

Crest Nicholson Holdings plc

(the "Group" or "Crest Nicholson")

FULL YEAR RESULTS IN LINE WITH NOVEMBER 2025 TRADING UPDATE

BALANCE SHEET FOCUS DRIVING INVENTORY IMPROVEMENTS

EARLY SIGNS OF IMPROVING HOUSING MARKET

Crest Nicholson Holdings plc ('Crest Nicholson' or 'Group') today announces its Preliminary Results for the year ended 31 October 2025.

Martyn Clark, CEO commented:

'2025 has been a year of transition and transformation for Crest Nicholson. Despite the ongoing market challenges, we have made meaningful progress against each of the key strategic priorities set out at our Capital Markets Day, repositioning the Group to the mid-premium market segment. During the year, we took significant steps to implement our transformation plan, Project Elevate, which will support improved financial returns and underpin delivery of our medium-term ambitions.

A key early priority has been strengthening the balance sheet. We completed several land sales on attractive economic terms and introduced tighter inventory and cash management controls across the business which saw us finish the year with an indebtedness position that was better than our guidance. Since the year end, the Group has successfully renewed its £250m revolving credit facility with its existing lenders on a four-year term to October 2029. Our land bank remains a core asset, with high-quality sites in affluent areas and strong embedded margins that underpin our confidence in the Group's ability to deliver long-term shareholder value.

Operationally, we have continued to enhance our build quality and our customer service metrics - critical foundations for competing in the mid-premium market. The sustained implementation of our 'Right first time' initiatives will deliver greater cost improvements as the plan progresses.

We have made substantial progress on our fire remediation programme, achieving the survey completion date agreed by the industry with Government. Work is now well underway on the buildings requiring remediation and we continue to execute in line with our overall cost expectations.

While the housing market remains subdued, we are starting to see some early signs of improvement. Interest rates are easing and inflation has moderated, which should gradually support affordability and consumer confidence. With these fundamentals improving, and with our deliberate and differentiated strategy, Crest Nicholson is well positioned to deliver a year of profitable growth and make progress towards our medium-term targets.'

2025 Financial Summary

£m (unless otherwise stated)	2025	2024 ³	% change
<u>Adjusted basis¹</u>			
Revenue	610.8	618.2	(1.2)%
Operating profit	34.7	29.2	18.8%
Operating profit margin	5.7%	4.7%	100bps
Profit before tax	26.5	20.3	30.5%
Basic earnings per share (p)	7.8	5.0	56.0%
<u>Statutory basis</u>			
Revenue	610.8	618.2	(1.2)%
Operating profit/(loss)	24.2	(130.8)	n/m
Operating profit/(loss) margin	4.0%	(21.2)%	n/m
Profit/(loss) before tax	2.9	(145.8)	n/m
Basic earnings/(loss) per share (p)	0.9	(41.0)	n/m
<u>Other metrics</u>			
Home completions (units)	1,691	1,873	(9.7)%
Net debt ^{1,2}	38.2	8.5	n/m
Dividend per share (p)	3.1	2.2	40.9%

1. Adjusted basis represents the 2025 and 2024 statutory figures adjusted for exceptional items as disclosed in note 4. Adjusted performance metrics and net debt are non-statutory alternative performance measures (APMs) used by the Directors to manage the business which they believe should be shared for a greater understanding of the performance of the Group. The definitions of these APMs and the reconciliation to the statutory numbers are included below.

2. Net debt is defined as cash and cash equivalents less interest-bearing loans and borrowings. See note 25 to the consolidated financial statements.

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

Financial highlights

Housing metrics:

	2025	2024
Open market	1,095	1,047
Bulk / PRS	159	331
Affordable	437	495
Total	1,691	1,873

OM sales rate ex bulk	0.51	0.48
Average outlets	40	44

- Land sales:** Revenue of £78.8m, gross margin £17.1m, and 1,119 plots as the land bank is reconfigured for the mid-premium strategy and optimising the balance sheet
- Inventory:** Reduced by £73.0m (6.5%) to £1,056.1m, driven particularly by improvements across land, part exchange and completed units
- APBT:** £26.5m, reflecting a weaker than expected housing market in H2
- Legal claim:** settlement achieved after year end in line with the provision relating to a low-rise bespoke apartment block built by the Group which was damaged by fire in 2021
- Reserves adjustment:** Opening reserves adjustment to inventory of £8.3m reflecting overstated profit in relation to one development in the Eastern division between 2022 and 2024
- Land creditors:** Reduced to £73.2m (2024: £131.6m)
- Net debt:** £38.2m, better than guidance, supported by inventory reduction and disciplined cash management.
- Financing:** After year end, the Group renewed its £250m revolving credit facility with existing lenders on a four-year term to October 2029

Operational and Project Elevate highlights

- Planning:** Secured key planning consents, reinforcing our high-quality land pipeline, underpinning future outlet growth and margin expansion. Encouraging improvements in the planning environment, with 66% of the strategic land bank now allocated or in draft allocation (2024: 47%)
- Land acquisition:** Acquired 4 sites with 483 units at an accretive forecast gross margin
- Sales transformation:** Continued transformation of sales function, including launch of the new website. Significant interest in Arteva, our new upgrade range.
- Cost base:** Closed one divisional office in December 2025 to streamline operations, resulting in c.50 redundancies across the division and selected Group functions
- Customer experience:** Strengthened through enhanced training, technology investment and an improved customer journey; on track to maintain HBF five star rating
- Build quality:** Reduction of NHBC reportable items (RIs) from 0.35 to 0.26 per inspection; externally recognised through five award nominations from NHBC Premier including winning the Premier development of the year (101-150 units) for Curbridge Meadows
- New house types:** Portfolio now finalised. Designs reflect mid-premium customer expectations and the Group's strategic repositioning. Adopted for all planning applications from January 2026, with production rollout from 2027
- Cost inflation:** Low single digit build cost inflation consistent with sector trends

Fire remediation

The Group completed its fire provision assessment programme for all affected buildings within the scope of the Developer Remediation Programme in July 2025. Expected costs, after recoveries, have increased by a net £4.1m. Physical remediation continues to progress well, with external works commenced on around one third of the buildings requiring remediation. Detailed quotes secured for a further one third of the buildings, with the procurement process progressing on the remainder.

Current trading and outlook

Trading conditions at the start of the 2026 financial year mirror the subdued conditions seen in H2 2025, reflecting ongoing consumer caution and the absence of demand side stimulus following the Budget. However, since Boxing Day, forward indicators, including website visits, enquiries and appointment conversion, show early signs of improving activity levels. January sales rates have strengthened, supported by improving customer engagement as interest rates gradually ease, affordability improves and our enhanced customer proposition gains traction.

The forward order book for 2026 at 25 January 2026 stood at 848 units, reflecting both the Group's strategic decision to move away from bulk transactions and the soft trading environment in the Autumn.

The Group expects to increase its outlet position in the H2 2026 with the launch of new margin accretive sites. These sites are anticipated to support progressive gross margin improvement as the transformation plan is delivered.

Guidance

The Group provides the following guidance for 2026:

Open market units	1,100 - 1,200
Bulk and affordable units	450 - 500
Outlets (average)	c.42
Sales rate	0.5 - 0.6
Land sales revenue	£75 - £100m
Adjusted gross margin	15% - 16%
Interest	£10m - £12m
Adjusted PBT	£32m - £40m
Net debt	£15m - £65m

Analyst and investor meeting and webcast details

There will be a meeting for analysts at 9.00 am today at Norton Rose Fulbright, 3 More London Riverside, London SE1 2AQ hosted by Martyn Clark, Chief Executive Officer and Bill Floyd, Chief Financial Officer. To join the presentation, please use the following link: [Crest Nicholson Webcast](#)

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Cautionary statement regarding forward-looking statements

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

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

Crest Nicholson Holdings plc
Registered no. 6800600

The person responsible for arranging the release of this announcement on behalf of the Company is Penny Thomas, Group Company Secretary.

Chief Executive Officer's statement

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

A year of renewal, transition and strategic progress

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

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

The results we are reporting reflect the successful commencement of the transition outlined at our Capital Markets Day in March 2025. They demonstrate encouraging progress across the areas we said we would focus on, and tangible early signs that the actions we are taking are beginning to deliver meaningful improvement. Our future performance and profitability will be underpinned by disciplined operational management and a continuous focus on cash management, quality and striving for exceptional customer service.

