Division and were attributed to insufficient management capability, non-compliant commercial forecasting processes and poor divisional culture. The management team of the South Division and the four regional businesses were all from the Group's former Housebuilding business and the independent review highlighted pressure being felt from organisational change as a fundamental driver underlying the issues in the South Division. The independent review found little evidence of similar issues to those identified in the South Division in other divisions.

A total of 18 sites in the South Division required adjustments to their full-life costs of more than £1m, with five large, multi-phase sites accounting for 60% of the full-life costs movements. The understated costs in the CVRs were found to be from a wide range of cost types and symptomatic of general control issues, rather than any one particular cost type. The issues in the South Division resulted in a total of £165m of costs adjustments including a £91.5m impact to adjusted profit before tax in FY24 and a £53m impact in future years.

In addition, there were a number of small value adjustments from the detailed CVR and other reviews carried out across the other 22 regions, which in aggregate resulted in a reduction to the Group's adjusted profit before tax in FY24 of £8m.

The management team and Board considered the findings of all the review work performed and outlined actions to address the issues and enhance the control environment across the Group. Below is an update on each.

<u>Leadership and structure</u> - With a focus on reducing the length of reporting lines and ensuring closer proximity of the CEO to the business, the Chief Operating Officer role was removed from the organisational structure. In addition, the Group's divisional structure has been consolidated from six divisions into three divisions, each with an Executive Chair with extensive Partnerships experience reporting to the CEO. The four regional businesses in the former South Division have been separated across two of the three new divisions, with two regional businesses in each. Our priority is to establish strength and breadth of management excellence in each, and we are making progress.

<u>Commercial assurance</u> - Vistry has carried out a root and branch review of its commercial procedures and controls to ensure opportunities for further cost reporting inaccuracies does not exist. Some changes were implemented and became effective from January. Assurance is provided by regional, divisional and Group participation in monthly cost and value reviews for all live projects.

The Executive Leadership Team ("ELT") met with each regional board during January 2025 and set out expectations for standardisation and adherence to policy and procedure. The implementation of the changes to the Life of Site processes are being closely monitored, and internal audit will be reviewing compliance across the business during the year.

<u>Training and support</u> - Training of Vistry colleagues that contribute to the commercial management of projects has taken place and support is provided on a monthly basis through additional expertise attending each site cost and value review.

<u>Culture and whistle-blowing</u> - A new Vistry Culture Book was launched in the second half of the year, which presented and promoted behaviours to help all employees act in line with our purpose, ethos and values. Internal communications have been issued which reemphasised the importance of our ethos of 'Do the Right Thing' along with our 'Speak Up' service, enabling our people to report on any concerns confidentially. The ELT has worked with our leadership teams across the business to ensure we are creating psychologically safe working environments where employees can raise concerns that are dealt with constructively. More in depth culture and behaviour sessions are being rolled out across the business.

Build and Vistry Works
The Group operated from an average of 367 (FY23: c. 350) build outlets during FY24 which included 203 (FY23: 223) active sales outlets. Build outlets includes sites which are not currently selling to the Open Market either because Open Market sales are yet to commence or have already been completed, and sites which are 100% Partner Funded and therefore have no Open Market sales.

Overall, the Group saw good availability of build materials during FY24. The Group secures c.90% of its materials centrally through its highly experienced group commercial team, with supply contracts typically for 12 to 24 months. The Group managed to mitigate underlying build cost inflation in FY24 through its benefits of scale, visibility of revenues and efficiency gains, resulting in neutral build cost inflation for the Group in the year. We are starting to see some build cost pressure and whilst we will continue to mitigate this where possible, the Group is expecting low single digit build cost inflation in FY25.

Timber frame construction is at the core of Vistry's operational and sustainability strategy. Compared to traditional brick and block construction, timber frame enables a faster build time of approximately six weeks and is shown to reduce and block construction, timber frame enables a faster build time of approximately six weeks and is shown to reduce embodied carbon by c. 30% over a 60-year timeframe. The increased use of timber frame will also reduce the Group's dependency on labour over the medium term.

The Group's operations manufactured 2,900 timber frame units in FY24 (FY23: 2,500) and floor joists for 2,650 units. The manufacture of roof trusses was added to the production line towards the end of the year. The Group expects to increase this output in FY25 to 4,000 to 5,000 timber frame units, floor joists for c. 5,000 units and roof trusses for c. 6,000 units.

We are increasing annual capacity from our existing three facilities to between 10,000 to 12,000 timber frame units, roof trusses for 10,000 units and floor joists for 6,000 units in 2026 and beyond.

With the new Vistry placemaking and plotting guidance in place to ensure the places we create remain characterful, attractive places people love, the Group has been working hard on standardising product and the new Vistry Collection of 60 standard house types. This product standardisation will drive manufacturing efficiencies.

Securing high quality Partnership opportunities
During 2024, the Group secured a strong pipeline of attractive new land and development opportunities totalling 16,508 (FY23: 15,288) mixed tenure units across 62 sites. The Group is well positioned to secure land through both public procurement and the purchase of private land. In the year, 35% of the land plots secured were from public land sources and 61% from the private market.

Strategic land is an important source of development opportunities and the Group's strategic land bank totalled 76,219 plots (31 December 2023: 70,780) as at 31 December 2024. With a more favourable planning environment, the Group expects to increase the pull through from its strategic landbank over the medium term.

The Government has continued to reform the planning system with updates to the National Planning Policy Framework (NPPF) in December 2024 and corresponding updates to the Planning Policy Guidance (PPG) at the same time and early this year. These changes are generally more permissive and positive towards development and reintroduce targets, with decisions more in favour of permitting sustainable development.

The Group is well positioned for land in FY25 with c. 95% of the land secured for targeted FY25 completions.

High quality housing
Delivering high quality homes and excellent customer service is paramount and we expect the Group to be awarded a 5-star HBF Customer Satisfaction rating for the sixth consecutive year in 2025. The Group's HBF 8-week Customer Satisfaction score for FY24 was 94.5% (FY23: 91.6%), with the 9-month score increasing to 83.6% (FY23: 78.3%).

Vistry employees were awarded more than 70 quality awards during 2024, including 42 NHBC Pride in the Job awards, 13 Premier Guarantee awards and 8 LABC awards. The Group's Construction Quality Review score averaged 4.5 (FY23: 4.5) in FY24, with the Average Reportable Items per inspection at 0.20 (FY23: 0.21).

Our People
Our people strategy is focused on attracting, retaining and developing the best people. We were pleased to see an increase in our Peakon employee engagement score in November to 8.2 (November 2023: 7.6 and June 2024: 8.1), 0.5 ahead of the Peakon benchmark. Voluntary turnover has remained low at 15.4% at the year-end (December 2023: 15.9%) and our stability index (employees with over one year service) has increased from 78.1% in December 2023 to 82.3% in December 2024.

For the third year running, we received our Top Employer certification through the Top Employer Institute, increasing our overall score by 3.1% to 94.6% (January 2023: 84.5% and January 2024: 91.5%), 9.6% ahead of the TEI benchmark. We also achieved fifth position in the top 50 Inspiring Workplaces of UK and Ireland (Global position: 64), with well-being and employee voice recognised as the strongest elements.

We continue to develop our people through our leadership development programmes and 132 employees completed a programme during 2024. This number includes 45 females completing our externally run Women in Leadership programme which consists of three sessions with an external coach and access to an internal mentor.

In November 2024, we were proud to retain our gold accreditation membership with the 5% Club. This recognises our significant contribution to the continued development of all our employees through Earn & Learn schemes such as apprenticeships, graduate schemes and sponsored student course placements.

In 2024, we welcomed 17 new RISE Trainees and 26 new graduates to our 2024/25 cohorts. The RISE trainees will follow a Level 4 higher apprenticeship before advancing to a degree apprenticeship, and the graduates will follow one of four career pathways: Construction, Commercial, Design & Technical, and Real Estate. In addition, we have supported over 200 learners through formal qualifications which include existing employees enhancing their skills though apprenticeships, professional qualifications and other educational sponsorship.

Health and safety
In July 2023, we changed how we measure Safety, Health and Environmental (SHE) performance across our premises and sites. The objective was to improve the behavioural culture and drive continued improvement to reduce work-related injuries. The metrics used to score performance became more stringent and gave us better trend analysis. We are proud to report that improvements continue to manifest across our sites, and we are currently reporting performance levels that far exceedthe Group's targets.

Our Accident Incident Rate (AIR) demonstrates our commitment to continually improving standards across our sites and we do everything we can to mitigate or at least reduce work-related injury. In line with previous years, it still sat well below the industry benchmark at the end of 2024 at 210, compared to the HSE industry average (341).

Damage to buried utility services remains an industry challenge and we continue to work closely with our peers via the Home Builders Federation (HBF) to seek new technology and initiatives to reduce the risk of injury. Our service strike incident rate was 342 at the end of 2024 compared to 349 at the end of 2023, which showed a slight improvement. We remain committed to working with our people to adopt better and safer practices leading to a future reduction.

Building safety
The Group's building safety provision recognises the Group's commitment to playing its part in delivering a lasting industry solution to building safety and the Group's obligations under the Developer Remediation Contract signed by Vistry in March 2023.

Over the past six months, management has re-evaluated the appropriate level of building safety provision. As a result, the Group has increased its building safety provision by £117.1m in FY24, with a total provision of £324.4m as at 31 December 2024 (31 December 2023: £289.0m). We expect the net annual cash costs of Building Safety in FY25 to be c. £65m.

This increase reflects a rise in third party claims due to the implementation of regulatory changes, which has broadened the types of issues that are now considered a risk to occupant safety, as well as an increase in the historical time period for which the developer has a responsibility. The Group has identified an additional 41 buildings requiring remediation. In addition, there has been an increase in the costs of remediating buildings resulting from increased scope of work and some cost inflation. The Group continues to seek recoveries from third parties where possible and recovered £27.2m in FY24.