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

Market context

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

2025 performance and inventory optimisation

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

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

Repositioning to the mid-premium market

As part of our strategy to deliver more sustainable and higher-quality returns, we are transitioning into the mid-premium market. This housing segment has consistently demonstrated greater resilience and stronger performance than the traditional volume-led housebuilding market, particularly through periods of economic uncertainty. Demand in the mid-premium segment is supported by more affluent, less price-sensitive buyers, resulting in steadier sales rates and firmer pricing. Crest Nicholson is well positioned to capitalise on this change in focus, with land holdings in the right locations across its divisions, typically characterised by stronger local market conditions and brand heritage that people associate with quality. This strategic focus will allow us to differentiate our new house type range, have less reliance on volume-driven incentives, and deliver more sustainable value over the medium to long term.

Delivering on the new opportunity: Project Elevate

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

Project Elevate is focused on four strategic priorities:

Optimising the value of our land bank

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

As part of this process, we made successful disposals of five land parcels from larger sites, in line with our land strategy. These sites primarily require substantial upfront infrastructure investment, which, while viable, would have constrained returns on capital and diverted focus from higher returning opportunities. We have also been active in purchasing land which aligns with our mid-premium strategy with forecast embedded margins ahead of our medium-term guidance. This disciplined approach allows us to balance the economics of our outlets more effectively, prioritising sites that deliver stronger margins, faster asset turn, and a more balanced risk profile across the portfolio.

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

We are embedding a more data-driven and disciplined approach to land acquisition, underpinned by enhanced

governance and rigorous review by our Investment Committee. This ensures that decisions we make align with our strategic priorities, maximise value creation, and position Crest Nicholson to capitalise on opportunities as market conditions improve.

Delivering outstanding customer experience

We remain firmly committed to delivering an exceptional, customer-centric experience across every stage of the home buying journey. Over the year, we have made good progress in strengthening our sales capability and customer engagement, with enhanced training programmes for our sales teams focused on consistency, communication and care, to provide a service standard that reflects the mid-premium market.

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

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

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

We have finalised the development of our new range of homes, which will reflect the mid-premium positioning of the Crest Nicholson brand and set a new standard for quality and design within our markets. Following extensive market research and leveraging our own industry knowledge to understand and establish what our targeted customer base wants, this new product range will exhibit excellence in build quality, design, and aspirational lifestyle, and deliver architecturally detailed homes that feel distinctively mid-premium. We are excited to begin introducing these new homes across selected developments, providing a tangible step forward in our strategy to deliver homes that combine premium character with enduring value, incorporating design principles that anticipate future energy and performance expectations.

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

Operational and commercial excellence

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

We have streamlined operations and managed overheads carefully, maintaining a clear focus on cost control and productivity. As part of this process, we have simplified parts of the organisation to maximise productivity, including merging the Yorkshire division with the Midlands division, and the closure of the Chiltern division in December 2025. While this has unfortunately involved some redundancies, some of which will be implemented in the 2026 financial year, these changes were strategically necessary to create a more focused and efficient operating model, and will help reduce our overhead costs going forward, as part of Project Elevate.

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

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

Strengthening culture, people and leadership

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

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

Old Crest Nicholson: managing our legacy issues

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

Fire remediation

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

Completed sites provisions and low-margin sites

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

obligations.

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

Outlook: cautious yet confident in our direction

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

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

Martyn Clark
Chief Executive Officer

Financial review

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

Completions and revenue

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

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

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

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

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

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

Gross profit

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

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

Operating profit and margin

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

Fire remediation

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

In the previous year the Group recorded a combustible materials charge of £131.7m, mainly relating to the estimated costs of non-surveyed buildings at that time based on the increased level of information that the Group had gathered to reasonably estimate any provision required. During the year, as the number of surveyed buildings nears completion, this estimate has been updated, reflecting the outcome of surveys, along with changes in forecast build cost scope and price over the duration of remediation for previously surveyed buildings. This has resulted in a net charge in the year of £10.6m, comprising a provision of £39.9m, and a release of £29.3m. The release primarily relates to buildings where surveys performed in the year confirmed that no remedial works are required.

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

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

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

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

Exceptional items

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

Financing, liquidity and inventory reduction

At 31 October 2025, the Group had net debt of £38.2m (2024: £8.5m). Net debt including land creditors was £111.4m (2024: £140.1m). Return on capital employed for the year was 4.7% (2024: 3.8%¹) reflecting the improved adjusted operating profit compared with the prior year.

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

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

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

Going concern

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

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

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

In reviewing the assessment, and notwithstanding the material uncertainty related to the going concern position outlined above, the Directors are confident that the Group has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the consolidated financial statements continue to be prepared on a going concern basis. Further detail can be found in note 1 to the consolidated financial statements.

Pension

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

Taxation

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

Earnings per share

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

Dividend

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

Restatement of 2024 financial statements

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

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

oversight of the CVR process implemented through 2025 is effective and is driving appropriate rigour and consistency through the Group's CVR processes.

Control environment

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

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

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

Land and planning

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

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

Bill Floyd
Chief Financial Officer

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

Principal Risks

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

http://www.ms-pdf.londonstockexchange.com/ms/8168Q_1-2026-1-28.pdf

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

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

Directors' confirmations

The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 59-60 of the 2025 Annual Report to be published in February 2026, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company, and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board
 Martyn Clark
 Chief Executive Officer
 28 January 2026

AUDITED FINANCIAL INFORMATION

The consolidated financial statements and notes 1 to 28 for the year ended 31 October 2025 are derived from the Group's annual financial statements which have been audited by PricewaterhouseCoopers LLP. The unmodified audit report is available for inspection at the Group's registered office.

CREST NICHOLSON HOLDINGS PLC CONSOLIDATED INCOME STATEMENT *For the year ended 31 October 2025*

	Note	Pre-exceptional items 2025 £m	Exceptional items (note 4) 2025 £m	Total 2025 £m	Restated ¹ Pre-exceptional items 2024 £m	Exceptional items (note 4) 2024 £m	Restated ¹ Total 2024 £m
Revenue	3	610.8	-	610.8	618.2	-	618.2
Cost of sales		(525.5)	(4.0)	(529.5)	(533.5)	(158.4)	(691.9)
Gross profit/(loss)		85.3	(4.0)	81.3	84.7	(158.4)	(73.7)
Other operating income	5	59.9	-	59.9	75.8	-	75.8
Other operating expenses	5	(55.9)	-	(55.9)	(69.9)	-	(69.9)
Administrative expenses		(55.1)	(6.5)	(61.6)	(60.8)	(1.6)	(62.4)
Net impairment gains/(losses) on financial assets	16	0.5	-	0.5	(0.6)	-	(0.6)
Operating profit/(loss)	5	34.7	(10.5)	24.2	29.2	(160.0)	(130.8)
Finance income	7	4.4	-	4.4	4.0	-	4.0
Finance expense	7	(14.0)	(9.4)	(23.4)	(12.8)	(6.1)	(18.9)
Net finance expense		(9.6)	(9.4)	(19.0)	(8.8)	(6.1)	(14.9)
Share of post-tax profits/(losses) of joint ventures using the equity method	13	1.4	(3.7)	(2.3)	(0.1)	-	(0.1)
Profit/(loss) before tax		26.5	(23.6)	2.9	20.3	(166.1)	(145.8)
Income tax (expense)/credit	8	(6.6)	5.9	(0.7)	(7.4)	48.2	40.8
Profit/(loss) for the year attributable to equity shareholders		19.9	(17.7)	2.2	12.9	(117.9)	(105.0)
Earnings/(loss) per ordinary share							
Basic	10	7.8p		0.9p	5.0p		(41.0p)
Diluted	10	7.7p		0.9p	5.0p		(41.0p)

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

The notes below form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *For the year ended 31 October 2025*

	Note	2025 £m	Restated ¹ 2024 £m
Profit/(loss) for the year attributable to equity shareholders		2.2	(105.0)
Other comprehensive (expense)/income:			
Items that will not be reclassified to the consolidated income statement:			
Actuarial (losses)/gains on defined benefit schemes	15	(3.9)	8.5
Change in deferred tax on actuarial losses/(gains) of defined benefit schemes	14	1.5	(2.1)
Other comprehensive (expense)/income for the year net of income tax		(2.4)	6.4
Total comprehensive expense attributable to equity shareholders		(0.2)	(98.6)

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

The notes below form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *For the year ended 31 October 2025*

	Note	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
Balance at 1 November 2023 as previously reported		12.8	74.2	769.3	856.3
Adjustment ¹		-	-	(4.9)	(4.9)
Restated balance at 1 November 2023¹		12.8	74.2	764.4	851.4
Loss for the year attributable to equity shareholders restated ¹		-	-	(105.0)	(105.0)
Actuarial gains on defined benefit schemes	15	-	-	8.5	8.5
Change in deferred tax on actuarial gains on defined benefit schemes	14	-	-	(2.1)	(2.1)
Total comprehensive expense for the year restated¹		-	-	(98.6)	(98.6)
Transactions with shareholders:					
Equity-settled share-based payments	6	-	-	1.8	1.8
Deferred tax on equity-settled share-based payments	14	-	-	0.1	0.1
Purchase of own shares	22	-	-	(0.5)	(0.5)
Transfers in respect of share options		-	-	0.4	0.4
Dividends paid	9	-	-	(32.1)	(32.1)
Balance at 31 October 2024 restated¹		12.8	74.2	635.5	722.5

Profit for the year attributable to equity shareholders	-	-	2.2	2.2
Actuarial losses on defined benefit schemes	15	-	(3.9)	(3.9)
Change in deferred tax on actuarial losses of defined benefit schemes	14	-	1.5	1.5
Total comprehensive expense for the year			(0.2)	(0.2)
Transactions with shareholders:				
Equity-settled share-based payments	6	-	2.1	2.1
Transfers in respect of share options		-	0.1	0.1
Dividends paid	9	-	(6.4)	(6.4)
Balance at 31 October 2025		12.8	74.2	631.1
				718.1

¹ See note 28 for an explanation of the prior year restatement.
The notes on below form part of these consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2025

	Note	2025 £m	Restated ¹ 2024 £m
ASSETS			
Non-current assets			
Intangible assets	11	29.0	29.0
Property, plant and equipment		2.8	3.2
Right-of-use assets	12	9.8	10.9
Investments in joint ventures	13	9.5	8.6
Financial assets at fair value through profit and loss		1.6	2.3
Deferred tax assets	14	37.4	41.0
Retirement benefit surplus	15	13.7	19.5
Trade and other receivables	16	21.0	14.6
		124.8	129.1
Current assets			
Inventories	17	1,056.1	1,129.1
Financial assets at fair value through profit and loss		1.2	1.0
Trade and other receivables	16	111.3	98.1
Current income tax receivable		2.4	4.7
Cash and cash equivalents	18	125.0	73.8
		1,296.0	1,306.7
Total assets		1,420.8	1,435.8
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	(64.1)	(63.2)
Trade and other payables	20	(23.8)	(42.3)
Lease liabilities	12	(7.0)	(8.8)
Deferred tax liabilities	14	-	(4.9)
Provisions	21	(115.1)	(192.5)
		(210.0)	(311.7)
Current liabilities			
Interest-bearing loans and borrowings	19	(99.1)	(19.1)
Trade and other payables	20	(269.3)	(285.2)
Lease liabilities	12	(3.2)	(3.2)
Provisions	21	(121.1)	(94.1)
		(492.7)	(401.6)
Total liabilities		(702.7)	(713.3)
Net assets		718.1	722.5
EQUITY			
Share capital	22	12.8	12.8
Share premium account		74.2	74.2
Retained earnings		631.1	635.5
Total equity		718.1	722.5

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

The notes on below form part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on 28 January 2026.

On behalf of the Board

Martyn Clark
Director

Bill Floyd
Director

CREST NICHOLSON HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2025

	Note	2025 £m	Restated ¹ 2024 £m
Cash flows from operating activities			
Profit/(loss) for the year attributable to equity shareholders		2.2	(105.0)
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	5	0.4	0.4
Depreciation on right-of-use assets	12	3.4	2.3
Retirement benefit obligation administrative expenses	15	2.9	0.7
Net finance expense	7	19.0	14.9
Share-based payment expense	6	2.1	1.8
Share of post-tax losses of joint ventures using the equity method	13	2.3	0.1
Impairment of inventories movement	17	(6.6)	2.1
Net (gain)/impairment on financial assets	16	(0.5)	0.6
Income tax expense/(credit)	8	0.7	(40.8)
Operating cash inflow/(outflow) before changes in working capital, provisions and contributions to retirement benefit obligations		25.9	(122.9)
Increase in trade and other receivables		(12.9)	(10.6)
Decrease in inventories		79.6	24.3
(Decrease)/increase in trade and other payables and provisions		(97.7)	35.6
Contribution to retirement benefit obligations	15	-	(1.1)
Cash used by operations		(5.1)	(74.7)

Finance expense paid	(8.6)	(5.1)
Income tax received	1.8	12.0
Net cash outflow from operating activities	(11.9)	(67.8)
Cash flows from investing activities		
Purchases of property, plant and equipment	-	(1.4)
Disposal of financial assets at fair value through profit and loss	0.6	0.2
Funding to joint ventures	(14.2)	(13.1)
Repayment of funding from joint ventures	6.2	36.4
Dividends received from joint ventures	-	2.5
Finance income received	0.9	0.4
Net cash (outflow)/inflow from investing activities	(6.5)	25.0
Cash flows from financing activities		
Principal elements of lease payments	12	(4.0)
Dividends paid	9	(6.4)
Net purchase of own shares	-	(32.1)
Proceeds from borrowings	150.0	112.0
Repayments of borrowings	(70.0)	(127.0)
Sale and leaseback proceeds	-	3.1
Net cash inflow/(outflow) from financing activities	69.6	(46.0)
Net increase/(decrease) in cash and cash equivalents	51.2	(88.8)
Cash and cash equivalents at the beginning of the year	73.8	162.6
Cash and cash equivalents at the end of the year	18	125.0
73.8		

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

The notes on below form part of these consolidated financial statements.

**CREST NICHOLSON HOLDINGS PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

1 ACCOUNTING POLICIES

Basis of preparation

Crest Nicholson Holdings plc (the Company) is a public limited company incorporated, listed and domiciled in the UK. The address of the registered office is 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2HJ. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group) and include the Group's interest in jointly controlled entities. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The financial statements are presented in pounds sterling and amounts are denominated in millions (£m), unless otherwise stated.

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards, and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and have been prepared on the historical cost basis except for financial assets at fair value through profit and loss, which are as otherwise stated. The parent company financial statements are presented below.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires the Directors to make assumptions and judgements that affect the application of policies and reported amounts within the financial statements. Assumptions and judgements are based on experience and other factors that the Directors consider reasonable under the circumstances. Actual results may differ from these estimates.

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Going concern

In determining the appropriateness of the basis of preparation, the Directors have considered whether the Group can continue to meet its liabilities and other obligations for the foreseeable future. These include its ability to meet the financial covenants as required under its sustainability-linked revolving credit facility (RCF) and senior loan notes as detailed in note 23. The Directors consider the possibility of breaching one of the three financial covenants (gearing, tangible net worth and interest cover) as being the first sign that the Group could be in distress, and is the basis of its going concern assessment in this year's financial statements.

The Directors have assessed the Group's going concern position through to 30 April 2027 (the going concern period), which aligns with its half-year reporting for the 2027 financial year. The going concern model is made up of a Board-approved base case and a Severe But Plausible (SBP) downside case. Within the base case, the Group has already secured a proportion of sales for 2026 by way of its forward order book. The base case forecast is that the Group maintains sufficient liquidity headroom throughout the going concern period and will be compliant from a covenant perspective for all required reporting periods.

The base case has then been used to model a number of adverse factors that are deemed to be plausible downside conditions as outlined below. These incorporate potential macroeconomic scenarios that could be experienced by the UK, industry-wide dynamics, and Group-specific risks.

The SBP downside case combines the impacts of multiple risk factors which would interact with each other in a downside scenario, rather than modelling the impact of individual assumptions. In conducting this test, the Directors drew on extensive prior experience in navigating economic downturns, including the COVID-19 pandemic, and considered the implications of current market conditions. This assessment also evaluates the anticipated effectiveness of proposed mitigating actions that are within the Group's control and can be enacted in good time, ensuring a robust framework for managing potential disruptions and safeguarding the Group's financial stability.

Risk factors applied against future forecasts

The following risk factors have been applied in combination in reaching the SBP downside case.

- Reduction in sales volumes (Principal risks: Market conditions, solvency and liquidity)

A potential decline in macroeconomic conditions in the UK, which negatively impacts the UK residential property market and reduces the ability for people to buy homes. The Directors have considered a 22% reduction in unoccupied open

and reduces the ability for people to buy homes. The Directors have considered a 20% reduction in unreserved open market sales volumes for the 2026 financial year and a 15% reduction for the remainder of the assessment period. Given the importance of completions to achieving the Group's forecasts, this assumption has the most impact on the downside case modelled.

- Fall in sales price (Principal risks: Market conditions, solvency and liquidity)
A reduction in sales prices during an economic slowdown and/or lack of mortgage availability/affordability for homebuyers. A 3% reduction in average unreserved open market house selling prices and a 10% reduction in land sale revenues compared to the current base case.
- Increase in build cost (Principal risks: Supply chain, build cost and margin, combustible materials and legacy obligations)
Unexpected costs occurring cause a 5% increase in cash outflows on build cost expenditure.