CMA inquiry
On 26 February 2024, the CMA launched an investigation into suspected breaches of competition law, relating to the exchange of competitively sensitive information by eight housebuilders, including Vistry. On 10 January 2025, the CMA announced that its investigation would be extended by five months to May 2025 to allow further investigation including additional evidence gathering and CMA analysis and review. The CMA has not reached a view as to whether there is

sufficient evidence of an infringement or infringements of competition law for it to issue a statement of objections to any party under investigation. We continue to co-operate with the CMA in their investigation and evidence gathering process.

Indebtedness
The Group had a net debt position of £180.7m as at 31 December 2024 (31 December 2023: £88.8m). This compares to our expectation at the start of the year of a net cash position, the difference reflecting the reduced profit performance of the Group in the year and a build-up of working capital and stock. The Group's average daily net debt in FY24 was £698.1m (FY23: £586.0m).

The Group had significant headroom against its borrowing covenants (Gearing, Tangible Net Worth and Interest Cover) in the year, and maintained a comfortable amount of headroom against its borrowing facilities, which total £1,130m.

Through our focus on cash generation, we are targeting a steady reduction in the Group's average net borrowings through FY25, a year-on-year reduction in the Group's net debt as at 31 December 2025 and a net cash position as at 31 December 2026.

Priorities for 2025
The Group has a clear set of priorities for FY25 focused on ensuring Vistry is best positioned to drive the business forward in the medium term.

Cash generation - the Group had higher than expected working capital levels at the end of last year reflecting a slower Open Market sales rate in FY24 and a resulting build up in stock. The Group is targeting releasing excess stock and WIP of c. £200m in FY25 and work in progress controls linked to site stock positions have been introduced and are monitored weekly at an Executive level.

The housebuilding landbank release has been slower than anticipated reflecting more constrained market conditions than expected. Site by site strategies are being reviewed and options including bulk sales and discounting are under consideration to accelerate the roll-off and cash generation.

Embed leadership - a new divisional structure was introduced at the start of 2025, moving from six divisions to three. Each division is led by an Executive Chair with extensive Partnerships experience who sits on the Executive Leadership Team and reports directly to the CEO. This structure has reduced layers and shortened reporting lines, creating greater transparency and agility in decision making. There will be some savings resulting from headcount reduction across the business actioned in Q1 25.

Standardise and enhance control environment - the Group updated its life of site process in H2 24, ensuring standardisation across all regions. This has been followed up with a clear message of compliance to all regions which will continue to be closely monitored throughout the year. In addition, incremental commercial expertise has been embedded into the process through the appointment of Commercial Directors at a Divisional level, and the appointment of Commercial Compliance Managers within the Group Commercial team.

A new Investment Committee has been launched which oversees the approval of land acquisitions and disposals, partner agreements, and other investment and commercial decisions.

Capital allocation
The Board has reviewed its capital allocation policy and its view on capital allocation hierarchy remains unchanged. Maintaining a strong balance sheet remains is the top priority and improving cash generation and reducing the Group's net borrowings is the Group's focus for FY25.

Investing in our Partnerships business to deliver sustainable growth and maximise the significant market opportunity we see over the medium term is the most attractive use of capital and the business has and continues to invest in, high-quality development opportunities which replenish the Partnerships land bank in line with its growth forecasts.

In September 2024, the Group announced a total capital distribution of £130m comprising a £55m ordinary distribution in respect of the H1 24 earnings and a £75m as a special distribution. The Group has completed £38m to date and expects to complete the remaining £92m via share buyback, to be concluded in H1 2026.

Reflecting the performance in FY24, the Group is not proposing any final ordinary distribution in respect of the FY24 adjusted earnings. Future distributions will be made in accordance with Group's capital allocation policy.

Board changes
The Company announces that Helen Owers has informed the Board of her intention to resign her position as an independent Non-Executive Director. Helen will remain on the Board until the earlier of an appointment of a replacement independent Non-Executive director or by the end of 2025. A further announcement concerning the date of Helen's resignation will be made as soon as it is decided. This announcement is made pursuant to Listing Rule 6.4.6R.

Current trading and FY25 outlook
The Group's forward order book totals £4.4bn (14 March 2024: £4.6bn), with 65% (FY24: 65%) of forecast FY25 units secured. The Group sales rate of 0.59 (2024: 0.81) sales per site per week for the year to date is down on prior year reflecting a low volume of Partner Funded transactions in the first quarter.

The Group's Partnership model is closely aligned to the Government's housing ambitions and we are working closely with our partners to ensure we are well positioned to deliver.

Following the Government's recent announcement of an additional £2bn of affordable housing funding to the existing affordable homes programme, we expect Partner Funded activity to step-up during the year, resulting in a greater H2 weighting of Partner Funded delivery for the Group in FY25. Overall, we are expecting our Partner Funded volumes in FY25 to be at a similar level to FY24, with strong momentum going into FY26.

In the Open Market, we have seen some uptick in our sales in the past four weeks and expect this to continue to improve. Whilst our sales outlets will continue to reduce as we roll-off former Housebuilding sites, we expect to maintain Open Market volumes at a similar level to FY24 in FY25.

We are seeing some upward pressure on build costs and whilst we will continue to try and mitigate this where possible, we expect to see low single digit build cost inflation in FY25

The Group continues to expect to make year-on-year progress in profit in FY25, with profits being more H2 weighted than in prior years. H1 margins will reflect a greater proportion of delivery from lower margin sites, and some impact on profit from actions being taken to accelerate cash generation. We expect H2 margin recovery to be driven by the commencement of new higher margin developments and the benefit of operating leverage from higher volumes in the second half.

The Group's focus on cash performance, including the management of work in progress and the reduction of the housebuilding landbank, is expected to result in a year-on-year reduction in the Group's net debt as at 31 December 2025.

Strategy and medium-term outlook
The Group remains confident in its Partnerships strategy and committed to its capital light, high returns business model. There remains an acute need for affordable and mixed tenure housing across the country. Addressing this housing crisis sits at the heart of the Government's agenda, with new housing targets set last autumn aiming to more than double the supply of affordable homes nationwide and continue growth of the private rental sector.

With its capability and track record in Partnership housing and mixed tenure delivery, Vistry is uniquely positioned to play a key role in supporting the Government to deliver its plans.

Over the medium term, the Group expects to see a strong increase in demand for mixed tenure housing driven by both a step up in Partner investment supported by Government policy, and a recovery in the Open Market.

Whilst volumes in FY25 are expected to be similar to FY24, the Group is targeting average revenue growth of 5% to 8% p.a. over the medium term, driven by an increase in unit delivery. Vistry retains a national operational footprint and will continue to evolve operational capacity and capability to suit local demand and market conditions.

The Group is focused on a returns-based model and is targeting a 40% return on capital employed. The roll-off of the former Housebuilding landbank will be a key driver of the improvement in the Group ROCE. The Group is targeting an adjusted operating margin of 12%+ which reflects a blended site margin across its mixed tenure delivery. The Group's land acquisition hurdle rates at a 40% ROCE and 12% adjusted operating margin are aligned to these targets.

Finance review

Group performance

The result for the year was disappointing. The Group delivered growth in revenue and completions, however, market conditions continued to be challenging, particularly for Open Market sales, and the cost forecasting issues that were identified in our South Division in the last quarter of the year significantly impacted adjusted and reported profit before tax.

Group management reacted quickly to thoroughly investigate the underlying causes of the cost forecasting issues, to ensure they were isolated to the South Division and to make all necessary changes and improvements to remediate them. The investigations concluded that the issues could be attributed to insufficient management capability and poor culture in the South Division, and non-compliance with the Group's established commercial forecasting processes.

In response, the Group has changed its divisional structures and removed the COO role to reduce the length of reporting lines between the CEO and our regional businesses. The Group also introduced additional controls to ensure mandated processes were correctly followed for the year-end and in future.

The FY23 full-year results have been restated, reducing adjusted and reported profit before tax by £11.8m and opening reserves by £6.2m. The results for the FY24 half-year will be restated when the Group announces its results for the FY25 half-year. This will reduce adjusted and reported profit before tax in the FY24 half year by c. £65m. Further details on the accounting treatment of the changes in estimates and errors is included in note 2.

The increase in the cost of building safety remediation impacted reported profit before tax. The Group experienced a rise in the number of claims during the second half of the year as well as higher costs on existing buildings, primarily driven by scope increases.

Revenue and completions

On an adjusted basis, total revenue increased by 7% to £4,329.2m (FY23: £4,042.1m), with a particularly strong increase in Partner Funded revenue of 24%. We saw good levels of demand from the Partner Funded market and secured more than 220 new partner deals with over 70 partners. The number of Partner Funded completions increased by 18% to 12,633 (FY23: 10,722), driven by PRS and Additional Affordable homes. The average selling price of Partner Funded homes increased by 6% to £236k (FY23: £222k), primarily due to PRS completions including a greater proportion of larger, higher value homes than in the prior year.

Open Market revenue reduced by 16%, with a reduction in the number of completions of 15% to 4,592 (FY23: 5,396) due to subdued demand throughout the year, primarily reflecting mortgage affordability and a much lower opening forward order book of £298m (FY23: £610m). The Group operated from fewer sales outlets, with the average number down 9% to 203 (FY23: 223). Discounts offered to investors purchasing multiple completed homes and changes in the geographic mix resulted in a slight decrease of 1% in the average selling price to £385k (FY23: £390k). Sales incentives remained at up to 5% of the Open Market sales price.