Mitigation options and considerations

The Directors have considered the mitigations that could be applied in a deteriorating trading environment to either increase profit or conserve cash to reduce interest cost. Some of these measures are implicit outcomes of a downturn (such as reduction in build spend) rather than mitigating actions which the Group would have to apply.

The Group has experience of applying such mitigations in the past, which include but are not limited to:

- a reduction in the Group's headcount driving a reduction in overheads, site and sales and marketing spend to reflect the lower build and selling activity in a weaker trading environment
- reducing build spend, including mothballing unproductive and/or capital-intensive schemes
- reduction or elimination of management incentives
- a reduction in discretionary land acquisitions and therefore land expenditure as the Group would require less land to replenish the land portfolio
- removal of dividends after April 2026 to conserve cash.

Conclusion on going concern

While the Group forecasts to meet all its covenants in the base case scenario, the SBP downside scenario indicates that the Group would not meet its interest cover covenant during the going concern period, with the first measurement date in April 2026. If this covenant breach were to occur, it would constitute an event of default under the terms of the revolving credit facility agreement and senior loan notes. The gearing and tangible net worth covenants are forecast to be met in all reporting periods in the SBP downside case. The Group maintains good relationships and a regular dialogue with all its lenders, as shown by recently extending the revolving credit facility to October 2029, and is confident that an amendment to its covenants would be secured if necessary, however, this is not guaranteed and therefore this represents a material uncertainty related to going concern. In all scenarios, except where the interest cover covenant is breached and a covenant amendment is not agreed, the Group forecasts adequate liquidity.

In reviewing the assessment outlined above, the Directors are confident that the Group has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the consolidated financial statements continue to be prepared on a going concern basis. However, a material uncertainty exists, in particular with respect to the ability to achieve the covenant amendments which may be required, that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements under UK-adopted international accounting standards requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and related disclosures. In applying the Group's accounting policies, the key judgements that have a significant impact on the financial statements are described below.

- The judgement to present certain items as exceptional (see note 4).
- The identification of performance obligations where a revenue transaction involves the sale of both land and residential units, and revenue on the units is subsequently recognised over time where the land sale element takes place at the start of the contract (see note 3 for the split of revenue recognised at a point in time and recognised over time, and also the more detailed revenue accounting policy).
- The identification of performance obligations in land sales, where Crest retains a portion of the land and where infrastructure is incomplete at the transaction date.
- The judgement of development phases to be combined for the purpose of determining cost of sales with reference to equalised profitability across the development.
- The recognition of the defined benefit pension scheme net surplus (see note 15).
- The current and non-current presentation of the combustible materials provision.
- The presentation of completed site liabilities as either accruals or provisions.

The key estimates that have a significant impact on the financial statements are described below.

- Carrying value of inventories.
- Estimation of development profitability and cost of sales recognised in the period.
- Completed site costs.
- Valuation of the pension scheme assets and liabilities.
- Cost to remediate sites with combustible materials present.

Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The Directors have made consistent estimates and assumptions in reviewing the going concern basis as those detailed above. The Directors consider the key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities as described below.

Carrying value of inventories

Inventories of land, work-in-progress, completed buildings, including show homes and part exchange inventories, are stated in the consolidated statement of financial position at the lower of cost or net realisable value (NRV). On a regular basis, management updates estimates of future revenue and expenditure for each development. Future revenue and expenditure may differ from estimates which could lead to an impairment of inventory if there are adverse changes. Where forecast revenues are lower than forecast total costs, an inventory provision is made. This provision may be reversed in subsequent periods if there is evidence of sustained improved revenue or reduced expenditure forecast on a development. If forecast revenue was 10.0% lower on sites within the short-term portfolio (total land portfolio excluding strategic land) as at 31 October 2025, the impact would have reduced profit before tax by £14.7m (2024: the impact would have increased loss before tax by £13.1m).

Estimation of development profitability

Due to the nature of development activity and, in particular, the length of the development cycle, the Group has to make estimates of the costs to complete developments, in particular those which are multi-phase and/or may have significant infrastructure costs. These estimates are reflected in the margin recognised on developments in relation to sales recognised in the current and future years. There is a degree of inherent uncertainty in making such estimates as well as the judgement is to determine the phases over which the costs are spread. The Group has established internal controls that are designed to ensure an effective assessment of estimates is made of the costs to complete developments and the judgement to determine the phases of a multi-phase site. The Group considers estimates of the costs to complete on longer-term sites, which typically have higher upfront shared infrastructure costs, to have greater estimation uncertainty than sites of shorter duration with fewer infrastructure requirements. A change in estimated margins on sites, for example due to changes in estimates of build cost inflation or a reduction in house prices, could alter future profitability. If forecast costs were 10.0% higher on sites which contributed to the year ended 31 October 2025 and which are forecast to still be in production beyond the year ending 31 October 2027 (2024: beyond the year ending 31 October 2026), cost of sales in the current year would have been £27.7m (2024: £29.1m) higher.

The Group has assessed the potential financial impacts of transitional and physical climate-related risks and opportunities. The primary known climate-related policy that will affect our product is the Future Homes Standard, due to be legislated in 2026, which will increase build costs for individual units. Anticipated additional build costs are incorporated into project acquisition appraisals. These costs are not expected to have a material impact on the carrying value of inventories or their associated project margins or the value of goodwill. Flood risk and broader planning requirements are also evaluated and accounted for during new project acquisitions. Longer-term climate-related costs are beyond the time horizon of the Group's contracted projects and therefore do not impact the carrying value of inventories or their associated project margins. Additional information on climate-related risks and opportunities is provided on pages 45-53 of our 2025 Annual Report to be published in February 2026. The impact of climate change is therefore considered an area of estimation rather than a critical accounting estimate.

Completed site costs

Completed site costs include completed site accruals, which is predominantly the cost to complete outstanding site infrastructure and amenities within developments where the last housing unit has been completed, and completed site provisions, which is the forecast cost to complete remedial works on buildings where faults have been identified and the Group is responsible to remedy. Completed site provisions and accruals can require a number of estimates and assumptions in their calculation. The Group has to make estimates of the costs to complete outstanding site infrastructure and amenities within developments and the cost of remediation required where faults have been identified post completion. The Group has internal controls that are designed to ensure an effective assessment of estimates is made of the costs to finalise completed developments. If forecast completed site costs are 10.0% higher than provided, the charge in the consolidated income statement would be £2.0m higher for completed site accruals and £1.5m higher for completed site provisions.

Valuation of the pension scheme assets and liabilities

In determining the valuation of the pension scheme assets and liabilities, the Directors utilise the services of an actuary. The actuary uses key assumptions being inflation rate, life expectancy, discount rate and Guaranteed Minimum Pensions, which are dependent on factors outside the control of the Group. To the extent that such assumptions differ to that expected, the pension liability would change. See note 15 for additional details.

Combustible materials

The combustible materials provision requires a number of key estimates and assumptions in its calculation. During the year, the combustible materials provision has been increased to reflect the latest assessment of these costs.

The key assumptions used to determine the provision include, but are not limited to, identification of the properties impacted through the period of construction considered. The key estimates then applied to these properties include the potential costs of investigation, replacement materials and works to complete, along with the timing of forecast expenditure. The Directors have used a combination of Building Safety Fund (BSF) cost information, other external information and internal assessments as a basis for the estimated remedial costs. The Group has used estimates and assumptions to evaluate the probable remediation works required to non-surveyed buildings after applying experience gained from buildings with surveys and applying risk categories to groups of buildings with similar characteristics. These estimates are inherently uncertain due to the highly complex and bespoke nature of the buildings. The actual costs may differ to the amounts notified by the BSF-costed projects, and fire safety reports in progress may require different levels of remediation and associated costs than those currently estimated. If forecast remediation costs on buildings currently provided for are 10.0% higher/lower than provided, the pre-tax exceptional items charge in the consolidated income statement would be £20.3m higher/lower. See notes 4 and 21 for additional details.

Adoption of new and revised standards

The Group adopted the following new standards and amendments to standards, which have had no material impact on the Group's results or financial statement disclosures:

- amendments to IAS 1 'Non-current Liabilities with Covenants' and 'Classification of Liabilities as Current or Non-current'
- amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'
- amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements'.

Impact of standards and interpretations in issue but not yet effective

The following new accounting standards and amendments to existing standards have been issued but are not yet effective or have not yet been endorsed by the UK:

- amendments to IAS 21 'Lack of exchangeability'
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'
- amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature dependent Electricity'
- Annual Improvements to IFRS Accounting Standards - Volume 11
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.

The Group is currently assessing the impact of the above standards, but they are not expected to have a material impact other than potentially in respect of the IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' and IFRS 18.

The IFRS 7 and IFRS 9 measurements clarify when a financial liability is derecognised, specifically at the settlement date. This has the potential to affect the classification of financial liabilities and cash around a balance sheet date depending on the nature and timing of year end transactions. The Group is in the process of assessing the full impact of the amendments to existing policies and practices.

IFRS 18 replaces IAS 1 and requires that companies classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Management-defined performance measures are disclosed in a single note and enhanced guidance is provided on the aggregation and disaggregation of information presented in the financial statements. The Group is in the process of assessing the impact of IFRS 18 and anticipates changes to certain presentational and disclosure-related matters in its consolidated financial statements in future periods.

The Group has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

Other accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Alternative performance measures (APMs)

The Group has adopted various APMs, as presented below. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' APMs, and should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Consolidation

The consolidated financial statements include the financial statements of Crest Nicholson Holdings plc, its subsidiary undertakings and the Group's share of the results of joint ventures and joint operations. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

(a) Subsidiaries

Subsidiaries are entities in which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The profits and losses of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used by the Group to account for the acquisition of subsidiaries that are a business under IFRS 3. On acquisition of a subsidiary, all of the subsidiary's separable, identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities and the resulting gains and losses that arise after the Group has gained control of the subsidiary are charged to the post-acquisition consolidated income statement or consolidated statement of comprehensive income. Accounting policies of acquired subsidiaries are changed where necessary, to ensure consistency with policies adopted by the Group.

Acquisitions of subsidiaries which do not qualify as a business under IFRS 3 are accounted for as an asset acquisition rather than a business combination. Under such circumstances the fair value of the consideration paid for the subsidiary is allocated to the assets and liabilities purchased based on their relative fair value at the date of purchase. No goodwill is recognised on such transactions.

(b) Joint ventures

A joint venture is a contractual arrangement in which the Group and other parties undertake an economic activity that is subject to joint control and these parties have rights to the net assets of the arrangement. The Group reports its interests in joint ventures using the equity method of accounting. Under this method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's share of results of the joint venture after tax is included in a single line in the consolidated income statement. Where the share of losses exceeds the Group's interest in the entity and there is no obligation to fund these losses, the carrying amount is reduced to nil and recognition of further losses is discontinued, unless there is a long-term receivable due from the joint venture, in which case, if appropriate, the loss is recognised against the receivable. If an obligation to fund losses exists, the further losses and a provision are recognised. Unrealised gains on transactions between the Group and its joint ventures are eliminated on consolidation. Accounting policies of joint ventures are changed where necessary, to ensure consistency with policies adopted by the Group.

(c) Joint operations

A joint operation is a joint arrangement that the Group undertakes with other parties, in which those parties have rights to the assets and obligations of the arrangement. The Group accounts for joint operations by recognising its share of the jointly controlled assets and liabilities and income and expenditure on a line-by-line basis in the consolidated statement of financial position and consolidated income statement.

Goodwill

Goodwill represents the excess of what was paid to acquire CN Finance plc on 24 March 2009 over the fair value of their net assets at the acquisition date, less subsequent impairments. We assess whether goodwill is recoverable by performing an impairment review annually or more frequently if events or changes in circumstances indicate a potential impairment on the acquisition. The goodwill is allocated to the whole group of cash generating units within the Group; this is the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amount is equal to the higher of value in use and fair value less costs of disposal. The value in use is estimated as the present value of the forecast cash flows of the Group. The forecast considers the likelihood and scale of permitted development, forecast build costs, forecast selling prices and site procurement in line with the Group's committed strategic model and in line with current market conditions and projections covering a period of 5 years to 2030 before applying a terminal value. Cash flows related to uncommitted future restructurings and enhancement capital expenditure are excluded from the projections.

Revenue and profit recognition

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

Revenue is recognised on open market and apartment sales at legal completion. For affordable and other sales in bulk, revenue recognition is dependent on freehold legal title being passed to the customer as it is considered that, upon transfer of freehold title the customer controls the work-in-progress. Where freehold legal title and control is passed to the customer, revenue is recognised on any upfront sale of land (where applicable) and then on the housing units as the build of the related units progresses, via surveys of work performed on contract activity. Where freehold legal title is not passed to the customer, revenue is not recognised on any upfront sale of land and the revenue on the housing units and sale of land is recognised at handover of completed units to the customer. The transaction price for all housing units is derived from contractual negotiations. Variable consideration is recognised within revenue to the extent that it is highly probable that a significant reversal will not occur, and estimates are reassessed at each reporting date.

Revenue on specification upgrades paid for by the customer or on the cost of specification upgrades offered to the customer as part of the purchase price is recognised as revenue when legal title of the upgraded property passes to the customer.

Revenue is predominantly recognised on land sales when legal title passes to the customer. If the Group has remaining performance obligations, such as the provision of services to the land, an element of revenue is allocated to these performance obligations with reference to the relative standalone selling price of the performance obligations and recognised as the obligations are performed. Where variable consideration exists, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur, and estimates are reassessed at each reporting date.

Revenue recognition on commercial property sales is dependent on freehold legal title being passed to the customer, as it is considered that, upon transfer of freehold title the customer controls the work-in-progress. Where freehold legal title is passed to the customer, revenue is recognised on any upfront sale of land (where applicable) and then on the development revenue over time as the build of the related commercial units progresses. Where freehold legal title is not passed to the customer, revenue is not recognised on any upfront sale of land and the revenue on the commercial property is recognised at handover of the completed commercial unit to the customer.

Cost of sales

Cost of sales are recognised by reference to the gross margin forecast across the related development site. Due to the development cycle often exceeding one financial year, margins are forecast, taking into account the allocation of site-wide development costs such as infrastructure, and estimates required for the cost to complete such developments.

Other operating income

Other operating income comprises rental income, joint venture and other management fee income and the income associated with part exchange sales. The Group has made a judgement to not recognise revenue on the proceeds received on the disposal of properties taken in part exchange against a new property as they are incidental to the main revenue-generating activities of the Group. As part exchange sales are deemed incidental, the income and expenses associated with part exchange properties are recognised in other operating income and other operating expenses in the consolidated income statement. Part exchange income is recognised when legal title is passed to the customer. Rental income is recognised over the term of the rent agreement. Management fee income is recognised over time, in line with when management services are provided.

Other operating expenses

Other operating expenses represent cost of sales of part exchange properties.

Exceptional items

Exceptional items are those which, in the opinion of the Directors, are material by size and/or non-recurring in nature such as significant costs and settlements associated with combustible materials, significant legal matters, changes in estimate of costs associated with completed sites which are no longer part of the core strategy, significant costs associated with corporate bid approaches, restructuring, clarification of historical pension scheme terms and the write down of freehold inventories. Where appropriate, the Directors consider that items should be considered as categories or classes of items, such as any credits/costs impacting the consolidated income statement which relate to combustible materials or certain site costs, notwithstanding where an item may be individually immaterial. The Directors believe that these items require separate disclosure within the consolidated income statement in order to assist the users of the financial statements to better understand the performance of the Group, which is also how the Directors and chief operating decision maker internally manage the business. Additional charges/credits (including reversals) to items classified as exceptional items in prior years will be classified as exceptional in the current year, unless immaterial to the financial statements. As these exceptional items can vary significantly year on year, they may introduce volatility into the reported earnings. The income tax impacts of exceptional items are reflected at the actual tax rate related to these items.

Net finance expense

Interest income is recognised on a time-apportioned basis by reference to the principal outstanding and the effective interest rate. Interest costs associated with financing facilities are recognised in the consolidated income statement on an accruals basis using the effective interest method. Imputed interest expense on deferred land creditors and combustible materials is recognised over the life of associated cash flows, with reference to the effective interest rate.

Income and deferred tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit is profit before tax per the consolidated income statement after adjusting for income and expenditure that is not subject to tax, and for items that are subject to tax in other accounting periods. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date. Current tax assets are recognised to the extent that it is probable the asset is recoverable.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for all temporary differences. Deferred tax is calculated using tax rates that have been substantively enacted by the consolidated statement of financial position date.

Dividends

Final and interim dividend distributions to the Company's shareholders are recorded in the Group's financial statements in the earlier of the period in which they are approved by the Company's shareholders, or paid.

Employee benefits**(a) Pensions**

The Group operates a defined benefit (DB) scheme (closed to new employees since October 2001 and to future service accrual since 30 April 2010) and also makes payments into a defined contribution scheme for employees.

In respect of the DB scheme, the retirement benefit deficit or surplus is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, such benefits measured at discounted present value, less the fair value of the scheme assets. The rate used to discount the benefits accrued is the yield at the consolidated statement of financial position date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit method. The operating and financing costs of such plans are recognised separately in the consolidated income statement; past service costs and financing costs are recognised in the periods in which they arise. The Group recognises expected scheme gains and losses via the consolidated income statement and actuarial gains and losses are recognised in the period they occur directly in other comprehensive income, with associated deferred tax.