On a reported basis, total revenue increased by 6% to £3,779.3m (FY23: £3,564.2m). The total number of completed homes delivered also increased by 7% to 17,225 (FY23: 16,118), with the overall average selling price broadly consistent with the prior year at £275k (FY23: £276k). The disparity between the strong growth in the Partner Funded market and the subdued demand for Open Market homes resulted in an increase in the proportion of total completions which were Partner Funded to 73% (FY23: 67%). We expect this percentage to trend back towards our target of 65% in future years when activity levels for Open Market homes begin to improve.

£m unless otherwise stated		**2024**			**2023**
	Partner Funded	**Open Market**	**Other revenue**	**Total**	**Total**
Adjusted revenue	2,636.2	1,488.2	204.8	4,329.2	4,042.1
Add: Government grant income	39.9	22.2	-	62.1	40.4
Remove: other non-housing revenue	-	-	(204.8)	(204.8)	(137.6)
Total sales price	**2,676.1**	**1,510.4**	**-**	**4,186.5**	**3,944.9**
Total units (at 100%)	12,633	4,592	n/a	17,225	16,118
Less: joint venture eliminations	(1,311)	(669)	n/a	(1,980)	(1,836)
Units for calculation of the Average Selling Price	**11,322**	**3,923**	**n/a**	**15,245**	**14,282**
Average Selling Price	£236k	£385k	n/a	£275k	£276k
Proportion of total units by type	73%	27%	n/a	100%	100%

Operating margin

The Group managed to mitigate underlying build cost inflation in FY24 through its benefits of scale, visibility of revenues and efficiency gains, resulting in neutral build cost inflation for the Group in the year.

We are starting to see some build cost pressure and whilst we will continue to mitigate this where possible, the Group is expecting single digit build cost inflation in FY25. The average number of build outlets increased over the course of the year to 367 (FY23: c. 350).

The cost forecasting issues in the South Division related to increases in the total full-life cost projections for a relatively small number of sites, including some large and complex, multi-phase schemes. There were a range of factors that led to these increases including, procurement losses where tender returns for certain packages came in higher than anticipated, operational changes on sites, additional costs due to unexpected ground conditions and asbestos contamination on specific sites, subcontractor failures and design changes for certain aspects of schemes. The cost increases were due to site-specific factors and were not indicative of a more general inflationary trend. In some instances, the cost increases led to the need to impair inventories, resulting in the full future loss on those schemes being recognised in the current year.

Administrative expenses, excluding exceptional items, reduced by 19% to £196.1m (FY23: £241.5m). Headcount was lower throughout FY24 following the simplification of the Group's operating structures that completed in late FY23. Bonus and share-based payment costs were reduced due to profit targets not being achieved in FY24.

The Group's adjusted operating profit for the year was down 25% to £358.2m (FY23: £476.1m), with the adjusted operating margin down 3.5ppts to 8.3% (FY23: 11.8%). The Group's adjusted operating margin has reduced as the Group continued to transition the higher margin, capital intensive landbank from the Group's former Housebuilding business to the lower margin, capital light Partnerships model. This reduction is consistent with our expectations at the time of outlining our strategy. In the year the Group delivered an above-target proportion of Partner Funded completions, 73% compared to our target of 65%, due to market conditions. The cost forecasting issues in the South Division accounted for a further 2.1ppts deterioration in FY24 and will have an ongoing, but reducing, drag on margin in FY25 and 2026 as the impacted sites are completed and traded out.

Reported operating profit reduced by 44% to £167.0m (FY23: £300.0m). The decrease was greater than for adjusted operating profit as a result of the increase in exceptional items in FY24, of which £99.9m (FY23: £46.2m) was within operating profit.

Building safety

£m	2024	2023
Building safety provision:		
Additions	(117.1)	(11.7)
Releases	20.9	18.6
Discount unwind	(8.0)	(19.4)
Building safety provision recognised in joint venture	(20.9)	-
Building safety recoveries	27.2	11.7
Building safety related impairment	(16.8)	(18.5)
Total building safety expense	**(114.7)**	**(19.3)**

The cost of building safety rose to £114.7m (FY23: £19.3m) as the Group increased its provision for remediation and recognised a further impairment of inventories.

The Group's building safety provision at the beginning of the year was £289.0m. This increased by £117.1m, reflecting an increase of 41 buildings following the completion of assessment of claims which were received subsequent to the implementation of a number of regulatory changes. The regulatory changes have broadened the types of issues which are deemed to cause a risk to occupant safety, as well as increasing the historical period for which the developer is responsible. In addition, the Group has experienced some increase in tender prices and an expansion in the scope of works on some buildings where additional issues were found during planned repairs.

During the year, one of the Group's joint ventures agreed to take responsibility for completing remedial works on 10 buildings that it developed and recognised a provision for the cost of these works. Accordingly, the Group released £20.9m that it had previously recognised for its share of those works. There was no net profit impact in the year, however the joint venture now holds the provision and it is no longer included in the Group's provision.

The Group utilised £68.8m of the provision during the year, continuing to make good progress with the remediation works. Work completed on 28 buildings during the year, with work ongoing for a further 43 buildings. At year end, we were engaged in the pre-start phase of the remediation process with 197 buildings, excluding the 10 buildings which will be remediated by one of the Group's joint ventures. The Group continued to manage remediation work through its specialist in-house team.

After discount unwind of £8.0m, the closing building safety provision as at 31 December 2024 was £324.4m.

£m	2024
Opening	289.0
Additions	117.1
Utilised in year	(68.8)
Released as obligation transferred to joint venture	(20.9)
Discount unwind	8.0
Closing	**324.4**

At 31 December, the number of buildings where work was ongoing or yet to commence on site increased to 240 (FY23: 237).

The Group has continued to seek to recover costs from third parties where possible and was successful in recovering £27.2m during the year, which was recognised as an exceptional credit within cost of sales. Future recoveries will only be recognised when they are secured.

In the prior year, the Group recognised an impairment of inventories of £18.5m due to viability challenges on schemes which are now required to incorporate second staircases in high-rise buildings, leading to increased costs and a loss of saleable floorspace.

During FY24, the Group continued to assess the impact of this regulatory change on those schemes through redesign, which identified that the costs would be greater than previously expected. This led to an additional impairment of £16.8m.

Exceptional items
Exceptional items increased to £128.8m (FY23: £65.6m) comprising building safety of £114.7m (£19.3m), as described above, and restructuring, integration and other costs of £14.1m (FY23: £46.3m). Restructuring, integration and other costs were lower than in the prior year and included changing the Group's divisional structures in response to the issues in the South Division.

Net finance expense
Adjusted net finance expense increased 38% to £94.7m (FY23: £68.8m). Within this, net bank interest payable increased 33% to £57.6m due to average borrowings rising by 19% year-on-year combined with an increase in the average interest rate that the Group incurs on borrowings of 0.5ppts to 7.0% (FY23: 6.5%) due to the rise in the average SONIA rate.

Land creditors due after more than one year are discounted on initial recognition using the market rate at that time, with this discount subsequently unwound up to the date the creditor is settled. There is, therefore, a time lag before market interest rate changes feed through into net financing expenses. The unwind grew in FY24 due to rising discount rates over the last two years.

£m	2024	2023	Change
Net bank interest payable	(57.6)	(43.4)	-33%
Unwind of discount on land creditors	(21.7)	(11.5)	-89%
Interest on finance leases	(5.4)	(5.5)	+2%
Net interest on defined benefit pension schemes	1.6	1.7	-6%
Net joint venture interest payable	(11.6)	(10.1)	-15%
Adjusted net finance expense	**(94.7)**	**(68.8)**	**-38%**

Profit before tax
Adjusted profit before tax was down 35% to £263.5m (FY23: £407.3m) and reported profit before tax was down 64% to £104.9m (FY23: £293.0m).

Tax
The adjusted tax charge was £74.6m (FY23: £110.4m), an effective tax rate of 28.3% (FY23: 27.1%).

The reported tax charge was £30.4m (FY23: £78.0m), an effective tax rate of 29.0% (FY23: 26.6%). The reported rate was broadly equal to corporation tax of 25% and Residential Property Developer Tax (RPDT) of 4%. The reported rate also includes a reduction for some additional qualifying expenditure in respect of land remediation relief, and a reduction for profits not in scope for RPDT, which both reduced the rate, offset by prior period adjustments.

The difference between the adjusted and reported effective rates is largely due to the presentation of a joint venture tax credit. Under IFRS, the share of joint venture profits or losses after tax are included in profit before tax. In the Group's adjusted measures, the Group's share of joint venture tax is included within the adjusted tax charge.

Earnings per share
Adjusted profit for the year reduced by 36% to £188.9m (FY23: £296.9m), with adjusted earnings per share down by 35% to 55.9p (FY23: 85.8p). The reduction in reported earnings per share of 65% to 22.0p (FY23: 62.1p) was greater due to the impact of exceptional items.

Capital employed and ROCE

£m	2024	2023 Restated[2]	Change
Work in progress (including part exchange properties)	1,133.3	1,198.5	-5%
Land	1,875.0	1,881.7	-
Land creditors	(739.9)	(662.2)	-12%
Net increase in inventories	2,268.4	2,418.0	-6%
Investment in joint ventures	614.0	562.7	+9%
Other assets	874.0	738.5	+18%
Other liabilities	(1,243.5)	(1,308.6)	+5%
Capital employed	**2,512.9**	**2,410.6**	**+4%**
Building safety provision	(324.4)	(289.0)	-12%
Retirement benefit asset	31.7	34.2	-7%
Tangible net assets	**2,220.2**	**2,155.8**	**+3%**
Goodwill	827.6	827.6	-
Intangible assets	368.8	409.3	-10%
Net debt	(180.7)	(88.8)	-103%
Net assets	**3,235.9**	**3,303.9**	**-2%**

£m	2024	2023 Restated[2]	Change
Opening capital employed	2,410.6	2,139.5	+13%
Closing capital employed	2,512.9	2,410.6	+4%
Average capital employed	**2,461.8**	**2,275.1**	**+8%**

Closing capital employed increased by 4% to £2,512.9m (FY23: £2,410.6m), with a slightly larger increase in the average capital employed of 8% to £2,461.8m (FY23: £2,275.1m).