The retirement benefit deficit or surplus recognised in the consolidated statement of financial position represents the deficit or surplus of the fair value of the scheme's assets over the present value of scheme liabilities, with any net surplus recognised to the extent that the employer can gain economic benefit as set out in the requirements of International Financial Reporting Interpretations Committee 14.

Payments to the defined contribution scheme are accounted for on an accruals basis.

(b) Share-based payments

The fair value of equity-settled, share-based compensation plans is recognised as an employee expense with a corresponding increase in equity. The fair value is measured as at the date the options are granted and the charge amended if vesting does not take place due to non-market conditions (such as service or performance) not being met. The fair value is spread over the period during which the employees become unconditionally entitled to the shares and is adjusted to reflect the actual number of options that vest. At the consolidated statement of financial position date, if it is expected that non-market conditions will not be satisfied, the cumulative expense recognised in relation to the relevant options is reversed.

The proceeds received are credited to share capital (nominal value) and share premium when the options are exercised if new shares are issued. If treasury shares are used the proceeds are credited to retained reserves. There are no cash-settled share-based compensation plans.

Own shares held by Employee Share Ownership Trust (ESOT)

Transactions of the Company-sponsored ESOT are included in both the Group financial statements and the Company's own financial statements. The purchase of shares in the Company by the ESOT are charged directly to equity.

Software as a Service (SaaS) arrangements

Implementation costs, including costs to configure or customise a cloud provider's application software, where the Group determines that there is no control over the asset in development, are recognised as administrative expenses when the services are received.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition. Depreciation is calculated to write off the cost of the assets on a straight-line basis to their estimated residual value over its expected useful life as follows:

Fixtures and fittings	10 years
Computer equipment and non-SaaS software	3-5 years

The asset residual values, carrying values and useful lives are reviewed on an annual basis and adjusted if appropriate at each consolidated statement of financial position date.

Right-of-use assets and lease liabilities

The Group assesses at lease inception whether a contract is, or contains, a lease. The Group recognises a right-of-use asset and a lease liability at lease commencement.

The right-of-use asset is initially recorded at the present value of future lease payments and subsequently measured net of depreciation, which is charged to the consolidated income statement as an administrative expense over the shorter of its useful economic life or its lease term on a straight-line basis. The right-of-use asset is also reduced for impairment losses.

The Group recognises lease liabilities at the present value of future lease payments, discounted at the rate implicit in the lease or the Group's incremental borrowing rate as determined with reference to the most recently issued financial liabilities carrying interest. The discount is subsequently unwound and recorded in the consolidated income statement over the lease term as a finance expense. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value (NRV).

Land includes land under development, land options purchased and land exchanged on an unconditional basis with or without planning consent.

Work-in-progress and completed buildings including show homes comprise direct materials, sub-contract work, labour costs, site overheads, associated professional fees and other attributable overheads, but excludes interest costs.

Part exchange inventories are held at the lower of cost and NRV, which includes an assessment of costs of resale. Land inventories and the associated land payables are recognised in the consolidated statement of financial position from the date of unconditional exchange of contracts. Land payables are recognised as part of trade and other payables.

Options purchased in respect of land are recognised initially as a prepayment within inventories and written down on a

Options purchased in respect of land are recognised initially as a prepayment within inventories and written down on a straight-line basis over the life of the option. If planning permission is granted and the option exercised, the option is not written down during that year and its carrying value is included within the cost of land purchased.

Provisions are established to write down inventories where the estimated net sales proceeds less costs to complete exceed the current carrying value. Adjustments to the provisions will be required where estimated net selling prices or costs to complete change. NRV for inventories is assessed by estimating selling prices and costs, taking into account current market conditions.

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at fair value through profit or loss (FVTPL)
- subsequently at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Group's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the consolidated income statement using the effective interest rate method.

Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Group as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the consolidated income statement and presented within administrative expenses. The Group currently has no financial assets measured at FVOCI.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss (FVTPL) (which comprise shared equity receivables) are classified as being held to collect and initially recognised at fair value. Changes in fair value relating to the expected recoverable amount are recognised in the consolidated income statement as a finance income or expense. These assets are held as current or non-current based on their contractual repayment dates.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade and other receivables. The amount of the loss is recognised separately in the consolidated income statement. Current trade and other receivables do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Non-current trade and other receivables are discounted to present value when the impact of discounting is deemed to be material, with any discount to nominal value being recognised in the consolidated income statement as interest income over the duration of the deferred payment.

Contract assets

Contract assets represent unbilled work-in-progress on affordable and other sales in bulk on contracts in which revenue is recognised over time. Contract assets are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Contract assets do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are cash balances in hand and in the bank and are carried in the consolidated statement of financial position at nominal value.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of direct transaction costs, and subsequently measured at amortised cost. Finance charges are accounted for on an accruals basis in the consolidated income statement using the effective interest method, and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise or are included within interest accruals.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at FVTPL.

Non-derivative financial liabilities are measured at FVTPL when they are considered held for trading or designated as such on initial recognition. The Group has no non-derivative financial liabilities measured at FVTPL.

Land payables

Land payables are recognised in the consolidated statement of financial position from the date of unconditional exchange of contracts. Where land is purchased on deferred settlement terms then the land and the land payable are discounted to their fair value using the effective interest method in accordance with IFRS 9. The difference between the fair value and the nominal value is amortised over the deferment period, with the financing element being charged as an interest expense through the consolidated income statement.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables on deferred terms are initially recorded at their fair value, with the discount to nominal value being charged to the consolidated income statement as an interest expense over the duration of the deferred period. Included within trade and other payables are completed site accruals.

Contract liabilities

Contract liabilities represent payments on account, received from customers, in excess of billable work-in-progress on affordable and other sales in bulk on contracts. Contract liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are discounted to present value on a discounted cash flow basis using an interest rate appropriate to the class of the provision, where the effect is material. Included within

provisions are completed site provisions.

Seasonality

In common with the rest of the UK housebuilding industry, activity occurs throughout the year, with peaks in sales completions in spring and autumn. This creates seasonality in the Group's trading results and working capital.

2 SEGMENTAL REPORTING

The Board has been identified as the chief operating decision maker as defined under IFRS 8 Operating Segments. Financial information is reported to the Board for the UK housebuilding business as a whole and the Board makes decisions regarding resource allocation on that basis. Accordingly, the Group has a single UK housebuilding operating segment.

3 REVENUE

	2025 £m	2024 £m
Revenue type		
Open market housing including specification upgrades	459.3	493.5
Affordable housing	70.1	79.0
Total housing	529.4	572.5
Land and commercial sales	81.4	45.7
Total revenue	610.8	618.2
 Timing of revenue recognition		
Revenue recognised at a point in time	521.7	525.0
Revenue recognised over time	89.1	93.2
Total revenue	610.8	618.2
 Assets and liabilities related to contracts with customers		
Contract assets (note 16)	-	7.6
Contract liabilities (note 20)	(10.2)	(6.9)

Contract assets have decreased to £nil from £7.6m in 2024, reflecting less unbilled work-in-progress on affordable and other sales in bulk at the year end. This is in line with the trading of the Group and the contractual arrangements in the Group's contracts. Contract liabilities have increased to £10.2m from £6.9m in 2024.

Based on historical trends, the Directors expect a significant proportion of the contract liabilities total to be recognised as revenue in the next reporting period.

Included in revenue during the year was £3.5m (2024: £2.9m) that was included in contract liabilities at the beginning of the year.

During the year £nil (2024: £nil) of revenue was recognised from performance obligations satisfied or partially satisfied in previous years.

As at 31 October 2025 there was £95.0m (2024: £151.9m) of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied on contracts exchanged with customers. Based on forecasts, the Group expects to recognise £50.9m (2024: £111.3m) of transaction prices allocated to performance obligations that are unsatisfied on contracts exchanged with customers within one year, £42.6m (2024: £40.6m) within two to five years, and £1.5m (2024: £nil) over five years.

4 EXCEPTIONAL ITEMS

Exceptional items are those which, in the opinion of the Directors, are material by size and/or non-recurring in nature such as significant costs and settlements associated with combustible materials, significant legal matters, changes in estimate of costs associated with completed sites which are no longer part of the core strategy, significant costs associated with corporate bid approaches, restructuring, clarification of historical pension scheme terms and the write down of freehold inventories. Where appropriate, the Directors consider that items should be considered as categories or classes of items, such as any credits/costs impacting the consolidated income statement which relate to combustible materials or certain site costs, notwithstanding where an item may be individually immaterial. The Directors believe that these items require separate disclosure within the consolidated income statement in order to assist the users of the financial statements to better understand the performance of the Group, which is also how the Directors and chief operating decision maker internally manage the business. Additional charges/credits (including reversals) to items classified as exceptional items in prior years will be classified as exceptional in the current year, unless immaterial to the financial statements. As these exceptional items can vary significantly year on year, they may introduce volatility into the reported earnings. The income tax impacts of exceptional items are reflected at the marginal tax rate related to these items.

	2025 £m	2024 £m
Cost of sales		
Combustible materials net charge	(12.8)	(131.7)
Combustible materials recoveries	12.4	4.4
Net combustible materials charge	(0.4)	(127.3)
Legal provision and professional fees	(1.9)	(0.4)
Completed site costs	(1.7)	(25.0)
Freehold inventories write off	-	(5.7)
Total cost of sales charge	(4.0)	(158.4)
 Administrative expenses		
Aborted transaction costs	-	(1.6)
Restructuring related expenses	(4.3)	-
Pension costs	(2.2)	-
 Net finance expense		

Combustible materials imputed interest	(9.4)	(6.1)
Share of post-tax profits/(losses) of joint ventures		
Combustible materials charge of joint ventures	(3.7)	-
Total exceptional charge	(23.6)	(166.1)
Tax credit on exceptional charge	5.9	48.2
Total exceptional charge after tax credit	(17.7)	(117.9)

Net combustible materials charge

Following the Group's signing of the Developer Remediation Contract on 13 March 2023, the Group assumed contractual obligations with the government to identify and remediate all buildings it has developed that may contain life-critical fire safety defects. The combustible materials net charge of £12.8m represents forecast changes in build costs, costs of remediating buildings surveyed in the year and changes in the provision discount, and includes a £2.2m professional fees charge incurred by the Group in pursuing third parties where it has a contractual right of recourse. During the year, the Group recovered £12.4m (2024: £4.4m) from third parties in respect of defective design and workmanship. See note 21 for further information.

Legal provision and professional fees

The Group is subject to a legal claim relating to a low-rise bespoke apartment block built by the Group which was damaged by fire in 2021. The Group has incurred professional fees in the year in relation to the claim. In 2023 the Group recognised its estimate of the potential liability, which has been updated at 31 October 2025 to represent the Group's latest estimate. See note 21 for further information.

Following the year end a settlement was reached with the claimant in respect of the building damaged by the fire in 2021 and a remedial works agreement was agreed with respect to other buildings identified with defects through this case. The final terms of the settlement and remedial works agreement are consistent with the amounts provided for at the balance sheet date, although the final cost of remedial works will continue to be subject to estimation uncertainty.

Completed site costs

During the first half of the prior financial year, the Group became aware of certain build defects initially identified on four sites that were completed prior to 2019 which are no longer part of the core strategy. Following a thorough review of all completed sites in association with third-party consultants, an exceptional charge of £25.0m was recognised in the prior year. During the year, a net exceptional charge of £1.7m has been recognised which represents an update to the estimate of costs required to remediate these build defects.

Freehold inventories write off

During the prior year, the Group provided £5.7m to write off the value of its remaining freehold reversionary interests in buildings previously constructed by the Group. The remaining value is £nil and therefore this is a non-recurring item. The market for freehold reversionary interests remains uncertain given proposed legislative changes in this area and the impact of some freehold buildings requiring fire remediation works. The cost was recognised as exceptional due to its size.

Aborted transaction costs

During the prior year the Group received an unsolicited bid from Bellway plc. On 13 August 2024 Bellway plc withdrew from the proposed acquisition. Costs related to this aborted transaction are classified as exceptional due to their non-recurring nature, with £nil recognised during the year (2024: £1.6m).

Restructuring related expenses

The Group has commenced a business transformation programme to deliver the benefits of its new strategy as set out in its Capital Markets Day on 20 March 2025. The programme is expected to conclude by 31 October 2026, as such the costs are considered to be one-off in nature, material, and not part of the day-to-day operations of the Group. These costs include redundancy costs and third-party advisory fees.

The Chiltern division's closure was announced in November 2025 as part of the transformation programme. This represents a non-adjusting post balance sheet event and the associated costs will be recognised in 2026 as exceptional items.

Pension costs

A review of historical scheme documentation identified inconsistencies in the basis of estimating obligations and underlying scheme documentation. Obligations have been estimated with reference to the clarified terms of the pension scheme. Changes to the obligations have been recognised as exceptional costs in the year as they are one-off in nature and are outside of the ordinary course of the Group's activities.

Net finance expense

The combustible materials imputed interest reflects the unwind of the imputed interest on the provision to reflect the time value of the liability.

Share of post-tax loss of joint ventures

The combustible materials charge in respect of joint ventures represents the Company's share of an exceptional combustible materials provision recognised by one of the Group's joint ventures. The provision was recognised in the year following an independent fire engineer's report that recommended remedial works.

Taxation

An exceptional income tax credit of £5.9m (2024: £48.2m) has been recognised in relation to the above exceptional items using the marginal tax rate applicable to these items.

5 OPERATING PROFIT/(LOSS)

(a) Operating profit of £24.2m (2024: operating loss of £130.8m¹) from continuing activities is stated after (charging)/crediting:

	Note	2025 £m	Restated ¹ 2024 £m
Inventories expensed in the year			
Inventories impairment movement in the year	17	(507.9)	(499.7)
Employee costs	6	6.6	(2.1)
Depreciation on property, plant and equipment		(61.1)	(63.0)

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

(b) Other operating income

	2025 £m	2024 £m
Proceeds on disposal of part exchange properties	55.6	68.8
Rental income	1.6	3.4
Joint venture project management fees	2.0	1.9
Other management fee income	0.7	1.7
	<u>59.9</u>	<u>75.8</u>

(c) Other operating expenses

	2025 £m	2024 £m
Costs associated with disposal of part exchange properties	<u>55.9</u>	<u>69.9</u>

(d) Auditors' remuneration

	2025 £000	2024 £000
Audit of these consolidated financial statements	200	191
Audit of financial statements of subsidiaries pursuant to legislation	1,008	1,529
Other non-audit services	140	130

The audit fees payable in 2025 included £100,000 (2024: £220,000) in relation to additional costs for the 2024 audit.

Fees payable to the Group's auditors for non-audit services included £140,000 (2024: £130,000) in respect of an independent review of the half-year results.

In addition to the above, PricewaterhouseCoopers LLP provide audit services to the Crest Nicholson Group Pension and Life Assurance Scheme. The fees associated with the services to the Crest Nicholson Group Pension and Life Assurance Scheme are £36,080 (2024: £35,505).

6 EMPLOYEE NUMBERS AND COSTS

(a) Average monthly number of persons employed by the Group

	2025 Number	2024 Number
Development	685	704

The Directors consider all employees of the Group to be employed within the same category of Development.

(b) Employee costs (including Directors and key management)

	2025 £m	2024 £m
Wages and salaries	49.8	52.3
Social security costs	6.4	6.0
Other pension costs	2.8	2.9
Share-based payments	2.1	1.8
	<u>61.1</u>	<u>63.0</u>

(c) Key management remuneration

	2025 £m	2024 £m
Salaries and short-term employee benefits	5.0	4.8
Share-based payments	1.2	0.8
	<u>6.2</u>	<u>5.6</u>

Key management comprises the Executive Committee (which includes the Executive Directors of the Board) and Non-Executive Directors as they are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group.

(d) Directors' remuneration

	2025 £m	2024 £m
Salaries and short-term employee benefits	2.0	2.4
Share-based payments	0.6	0.4
	<u>2.6</u>	<u>2.8</u>

Further information relating to Directors' remuneration, incentive plans, share options, pension entitlement and the highest paid Director, appears in the Directors' remuneration report, which is presented on pages 82-104 of our 2025 Annual Report to be published in February 2026.