The largest component of the Group's capital employed is its net investment in inventories. There were several factors contributing to a reduction in the closing balance.

Firstly, the Group recorded impairment write-offs of £61.2m, including those due to the cost forecasting issues in the South Division and the exceptional building safety impairment of £16.8m.

Secondly, the Group established a new joint venture with the development arm of Clarion, Latimer, to develop 1,200 homes on part of our site at Sherford, near Plymouth. The creation of this joint venture led to a transfer of £73.6m of work in progress from the Group's balance sheet.

Finally, land creditors increased by 12% to £739.9m (FY23: £662.2m), in line with the Group's strategy to buy sites on deferred terms where acceptable conditions are available. Excluding all of these factors, the underlying position showed a build-up of work in progress of £156.0m due to the slower-than-anticipated Open Market sales rate. Reducing this is a focus for the Group moving into FY25.

The increase in capital employed was driven by Partner Funded receivables, which are included within other assets in the table above, and ongoing investment into joint ventures. Partner Funded receivables include trade receivables, retentions and contract assets (accrued revenue). These increased due to Partner Funded activity levels being higher in FY24 as the shift to a fully Partnerships model took effect, particularly in the last quarter of the year. In addition, the Group completed on a large Partner Funded contract in December 2023, which included a catch-up valuation on work completed to date which was cash settled at the point of completing the contract. At the end of FY24, Partner Funded receivables reflect a more normal working capital cycle for these types of contracts.

During FY24, the Group advanced more loans to joint ventures than were repaid during the year, a net increase of £75.2m, to fund investment into land and work in progress within joint ventures. This included the new joint venture at Sherford.

ROCE reduced by 6.3ppts to 14.6%, mainly due to the lower adjusted profit for the year.

Building safety provision

The Group's building safety provision increased to £324.4m (FY23: £289.0m) as described earlier in this review.

Net debt and cash flow

The Group's opening net debt of £88.8m was £207.0m adverse to the previous year's opening net cash of £118.2m. After an outflow of £91.9m, which was substantially smaller than the outflow in the prior year of £207.0m, closing net debt was £180.7m (FY23: £88.8m), with average daily net debt of £698.1m (FY23: £586.0m).

Whilst adjusted profit before tax was down 35% on the prior year, cash conversion improved due to a substantially lower working capital outflow of £91.5m (FY23: outflow of £406.9m). In FY24, there was a cash benefit of £84.4m as spend on new land was lower than the land utilised and there was an increase in land creditors. The main contributors to the working capital outflow were the increase in Partner Funded receivables, described earlier in this review, which led to an outflow of £84.8m, as well as a reduction in payables of £55.9m due to lower amounts of cash being received from customers in advance of work being completed.

The Group continued to invest in its joint ventures, predominantly to fund land and work in progress across a growing number of active joint ventures.

The net exceptional cash flows related to building safety increased to £36.8m in the year (FY23: £33.3m) comprising a gross spend of £58.8m (FY23: £45.0m) less recoveries of £22.0m (FY23: £11.7m). The cash flows differ from the profit or loss statement due to working capital movements. After recoveries, net cash spend on building safety is expected to increase to c. £65m in FY25.

Income tax paid of £11.3m was lower than in the prior year, with the quarterly instalment payments reflecting the lower taxable profits, and was broadly in line with the current tax element of the total tax expense.

The net inflow before shareholder distributions was £80.7m (FY23: net outflow of £91.3m). Shareholder distributions totalling £172.6m were set in anticipation of profit for the year being higher than was achieved. This related to the 15.3m shares purchased under the Group's share buyback programmes.

In FY23, the shareholder distributions comprised £110.4m of dividends and £5.3m of shares repurchased under the first buyback programme, which was launched in December 2023.

The total available facilities as at 31 December 2024 were £1,080.0m (FY23: £1,015.7m), of which £1,005.0m (FY23: £1,015.7m) were committed. Against these facilities, the Group had drawn £500.0m (FY23: £506.7m) at the year end. During the year, the Group agreed an additional facility of £75.0m with one of the Group's existing lender pool, which is uncommitted and must be repaid at each quarter end. In addition, subsequent to 31 December 2024, the Group has secured an additional £50m facility with another lender from the Group's existing lender pool. These uncommitted facilities are on-demand facilities with flexible borrowing tenors to support the Group's short-term, in-month, borrowing requirements.

£m	2024	2023 Restated[2]	Change
Opening net debt	(88.8)	118.2	n/a
Adjusted profit before tax	263.5	407.3	-35%
Working capital movements:			
Land	6.7	(60.0)	n/a
WIP	(35.2)	(226.1)	+84%

Land creditors	77.7	(5.2)	n/a
Receivables	(84.8)	(67.7)	-25%
Payables	(55.9)	(47.9)	-17%
Working capital outflow	(91.5)	(406.9)	+78%
Net investment in joint ventures	(28.9)	(60.4)	+52%
Exceptional building safety spend (net of recoveries)	(36.8)	(33.3)	-11%
Restructuring, integration and other costs	(14.3)	(56.1)	+75%
Taxation	(11.3)	(37.7)	+70%
Cash inflow/(outflow) before shareholder distributions	80.7	(91.3)	n/a
Shareholder distributions	(172.6)	(115.7)	-49%
Net cash outflow	**(91.9)**	**(207.0)**	**+56%**
Closing net debt	**(180.7)**	**(88.8)**	**-103%**

	Facility				
£m	**Available**	**Maturity**	**Margin**	**2024**	**2023**
Revolving credit facility	(500.0)	2026	SONIA + 1.6-2.5 ppts	-	-
Term loan	(400.0)	2026	SONIA + 1.9-3.1 ppts	(400.0)	(400.0)
USPP loan[1]	(100.0)	2027	4.03 ppts	(103.7)	(104.6)
Prepaid facility fee	n/a	n/a	n/a	2.7	4.2
Development loan[2]	-	2029	ECRR + 1.2-2.2 ppts	-	(6.7)
Money market facility	(75.0)	n/a	SONIA plus margin		
Overdraft facility	(5.0)	2025	BoE Base + 1.5 ppts	-	-
Total borrowings	(1,080.0)			(501.0)	(507.1)
Cash				320.3	418.3
Net debt				**(180.7)**	**(88.8)**

[1] The carrying value of the USPP loan includes the fair value of future interest payments of £3.7m (FY23: £4.6m) as the loan was acquired through a historical acquisition. The drawings of £100.0m (FY23: £100.0m) are equal to the total available facility.

[2] The Homes England development loan is no longer included in the consolidated Group accounts as the borrower, Linden Homes (Sherford) LLP, is no longer a subsidiary undertaking.

Shareholder distributions and capital allocation policy

The Group has not changed its capital allocation policy during the year. An interim ordinary distribution in the form of a share buyback of up to £55m was announced in September 2024 alongside a special buyback of up to £75m. The Group has completed £38m to date and expects to complete the remaining £92m in the half year 2026.

Reflecting the disappointing performance in FY24, the Group is not proposing any final ordinary distribution in respect of the FY24 adjusted earnings. Future distributions will be made in accordance with Group's capital allocation policy.

Forward order book

The forward order book as at 31 December was broadly stable at £4.4bn (FY23: £4.5bn). The reduction in the Open Market element was driven by the lower Open Market sales rate in the year's final three months.

£m	**2024**	**2023**
Open Market	285	298
Partner Funded	4,156	4,168
Total	**4,441**	**4,466**

Land bank

The land bank represents 4.4 years of supply (FY23: 4.9 years). The Group's Partner Funded business model supports a shorter land bank than traditional housebuilding due to the faster pace of delivery on pre-sold sites and the lower proportion of Open Market homes. Over the medium term, we expect the length of the land bank to reduce to less than 4.0 years of supply.

The Group added 14,432 plots to the land bank across 46 sites in the year, including 701 plots across three sites previously in the strategic land bank. The proportion of the total plots that were controlled rather than owned at the end of the year increased to 31% (FY23: 27%). Over the medium term, we expect around one-third of the land bank to come from controlled rather than owned sites, as controlled sites require only minimal upfront capital investment.

Number of plots	**2024**	**2023**
Owned (excluding joint ventures)	34,233	39,955
Owned - joint ventures (100%)	17,048	15,752
Total owned	51,281	55,707
Controlled (excluding joint ventures)	12,230	10,459
Controlled - joint ventures (100%)	10,509	10,268
Total controlled	22,739	20,727
Total	**74,020**	**76,434**

Strategic land

Strategic land refers to land which does not yet have planning consent and which the Group is or will progress through planning and promotional processes before development. Once we obtain planning consent, the land becomes consented. Strategic land remains an essential supply source, and the number of plots increased by 8% during the year.

As at 31 December 2024	**Total sites**	**Total plots**
0 - 150 plots	55	4,322
150 - 300 plots	53	10,930
300 - 500 plots	31	10,745
500 - 1,000 plots	21	13,425
1,000+ plots	22	36,797
Total	**182**	**76,219**
Planning agreed	17	5,855
Planning application	19	8,778
Ongoing application	146	61,586
Total	**182**	**76,219**
At 31 December 2023	185	70,780
Change	-2%	+8%

Group statement of profit or loss and other comprehensive income

		2024			2023 restated (note 2)		
For the year ended 31 December	**Note**	**Reported measures £m**	**Adjusting items (note 15) £m**	**Adjusted measures £m**	Reported measures £m	Adjusting items (note 15) £m	Adjusted measures £m
Revenue	3	3,779.3	549.9	4,329.2	3,564.2	477.9	4,042.1
Cost of sales		(3,487.6)			(3,030.6)		
Gross profit		**291.7**			533.6		
Administrative expenses		(210.2)			(287.8)		
Amortisation of acquired intangible assets		(39.5)			(46.3)		
Other operating income		125.0			100.5		
Operating profit		**167.0**	**191.2**	**358.2**	300.0	176.1	476.1
Finance income		30.5			22.0		
Finance expense		(95.9)			(85.0)		
Net finance expense		**(65.4)**	**(29.3)**	**(94.7)**	(63.0)	(5.8)	(68.8)
Share of profit after tax from joint ventures	8	3.3			56.0		
Profit before tax		**104.9**	**158.6**	**263.5**	293.0	114.3	407.3
Income tax expense	5	(30.4)	(44.2)	(74.6)	(78.0)	(32.4)	(110.4)
Profit for the year		**74.5**	**114.4**	**188.9**	215.0	81.9	296.9
Other comprehensive expense							
Remeasurement of retirement benefit asset		(4.3)			(2.4)		
Deferred tax on remeasurement of retirement benefit asset		1.2			0.7		
Total other comprehensive expense		**(3.1)**			(1.7)		
Total comprehensive income for the year		**71.4**			213.3		

Earnings per share

		2024		2023 restated (note 2)	
	Note	**Reported measures**	**Adjusted measures**	Reported measures	Adjusted measures
Basic	6	22.0p		62.1p	
Diluted	6	21.8p		61.3p	
Adjusted Basic	6		55.9p		85.8p

Group statement of financial position

As at 31 December	Note	2024 £m	2023 restated (note 2) £m
Assets			
Goodwill		827.6	827.6
Intangible assets		368.8	409.3
Property, plant and equipment		22.8	20.1
Right-of-use assets		85.2	82.9
Investments	8	614.0	562.7
Retirement benefit assets		31.7	34.2
Total non-current assets		**1,950.1**	1,936.8
Inventories		3,008.3	3,080.2
Trade and other receivables		760.4	626.4
Cash and cash equivalents	9	320.3	418.3
Current tax assets		5.6	9.1
Total current assets		**4,094.6**	4,134.0
Total assets		**6,044.7**	6,070.8
Liabilities			
Trade and other payables		1,403.7	1,481.9
Lease liabilities		29.4	24.6
Provisions	10	105.3	105.0
Total current liabilities		**1,538.4**	1,611.5
Borrowings	9	501.0	507.1
Trade and other payables		415.9	341.0
Lease liabilities		67.0	73.7
Provisions	10	247.9	212.4
Deferred tax liabilities		38.6	21.2
Total non-current liabilities		**1,270.4**	1,155.4
Total liabilities		**2,808.8**	2,766.9
Net assets		**3,235.9**	3,303.9
Equity			
Issued capital		165.9	173.4
Share premium		361.3	361.0
Capital redemption reserve		9.0	1.5
Merger reserve		1,597.8	1,597.8
Retained earnings		1,101.9	1,170.2
Total equity attributable to equity holders of the parent		**3,235.9**	3,303.9

Group statement of changes in equity

	Note	Own shares held £m	Other retained earnings £m	Total retained earnings £m	Issued capital £m	Share premium £m	Capital Redemption reserve £m	Merger reserve £m	Total £m
Balance as at 1 January 2023 as previously reported		(17.4)	1,133.6	1,116.2	173.6	360.8	1.3	1,597.8	3,249.7
Correction of prior year error	2	-	(6.2)	(6.2)	-	-	-	-	(6.2)
Balance as at 1 January 2023 restated	2	(17.4)	1,127.4	1,110.0	173.6	360.8	1.3	1,597.8	3,243.5
Profit for the year restated	2	-	215.0	215.0	-	-	-	-	215.0
Total other comprehensive expense		-	(1.7)	(1.7)	-	-	-	-	(1.7)
Total comprehensive income restated	2	-	213.3	213.3	-	-	-	-	213.3
Issue of share capital		-	-	-	-	0.2	-	-	0.2
Purchase of own shares	7	(2.0)	(53.4)	(55.4)	(0.2)	-	0.2	-	(55.4)
LTIP shares exercised		4.7	(3.3)	1.4	-	-	-	-	1.4
Share-based payments		-	8.0	8.0	-	-	-	-	8.0
Dividend paid	7		(110.4)	(110.4)	-	-	-	-	(110.4)
Deferred tax on share-based payments		-	3.3	3.3	-	-	-	-	3.3
Total transactions with owners		2.7	(155.8)	(153.1)	(0.2)	0.2	0.2	-	(152.9)
Balance as at 31 December 2023 restated	2	(14.7)	1,184.9	1,170.2	173.4	361.0	1.5	1,597.8	3,303.9

Balance as at 1 January 2024		**(14.7)**	**1,184.9**	**1,170.2**	**173.4**	**361.0**	**1.5**	**1,597.8**	**3,303.9**
Profit for the year		-	74.5	**74.5**	-	-	-	-	**74.5**
Total other comprehensive expense		-	(3.1)	**(3.1)**	-	-	-	-	**(3.1)**
Total comprehensive income		**-**	**71.4**	**71.4**	**-**	**-**	**-**	**-**	**71.4**
Issue of share capital		-	-	**-**	-	0.3	-	-	**0.3**
Purchase of own shares	7	(2.9)	(141.9)	**(144.8)**	(7.5)	-	7.5	-	**(144.8)**
LTIP shares exercised		8.2	(5.5)	**2.7**	-	-	-	-	**2.7**
Share-based payments		-	5.5	**5.5**	-	-	-	-	**5.5**
Deferred tax on share-based payments		-	(3.1)	**(3.1)**	-	-	-	-	**(3.1)**
Total transactions with owners		**5.3**	**(145.0)**	**(139.7)**	**(7.5)**	**0.3**	**7.5**	**-**	**(139.4)**
Balance as at 31 December 2024		**(9.4)**	**1,111.3**	**1,101.9**	**165.9**	**361.3**	**9.0**	**1,597.8**	**3,235.9**

Group statement of cash flows

For the year ended 31 December	**Note**	**2024 £m**	2023 restated (note 2) £m
Cash flows from operating activities			
Operating profit for the year		**167.0**	300.0
Add back:			
Exceptional items included in operating profit	4	**99.9**	46.2
Depreciation and amortisation		**73.9**	74.1
Other non-cash items		**(6.3)**	1.9
Equity-settled share-based payment expense		**5.5**	8.0
Operating cash inflow before exceptional cash flows and movements in working capital		**340.0**	430.2
Exceptional cash flows relating to the restructuring, integration and other exceptional items		**(17.8)**	(55.4)
Exceptional cash outflow relating to building safety		**(58.8)**	(45.0)
Exceptional cash inflow relating to building safety recoveries		**22.0**	11.7
Exceptional cash outflows		**(54.6)**	(88.7)
Defined benefit pension contributions		**(0.2)**	(0.6)
Increase in trade and other receivables		**(124.0)**	(83.3)
Increase in inventories		**(28.5)**	(274.3)
Increase/(decrease) in trade and other payables		**13.0**	(1.8)
Increase/(decrease) in provisions		**4.6**	(15.9)
Movements in working capital		**(135.1)**	(375.9)
Net cash inflow/(outflow) from operations		**150.3**	(34.4)
Income taxes paid		**(11.3)**	(37.7)
Net cash inflow/(outflow) from operating activities		**139.0**	(72.1)
Cash flows from investing activities			
Bank interest received		**2.3**	4.2
Purchase of property, plant and equipment		**(6.9)**	(2.8)
Disposal of subsidiary undertaking		**22.7**	-
Loans advanced to joint ventures	8	**(321.1)**	(195.4)
Loans repaid by joint ventures	8	**273.2**	197.8
Interest received on loans to joint ventures	8	**10.4**	6.4
Dividends received from joint ventures	8	**42.5**	42.3
Net cash inflow from investing activities		**23.1**	52.5
Cash flows from financing activities			
Dividends paid	7	**-**	(110.4)
Lease principal payments		**(27.1)**	(23.9)
Lease interest payments		**(5.4)**	(5.5)
Interest paid on borrowings		**(56.8)**	(44.9)
Proceeds from share issues		**3.0**	1.6
Purchase of own shares	7	**(172.6)**	(5.3)
Repayment of bank loans		**(1.2)**	(50.5)
Net cash outflow from financing activities		**(260.1)**	(238.9)
Net decrease in cash and cash equivalents		**(98.0)**	(258.5)
Opening cash and cash equivalents		**418.3**	676.8
Closing cash and cash equivalents		**320.3**	418.3

1 Basis of preparation

1.1 General Information

Vistry Group PLC (the 'Company') is a public company, limited by shares, domiciled and incorporated in England, United Kingdom. The shares are listed on the London Stock Exchange. The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in joint ventures. The financial statements were authorised for issue by the Directors on 25 March 2025. The registered office for Vistry Group PLC is 11 Tower View, Kings Hill, West Malling, Kent, ME19 4UY.

1.2 Basis of preparation

The financial information set out above does not constitute the Group's statutory financial statements for the years ended 31

The financial information set out above does not constitute the Group's statutory financial statements for the years ended 31 December 2024 or 2023 but is derived from those financial statements. Statutory financial statements for 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements are prepared on the historical cost convention unless otherwise stated. The functional and presentational currency of the Group is Pounds Sterling (GBP). All financial information, unless otherwise stated has been rounded to the nearest £0.1m.

In accordance with section 612 of the Companies Act 2006, advantage is taken of the relief from the requirement to create a share premium account to record the excess over the nominal value of shares issued in a share for share transaction. Where the relevant requirements of section 612 of the Companies Act 2006 are met, the excess of any nominal value is credited to a merger reserve.

1.3 Accounting policies

In the current year, the Group has applied the following amendments that are mandatorily effective for reporting periods commencing on or after 1 January 2024.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Non-Current Liabilities with Covenants (Amendments to IAS 1)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The adoption of these amendments did not have a material impact on the Group's reported results or disclosures. All other accounting policies, unless stated otherwise, have been applied consistently to the Group.

1.4 Going concern

The Group has prepared a cash flow forecast for the period to 30 June 2026 to confirm the appropriateness of the going concern assumption in these accounts. This period is greater than the minimum 12 months required to incorporate the next testing date of 30 June 2026 for the covenants under the Group's loan facilities. The forecast was prepared using a likely base case which shows that there is sufficient headroom and liquidity for the business to continue as a going concern based on the committed facilities available to the Group. The Group was also forecast to comply with the required covenants on its borrowing facilities.

A number of severe but plausible downside sensitivity scenarios were considered assuming decreased demand for housing, falling house prices and increased build costs. In certain of the downside scenarios, the Group would exceed its available facilities and breach covenants if no mitigating actions were taken. The Group has a range of mitigating actions available to it, which could be implemented readily and are within the Group's control. Consequently, the Directors have not identified any material uncertainties to the Group's ability to continue as a going concern over a period of at least 12 months following the date of approval of the financial statements and have concluded that using the going concern basis for the preparation of the financial statements is appropriate.

In the downside sensitivity scenario, the following assumptions have been applied (individually and in aggregate):

- 15% reduction in Open Market sales volumes from 1 May 2025 with a corresponding slowdown in build rates and associated overheads
- A 3% reduction in the average sales price of Open Market and unsecured Partner Funded homes from 1 May 2025
- A 5% increase in build costs from 1 September 2025

The following mitigating actions have been modelled against the individual and combined downside scenarios:

- Removal of uncommitted land spend and associated income from 1 May 2025
- 25% further reduction in administrative expenses from 1 July 2025
- Pausing uncommitted shareholder distributions from 1 May 2025

1.5 Segment Reporting

The Group has one operating segment, which has been identified in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been determined as the Board of Directors as they are responsible for allocating resources and regularly review and assess the performance and financial position of the Group. All revenue and profits disclosed relate to continuing activities performed in the United Kingdom.

1.6 Exceptional items

Exceptional items are those which, in the opinion of the Directors, are material by size and irregular in nature and therefore require separate disclosure within the Statement of Profit or Loss in order to assist the users of the financial statements in understanding the underlying business performance of the Group.

2 Prior year restatement

Consideration was given as to whether any of the additional forecast costs identified in the South Division should have been identified and accounted for in prior periods. If there was a failure to use, or misuse of, reliable information that was a) available when the financial statements were authorised for issue and b) could reasonably be expected to have been obtained and taken into account in preparing those financial statements, then this could lead to an accounting error that requires adjustment. If this was the case, the full-life margin expectation should have been adjusted at the time. IAS 8 requires that information acquired with the benefit of hindsight should not be taken into account, therefore events that have occurred subsequently and which could not have been reasonably forecast at the time, such as subcontractor failure, updated cost estimates upon obtaining new tenders or operational challenges on site, do not constitute an error. These are changes in estimates, which are accounted for from the beginning of the period in which the event triggering the change occurred.

A review of the additional forecast costs on projects in the South Division was undertaken to identify the reasons for each of the changes and when they could and should reasonably have been known about. The results of the exercise showed that there were some items which could reasonably have been known about in prior periods. After considering a range of qualitative factors and the aggregate quantitative impact for the year ended 31 December 2023, it was concluded that there was a material error in the FY23 financial statements totalling £20.5m that required restatement. The impact on individual line items is shown in the table below.

	2023		
	As previously reported	Adjustment	Restated

	Reported £m	Adjustment £m	Restated £m
Changes in Group Statement of Profit or Loss			
Cost of sales	(3,018.8)	(11.8)	(3,030.6)
Gross profit	545.4	(11.8)	533.6
Operating profit	311.8	(11.8)	300.0
Profit before tax	304.8	(11.8)	293.0
Income tax expense	(81.4)	3.4	(78.0)
Profit for the year	223.4	(8.4)	215.0
Total comprehensive income for the year	221.7	(8.4)	213.3
Changes in Group Statement of Financial Position			
Inventories	3,100.7	(20.5)	3,080.2
Current tax assets	3.2	5.9	9.1
Total current assets	4,148.6	(14.6)	4,134.0
Total assets	6,085.4	(14.6)	6,070.8
Net assets	3,318.5	(14.6)	3,303.9
Changes in Group Statement of Cash Flows			
Operating profit in the year	311.8	(11.8)	300.0
Increase in inventories	(286.1)	11.8	(274.3)
Movements in working capital	(387.7)	11.8	(375.9)

The additional forecast costs which should have been identified in prior years would have reduced the expected full-life margin on the impacted sites at that time. The full-life margin is used to determine the amount of inventories to be expensed as cost of sales. To correct the error, the full-life margin at the time has been recalculated to include the additional forecast costs, and the revised margin has been used to recalculate the amount of inventories that should have been expensed. This resulted in a total reduction in inventories of £20.5m as at 31 December 2023 and a corresponding increase in cost of sales in the relevant years. The amount relating to years earlier than FY23 gave rise to an adjustment of £6.2m (net of tax) to opening retained earnings as at 1 January 2023, as shown in the table, comprising a reduction of £8.7m in inventories and an increase in the current tax asset of £2.5m.

	£m
Reconciliation of Shareholders' Equity	
As at 1 January 2023 as previously reported	3,249.7
Adjustment to opening reserves	(6.2)
As at 1 January 2023 restated	3,243.5
Profit for the year restated	215.0
Total other comprehensive income	(1.7)
Total transactions with shareholders	(152.9)
As at 31 December 2023 restated	**3,303.9**

3 Revenue

	2024			2023		
Revenue by type	**Point-in-time £m**	**Over time £m**	**Total £m**	Point-in-time £m	Over time £m	Total £m
Open Market sales	1,256.1	-	1,256.1	1,474.2	-	1,474.2
Partner Funded sales	165.6	2,181.6	2,347.2	171.9	1,806.5	1,978.4
Other	176.0	-	176.0	111.6	-	111.6
Revenue	**1,597.7**	**2,181.6**	**3,779.3**	**1,757.7**	**1,806.5**	**3,564.2**

4 Exceptional items

Restructuring expenses are those expenses, such as severance and other non-recurring items directly related to restructuring and integration activities that do not reflect the Group's underlying trading performance. The building safety provision has previously been disclosed as an exceptional item and, accordingly, further related income and expenses have also been disclosed as exceptional items.

	2024				
	Cost of sales £m	**Administrative expenses £m**	**Finance expense £m**	**Share of profit from joint ventures £m**	**Total £m**
Restructuring, integration and other costs	-	14.1	-	-	14.1
Building safety:					
Additions to provision	117.1	-	-	-	117.1
Recoveries	(27.2)	-	-	-	(27.2)
Change in provision for obligations taken on by joint venture	(20.9)	-	-	20.9	-
Impairment of inventories	16.8	-	-	-	16.8
Unwind of discounting on the provision	-	-	8.0	-	8.0
Total building safety	85.8	-	8.0	20.9	114.7
Exceptional items	**85.8**	**14.1**	**8.0**	**20.9**	**128.8**

	2023				
	Cost of sales £m	Administrative expenses £m	Finance expense £m	Share of profit from joint ventures £m	Total £m
Restructuring, integration and other costs	-	46.3	-	-	46.3
Building safety:					
Release from provision	(18.6)	-	-	-	(18.6)
Impairment of inventories	18.5	-	-	-	18.5
Unwind of discounting on the provision	-	-	19.4	-	19.4
Total building safety	(0.1)	-	19.4	-	19.3
Exceptional items	(0.1)	46.3	19.4	-	65.6

5 Income tax expense

	2024 £m	2023 restated (note 2) £m
Current year excluding residential property developer tax	8.1	38.0
Residential property developer tax	1.6	7.1
Adjustments in respect of prior years	5.2	(3.6)
Current income tax expense	**14.9**	41.5
Origination and reversal of temporary differences	22.5	34.0
Adjustments in respect of prior years	(7.0)	2.5
Deferred income tax expense	**15.5**	36.5
Total income tax expense	**30.4**	78.0

	2024 £m	2023 restated (note 2) £m
Profit before tax	104.9	293.0
Income tax on profit before tax at standard UK corporation tax rate of 25% (2023: 23.5%)	26.2	68.9
Residential property developer tax	2.9	8.0
Non-deductible expenses	0.5	0.4
Tax effect of share of results of joint ventures	2.4	(2.0)
Tax rate differences	0.5	3.3
Adjustments to the tax charge in respect of prior years	(1.8)	(1.1)
Other timing differences	(0.3)	0.5
Total income tax expense	**30.4**	78.0
Effective tax rate	**29.0%**	26.6%

The Group's effective tax rate of 29.0% (FY23: 26.6%) is higher than the weighted statutory rate of corporation tax of 25.0% (FY23: 23.5%) principally due to the Residential Property Developer Tax ('RPDT') charge in the year. RPDT is charged at a rate of 4% of relevant taxable profits.

The corporation tax rate increased from 19% to 25% with effect from 1 April 2023. Deferred taxes at 31 December 2024 and 2023 have been measured using enacted rates and reflected in these financial statements.

Recognised directly in Group statement of changes in equity or in the Group statement of comprehensive income

	2024 £m	2023 £m
Deferred tax relating to actuarial movements on pension scheme	1.2	0.7
Deferred tax relating to equity-settled share-based payments	(3.1)	3.3
Deferred tax recognised directly in equity or other comprehensive income	**(1.9)**	4.0

6 Earnings per share

Profit attributable to ordinary shareholders	**2024 £m**	2023 restated (note 2) £m
Profit for the year attributable to equity holders of the parent	74.5	215.0
Adjusted earnings attributable to equity holders of the parent	188.9	296.9

Earnings per share	**2024 £m**	2023 restated (note 2) £m
Basic earnings per share	22.0p	62.1p
Diluted earnings per share	21.8p	61.3p
Adjusted basic earnings per share	55.9p	85.8p

Weighted average number of shares used as the denominator	Basic 2024 m	Diluted 2024 m	Basic 2023 m	Diluted 2023 m
Weighted average number of ordinary shares for the year ended 31 December	338.1	341.8	346.0	350.6

The basic weighted average number of ordinary shares is calculated by time-weighting the ordinary shares in issue during the period based on new issues and share buybacks. This figure excludes treasury shares and shares held in the Employee Stock Ownership Plan (ESOP) Trust but includes any outstanding vested nil-cost options in relation to equity-settled share-based payment arrangements.

The diluted weighted average number of ordinary shares is calculated as the basic weighted average number, plus any other potentially outstanding shares in relation to the equity-settled share-based payment arrangements. A total of nil shares that could potentially dilute earnings per share in the future were excluded from the above calculations because they were anti-dilutive at 31 December 2024 (FY23: nil shares).

7 Distributions

The Group has made the following distributions:

	2024 £m	2023 £m
Prior year final dividend per share of nil (2023: 32p per share)	-	110.4
Share buyback in lieu of interim dividend	44.1	55.4
Share buyback in lieu of final dividend	100.7	-
Distributions	**144.8**	**165.8**

The Group commenced a share buyback programme of £55m of ordinary shares in lieu of an interim dividend for FY23 on 11 December 2023. This was completed on 23 February 2024 with a total of 5.8m ordinary shares (5.1m during the year) acquired at an average price per share of 955 pence. Of the ordinary shares repurchased, 5.5m shares were cancelled (5.1m during the year).

On 18 April 2024, the Group commenced an ordinary share buyback programme of £100m of ordinary shares in lieu of a final dividend for FY23. This was completed on 4 September 2024 with a total of 7.7m ordinary shares acquired at an average price per share of 1,299 pence. Of the ordinary shares repurchased, 7.5m shares were cancelled.

On 5 September 2024, the Group announced that it was commencing an ordinary share buyback programme to repurchase up to £55m of ordinary shares in lieu of an interim dividend for 2024 and a further special buyback of up to £75m. The Group engaged brokers to manage the first tranche of the programme up to £43.4m and had issued an irrevocable instruction for the brokers to manage the programme, within pre-set parameters, during the closed period ahead of the Group's trading update on 15 January 2025. By 31 December 2024, the Group had repurchased 2.5m shares at a cost of £21.4m and the remaining amount of the first tranche, including costs, has been recognised as a liability of £22.3m in these financial statements. Of the ordinary shares repurchased, 2.5m shares were cancelled.

In the period from 1 January 2025 to 25 March 2025, the Company purchased a further 2.8m ordinary shares, which were also subsequently cancelled, for a total consideration of £16.7m (including stamp and duty fees).

8 Investments

The movement in investments during the year is as follows:

	2024 £m	2023 £m
Opening investments in joint ventures	**562.6**	552.3
Acquisition of joint venture	**27.3**	-
Loans advanced	**321.1**	194.4
Loans repaid	**(273.2)**	(197.8)
Fair value adjustments to loans	**-**	1.0
Share of net profit for the year before exceptional item	**24.2**	56.0
Exceptional item related to building safety	**(20.9)**	-
Dividends received from joint ventures	**(42.5)**	(42.3)
Interest accrued on loans to joint ventures	**25.1**	24.7
Movement in provision against interest on loans to joint ventures	**0.6**	(9.6)
Interest received on loans to joint ventures	**(10.4)**	(6.4)
Other movements	**-**	(9.7)
Closing investment in joint ventures	**613.9**	562.6
Other investments	**0.1**	0.1
Total investments	**614.0**	562.7

9 Cash and cash equivalents and borrowings

	2024 £m	2023 £m
Cash and cash equivalents	**320.3**	418.3
Borrowings	**(501.0)**	(507.1)
Net debt	**(180.7)**	(88.8)

The £500m four-year revolving credit facility syndicate compromises eight banks, six of which form the syndicate for the £400m Term Loan. The revolving credit facility, Term Loan and USPP Loan all include a covenant package, covering interest cover, gearing and tangible net worth requirements which are tested semi-annually.

	Available facility	Maturity	2024 £m	2023 £m
Revolving credit facility	(500.0)	2026	**-**	-
Term loan	(400.0)	2026	**(400.0)**	(400.0)
USPP loan	(100.0)	2027	**(103.7)**	(104.6)
Prepaid facility fee	n/a	n/a	**2.7**	4.2
Homes England development loan	-	2029	**-**	(6.7)
Money market facility	(75.0)	n/a	**-**	-
Overdraft facility	(5.0)	2025	**-**	-
Total borrowings	(1,080.0)		**(501.0)**	(507.1)
Cash			**320.3**	418.3
Net debt			**(180.7)**	(88.8)

10 Provisions

	Building safety £m	Restructuring £m	Other £m	Total £m
As at 1 January 2024	289.0	9.9	18.5	317.4
Additional provisions	117.1	5.3	22.5	144.9
Utilised in the year	(68.8)	(9.5)	(15.2)	(93.5)
Unwind of discounting	8.0	-	-	8.0
Transfer to joint venture	(20.9)	-	-	(20.9)
Releases	-	-	(2.7)	(2.7)
As at 31 December 2024	**324.4**	**5.7**	**23.1**	**353.2**

Of the total provisions detailed above £105.3m is expected to be utilised within the next year (2023: £105.0m).

Building safety provision

An additional provision of £117.1m was recognised in the year, driven by a number of factors. The Group has seen an increase in the number and value of claims received from building owners, driven by the regulatory changes introduced in recent years which have extended the liability period for developers across a broader range of building safety issues.

The Group has also experienced additional costs arising from increases to the scope of works on buildings in the process of remediation. Detailed investigations are undertaken to enable the scope of works to be defined and approved ahead of works commencing, however when remediating existing buildings there is inevitably the possibility that previously unknown issues will be identified during the course of the works.

Securing the necessary approvals to the scope of remediation works has been a challenge across the industry and the Group has experienced instances of previously agreed scopes needing to be increased based on revised professional advice from consultants.

There has been a substantial step up in remediation activity across the sector as developers seek to meet their obligations to building owners and residents as quickly as possible. This has resulted in high demand for the services of specialist suppliers and subcontractors, adding to the general upward inflationary pressure.

Utilisation in the year was £68.8m and spend is expected to increase to c£85m in FY25 and c£100m in FY26. The remaining remediation spend is expected to be phased relatively evenly over FY27 and FY28.

The provision previously included an amount of £20.9m relating to the Group's share of the expected costs to remediate 10 buildings that were developed by Greenwich Millennium Village Ltd, one of the Group's joint ventures. During 2024, the joint venture accepted responsibility for completing the works and recorded a provision for the full amount. Accordingly, the Group provision was released.

At 31 December 2024 the Group has a £324.4m provision for future obligations on remedial works and additional costs. At the beginning of the year, the Group was engaged in remediating 237 buildings. During the year, a net additional 41 buildings were identified, work completed on 28 buildings and responsibility for 10 buildings was transferred to a joint venture. At 31 December 2024 the Group was engaged in remediating 240 buildings (FY23: 237), excluding those in the joint venture.

11 Financial instruments

	2024 £m	2023 £m
Non-derivative financial assets		
Trade and other receivables *	427.2	399.9
Cash and cash equivalents	320.3	418.3
Non-derivative financial liabilities		
Borrowings	(501.0)	(507.1)
Trade and other payables **	(1,676.4)	(1,642.7)
Lease liabilities	(96.4)	(98.3)

Net financial liabilities	**(1,526.3)**	(1,429.9)

** Trade and other receivables excluding prepayments, accrued income and contract assets which are not financial instruments.*
*** Trade and other payables excluding deferred income and contract liabilities which are not financial instruments.*

Land creditors, recognised within trade and other payables, and a USPP loan, recognised within bank and other loans are recognised initially at fair value and subsequently at amortised cost. For all other financial instruments, there is no material difference between fair value and carrying value.

12 Related party transactions

Transactions between fellow subsidiaries, which are related parties, have been eliminated on consolidation, as have transactions between the Company and its subsidiaries during the year.

Transactions between the Group, Company and key management personnel in the year ended 31 December 2024 were limited to those relating to remuneration.

Mr. Greg Fitzgerald, the Executive Chair and CEO, is non-executive Chairman and a shareholder of Ardent Hire Solutions Limited ("Ardent"). The Group hires forklift trucks from Ardent.

Mr. Stephen Teagle, CEO Partnerships and Regeneration, is the Chair of The Housing Forum. The Group paid for a subscription to The Housing Forum during the year.

Ms. Katherine Innes Ker, former non-executive Director who resigned in May 2023, was also non-executive Director of Forterra PLC. The Group incurred costs with Forterra PLC in relation to the supply of bricks during the term that Katherine was a non-executive Director in FY23 which is presented in the table below. Any transactions with Forterra PLC in the period after Katherine's departure from the Board are excluded from the table below.

Dr. Chris Browne, a non-executive director, is also a non-executive director of Kier Group PLC. The Group holds shares in four joint ventures for which Kier Group PLC are also an investor. No transactions were made during the year directly between the Group and Kier Group PLC in relation to those joint ventures or otherwise, and there were no amounts payable to or owed by Kier Group PLC as at 31 December 2024.

The total net value of transactions with related parties excluding joint ventures has been made at arm's length and were as follows:

	Expenses paid to related parties		Amounts payable to related parties		Amounts owed by related parties	
	2024	2023	**2024**	2023	**2024**	2023
	£000	£000	**£000**	£000	**£000**	£000
Trading transactions						
Ardent Hire Solutions	13,819	7,898	**669**	380	**-**	159
The Housing Forum	32	15	**-**	-	**-**	-
Forterra PLC	-	6	**-**	-	**-**	-

Transactions between the Group and its joint ventures are disclosed as follows:

	Sales to related parties		Interest income and dividend income from related parties	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Trading transactions	**383.2**	232.1	**-**	-
Non-trading transactions	**-**	-	**68.1**	68.9

	Amounts owed by related parties		Amounts owed to related parties	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Balances with joint ventures	**548.7**	433.7	**97.6**	85.8

Sales to related parties including joint ventures are based on normal commercial payment terms available to unrelated third parties, without security.

Interest rates on the loans made to joint ventures are set as part of the joint venture agreement. Typically, the partners charge interest based on the Bank of England base rate plus a margin, although the Group has some loans to joint ventures where interest is charged at a fixed rate of between nil and 5.0%. Loans are repayable when the joint venture has surplus funds and must be fully repaid by the completion of the development. All balances with related parties will be settled in cash.

As at the reporting date, two (FY23: two) of the Group's employees have a close family member on the ELT. These individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The combined annual salary and benefits of these individuals is less than £0.3m (FY23: £0.3m).

There have been no other related party transactions in the financial year which have materially affected the financial performance or position of the Group, and which have not been disclosed.

13 Contingent liabilities

The Group is subject to various claims, audits and investigations that have arisen in the ordinary course of business. These matters include but are not limited to employment and commercial matters. The outcome of all these matters is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Group and after consultation with external lawyers, the Directors believe that the ultimate resolution of these matters, individually and in aggregate, will not have a material adverse impact on the Group's financial condition. Where necessary, applicable costs are included within the cost to complete estimates for individual developments or are provided for in the financial statements.

As Government legislation, regulation and guidance further evolves in relation to building safety, including the Defective Premises Act (DPA), this may result in additional liabilities for the Group to carry out remediation works. These possible liabilities cannot currently be reliably estimated and as such no provision for them has been recognised at the balance sheet date. Where the Group has been formally notified of potentially defective works through communications from building owners, leaseholders or managing agents on these buildings and the unfit for habitation test has been established, an appropriate provision has been recognised. The Directors believe that the Group may be able to recover some of the remediation costs via insurance or, in the case of defective workmanship, from subcontractors or other third parties, however, any such recoveries are not deemed to be virtually certain and therefore no contingent assets have been recognised at the balance sheet date.

14 Events after the reporting period

In the period from 1 January 2025 to 25 March 2025, the Company purchased 2.8m ordinary shares, which were subsequently cancelled, for a total consideration of £16.7m (including stamp duty and fees).

During March 2025, the Group secured an additional £50m facility with one of the lenders from the Group's existing lender pool. The uncommitted facility is available on-demand with flexible borrowing tenors to support the Group's short-term, in-month, borrowing requirements.

There were no other material events arising after the reporting date.

15 Adjusted performance measures

In addition to the IFRS (reported) measures disclosed, the Group uses certain non-IFRS alternative performance (adjusted) measures to assess its operational performance. Definitions and reconciliations to IFRS measures, where relevant, are provided below.

Alternative performance measure	Calculated as
Adjusted revenue	Statutory revenue plus the Group's proportional share of joint ventures' revenue.
Adjusted operating profit	Statutory operating profit excluding exceptional items and amortisation of acquired intangible assets plus the Group's proportional share of joint ventures' operating profit.
Adjusted operating margin	Adjusted operating profit divided by adjusted revenue.
Adjusted net finance expense	Statutory net finance expense excluding exceptional items plus the Group's proportional share of joint ventures' net finance expense.
Adjusted profit before tax	Statutory profit before tax excluding exceptional items, amortisation of acquired intangibles and the Group's proportional share of joint ventures' tax.
Adjusted income tax expense	Statutory income tax expense excluding the tax effect of exceptional items and amortisation of acquired intangible assets, tax on joint ventures included in profit before tax and the adjustment of one-off tax items.
Adjusted effective tax rate (ETR)	Adjusted ETR represents the underlying tax rate for the Group before the impact of one-off tax items, and is defined as the statutory headline rate adjusted for Group's liability to Residential Property Developer Tax (RPDT).
Adjusted basic earnings per share (EPS)	Adjusted profit before tax less adjusted income tax expense, divided by the weighted average number of ordinary shares for the year.
Net debt	Cash and cash equivalents less total borrowings (excluding lease liabilities).
Capital employed	Statutory net assets less goodwill, intangible assets, net debt, retirement benefit asset and building safety provision.
Tangible net asset value (TNAV)	Statutory net assets less goodwill, intangible assets and net debt.
Return on capital employed (ROCE)	Adjusted operating profit divided by average capital employed.

Reconciliation of adjusted measures to reported measures
Adjusted revenue, operating profit, net financing expenses and profit before tax:

	2024						
	Revenue £m	Operating profit £m	Net financing expenses £m	Share of profit from Joint ventures £m	Profit before tax £m	Tax £m	Profit after tax £m
Reported measures	**3,779.3**	**167.0**	**(65.4)**	**3.3**	**104.9**	**(30.4)**	**74.5**
Adjusting items:							
Exceptional expenses[1]	-	99.9	8.0	20.9	128.8	(37.3)	91.5
Share of joint ventures[1]	549.9	51.8	(37.3)	(24.2)	(9.7)	9.7	-
Amortisation of acquired		39.5	-	-	39.5	(11.4)	28.1

intangibles[3]							
Other	-	-	-	-	-	(5.2)	(5.2)
Total adjusting items	549.9	191.2	(29.3)	(3.3)	158.6	(44.2)	114.4
Adjusted measures	**4,329.2**	**358.2**	**(94.7)**	**-**	**263.5**	**(74.6)**	**188.9**

	2023 restated (note 2)						
	Revenue £m	Operating profit £m	Net financing expenses £m	Share of profit from Joint ventures £m	Profit before tax £m	Tax £m	Profit after tax £m
Reported measures	3,564.2	300.0	(63.0)	56.0	293.0	(78.0)	215.0
Adjusting items:							
Exceptional expenses[1]	-	46.2	19.4	-	65.6	(18.0)	47.6
Share of joint ventures[1]	477.9	83.6	(25.2)	(56.0)	(2.4)	2.4	-
Amortisation of acquired intangibles[3]		46.3	-	-	46.3	(10.9)	35.4
Other	-	-	-	-	-	(1.1)	(1.1)
Total adjusting items	477.9	176.1	(5.8)	(56.0)	114.3	(32.4)	81.9
Adjusted measures	4,042.1	476.1	(68.8)	-	407.3	(110.4)	296.9

1. Exceptional expenses are those which the Directors consider to be material by size and irregular in nature. The adjusted measures exclude these items in order to more clearly show the underlying business performance of the Group.

2. The Group undertakes a significant portion of its activities through joint ventures with its partners. In accordance with IFRS, the Group's statement of profit or loss and other comprehensive income includes its share of the post-tax results of joint ventures within a single line item. The Directors believe that showing the Group's share of revenue, operating profit and net financing expenses from joint ventures within the respective adjusted measures better reflects the full scale of the Group's operations and performance.

3. The amortisation charge relates to intangible assets which arose on the acquisitions of Linden Homes and Galliford Try Partnerships from Galliford Try PLC and of Countryside Properties PLC. The charge is non-cash and was set at the time of the acquisition. The Directors consider that this needs to be excluded in the adjusted measure to show the underlying business performance of the Group more clearly.

4. The Directors consider that one-off tax items need to be excluded such that the adjusted income tax expense represents the underlying tax charge for the Group.

Adjusted basic earnings per share (EPS)

	2024	2023 restated (note 2)
Adjusted earnings (£m)	**188.9**	296.9
Weighted average number of ordinary shares (m)	**338.1**	346.0
Adjusted basic earnings per share (pence)	**55.9**	85.8

Tangible net asset value (TNAV) and capital employed

TNAV measures the intrinsic value of the tangible assets held by the Group to shareholders. Capital employed is a key input for determining ROCE and represents the capital used to generate adjusted operating profit.

	2024 £m	2023 restated (note 2) £m
Net assets	**3,235.9**	3,303.9
Goodwill	**(827.6)**	(827.6)
Intangible assets	**(368.8)**	(409.3)
Net debt	**180.7**	88.8
Tangible net assets	**2,220.2**	2,155.8
Retirement benefit asset	**(31.7)**	(34.2)
Building safety provision	**324.4**	289.0
Capital employed	**2,512.9**	2,410.6

	2024 £m	2023 restated (note 2) £m
Opening capital employed	**2,410.6**	2,139.5
Closing capital employed	**2,512.9**	2,410.6
Average capital employed	**2,461.8**	2,275.1

Return on capital employed (ROCE)
This measures the profitability and efficiency of capital being used by the Group and is calculated as shown below.

	2024	2023 restated (note 2)
Adjusted operating profit (£m)	**358.2**	476.1
Average capital employed (£m)	**2,461.8**	2,275.1
ROCE (%)	**14.6**	20.9

Forward order book
The Group's forward order book comprises the unexecuted element on contracts that have been secured including those which are

reported within its joint ventures. The Directors believe that showing the Group's share of joint venture orders better reflects the full scale of the Group's pipeline. Additionally, reservations made on open market sales have been included given they are a commitment made by a customer against a specific plot.

	2024 **£m**	2023 £m
Reported measure: transaction price allocated to unsatisfied performance obligations on contracts	**3,711.6**	3,722.9
Adjusting items:		
Share of forward orders included within the Group's joint ventures	**551.2**	558.2
Open market reservations	**178.0**	185.0
Adjusted measure: forward order book	**4,440.8**	4,466.1

END

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