7 FINANCE INCOME AND EXPENSE

	Note	2025 £m	2024 £m
Finance income			
Interest income		3.0	2.7
Interest on amounts due from joint ventures	26	0.4	0.7
Net interest on defined benefit pension scheme	15	<u>1.0</u>	<u>0.6</u>
		<u>4.4</u>	<u>4.0</u>

Finance expense

Interest on bank loans	(10.1)	(6.7)
Revolving Credit Facility issue costs	(0.9)	(0.7)
Imputed interest on deferred land payables	(2.4)	(5.0)
Interest on lease liabilities	(0.6)	(0.4)
Imputed interest on combustible materials provision - exceptional	(9.4)	(6.1)
	<u>(23.4)</u>	<u>(18.9)</u>

Net finance expense

	<u>(19.0)</u>	<u>(14.9)</u>
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8 INCOME TAX (EXPENSE)/CREDIT

	Note	2025 £m	Restated ¹ 2024 £m
Current tax			
UK corporation tax (expense)/credit on profit/(loss) for the year		(0.1)	3.7
Adjustment in respect of prior periods		<u>(0.4)</u>	<u>0.5</u>
Total current tax (expense)/credit		<u>(0.5)</u>	<u>4.2</u>
Deferred tax			

Origination and reversal of temporary differences in the year	(1.7)	36.6
Adjustment in respect of prior periods	1.2	-
Recognised on trading losses	0.3	-
Total deferred tax (charge)/credit	14	(0.2)
Total income tax (expense)/credit in consolidated income statement		(0.7)

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

Income tax is calculated at 25.0% (2024: 29.0%), based on corporation tax of 25.0%. Due to the profits falling below threshold for Residential Property Developer Tax (RPDT) in both 2025 and 2024, the 25% corporation tax rate has been used and not 29% as in previous years, 29% being the corporate tax rate of 25% and RPDT of 4.0%. The effective tax rate for the year is 24.1% (2024: 28.0%), which is lower than (2024: lower than) the standard rate of UK corporation tax, predominantly due to the availability of reliefs deductible for tax purposes which reduces the tax charge on the profit. The Group expects the effective tax rate to be more aligned to the standard rate of corporation tax in future years due to the reducing impact of reliefs against higher profits, and the additional charge to RPDT when breaching threshold.

Reconciliation of tax (expense)/credit in the year	2025		Restated ¹
	£m	2024	£m
Profit/(loss) before tax	2.9		(145.8)
Tax (charge)/credit on profit/(loss) at 25.0% (2024: 29.0%)	(0.7)		42.3
Effects of:			
Expenses not deductible for tax purposes	(1.4)		(1.9)
Enhanced tax deductions	0.3		0.3
Adjustment in respect of prior periods	0.8		0.5
Impact of tax rate change on losses carried back	-		(0.4)
Impact of RPDT annual allowance and adjustments	0.3		-
Total income tax (expense)/credit in consolidated income statement	(0.7)		40.8

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

RPDT is an additional tax on profits generated from residential property development activity, in excess of an annual threshold and adjusting for amounts disallowable under RPDT, such as interest expense. There is no charge for RPDT in 2025 or 2024, since the Group has not generated the minimum level of profit required before RPDT is incurred, however the RPDT impact of available losses has been recognised in the reconciliation.

Expenses not deductible for tax purposes include business entertaining, corporate action professional fees and other permanent disallowable expenses. Enhanced tax deductions include items for which, under tax law, a corporation tax deduction is available in excess of the amount shown in the consolidated income statement. For example, land remediation enhanced allowances.

Adjustment in respect of prior periods reflects the difference between the estimated consolidated income statement tax charge in the prior year and that of the actual tax outcome.

In July 2023, the government enacted legislation to introduce a new Multinational Top-up Tax and Domestic Top-up Tax as part of the UK adoption of the Organisation for Economic Co-operation and Development Pillar Two Rules. The new rules apply to the Group from the accounting year ended 31 October 2025.

The new rules intend to ensure that large corporate groups pay a minimum rate of tax of 15%. The Group's activities are currently entirely UK based. The 2025 effective tax rate of 24.1% is lower than previous years largely due to the availability of reliefs available for deduction against a lower profit base. Given that the Group's tax rate is expected to be closer to the statutory tax rate of 29% (being 25% UK corporation tax plus 4% RPDT) in future years, it is not expected that the Group will be required to pay any additional Domestic Top-up Tax.

The Group applies the exception, as set out in International Accounting Standards (IAS) 12: Income Taxes, to the requirements regarding deferred tax assets and liabilities related to Pillar Two income taxes.

9 DIVIDENDS

Dividends recognised as distributions to equity shareholders in the year:

	2025	2024
	£m	£m
Current year interim dividend of 1.3 pence per share (2024: 1.0 pence per share)	3.3	2.6
Prior year final dividend per share of 1.2 pence per share (2024: 11.5 pence per share)	3.1	29.5
	6.4	32.1

Dividends proposed as distributions to equity shareholders in the year:

	2025	2024
	£m	£m
Final dividend for the year ended 31 October 2025 of 1.8 pence per share (2024: 1.2 pence per share)	4.6	3.1

The proposed final dividend was approved by the Board on 28 January 2026 and, in accordance with IAS 10: Events after the Reporting Period, has not been included as a liability in this financial year. The final dividend will be paid on 24 April 2026 to all ordinary shareholders on the Register of Members on 27 March 2026.

10 EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per share is calculated by dividing profit/(loss) attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of shares is increased by the average number of potential ordinary shares held under option during the year. This reflects the number of ordinary shares which would be purchased using the difference in value between the market value of shares and the share option exercise price. The market value of shares has been calculated using the average ordinary share price during the year. Only share options which have met their cumulative performance criteria have been included in the dilution calculation. The earnings and weighted average number of shares used in the calculations are set out below.

Earnings/(loss) £m	Weighted average number of ordinary shares Number	Per share amount Pence

Year ended 31 October 2025

Basic earnings per share	2.2	256,532,825	0.9
Dilutive effect of share options		1,244,914	-
Diluted earnings per share	2.2	257,777,739	0.9
Year ended 31 October 2025 - pre-exceptional items			
Adjusted basic earnings per share	19.9	256,532,825	7.8
Dilutive effect of share options		1,244,914	(0.1)
Adjusted diluted earnings per share	19.9	257,777,739	7.7
Year ended 31 October 2024 (restated¹)			
Basic loss per share	(105.0)	256,367,618	(41.0)
Dilutive effect of share options		-	-
Diluted loss per share	(105.0)	256,367,618	(41.0)
Year ended 31 October 2024 - pre-exceptional items (restated¹)			
Adjusted basic earnings per share	12.9	256,367,618	5.0
Dilutive effect of share options		1,608,047	-
Adjusted diluted earnings per share	12.9	257,975,665	5.0

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

11 INTANGIBLE ASSETS

Goodwill	2025 £m	2024 £m
Cost at beginning and end of the year	47.7	47.7
Accumulated impairment	(18.7)	(18.7)
At beginning and end of the year	29.0	29.0

Goodwill represents the excess of what was paid to acquire of CN Finance plc on 24 March 2009 over the fair value of their net assets at the acquisition date, less subsequent impairments. We assess whether goodwill is recoverable by performing an impairment review annually or more frequently if events or changes in circumstances indicate a potential impairment on the acquisition. The goodwill is allocated to the whole group of cash generating units within the Group, this is the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amount is equal to the higher of value in use and fair value less costs of disposal. The Directors have therefore assessed value in use, being the present value of the forecast cash flows of the Group. These cash flows are the key estimates in the value in use assessment. The forecast considers the likelihood and scale of permitted development, forecast build costs, forecast selling prices and site procurement in line with the Group's committed strategic model and in line with current market conditions and projections covering a period of 5 years to 2030 before applying a terminal value. Cash flows related to uncommitted future restructurings and enhancement capital expenditure are excluded from the projections. A pre-tax real discount rate of 11.5% (2024: 12.4%) is applied to pre-tax cashflows, the discount rate is based on an externally produced weighted average cost of capital range estimate. A real terminal growth rate of 2.0% is applied based on the long-term UK economic growth rate. Forecast gross margin over the assessment period is based on past performance and latest forecasts likely to be achievable in the short to medium term.

The recoverable value of the Group of cash-generating units is substantially in excess of the carrying value of goodwill. Sensitivity analysis has been undertaken by increasing the discount rates by 1.0%, reducing the forecast profit margins across all sites within the Group of cash-generating unit by 1.0% and reducing the terminal growth rate by 1.0%. Given the significant headroom, none of the sensitivities, either individually or in aggregate, result in the fair value of the goodwill being reduced to below its current book value amount.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Office buildings £m	Other leases £m	Total £m
Cost			
At 1 November 2023	8.6	4.8	13.4
Additions	2.8	4.3	7.1
Disposals	(3.6)	(1.4)	(5.0)
At 31 October 2024	7.8	7.7	15.5
Additions	1.3	1.1	2.4
Disposals	-	(0.5)	(0.5)
At 31 October 2025	9.1	8.3	17.4
Accumulated depreciation			
At 1 November 2023	5.1	2.2	7.3
Charge for the year	1.2	1.1	2.3
Disposals	(3.6)	(1.4)	(5.0)
At 31 October 2024	2.7	1.9	4.6
Charge for the year	0.9	2.5	3.4
Disposals	-	(0.4)	(0.4)
At 31 October 2025	3.6	4.0	7.6
Net book value			
At 31 October 2025	5.5	4.3	9.8
At 31 October 2024	5.1	5.8	10.9
At 31 October 2023	3.5	2.6	6.1

Other leases comprise motor vehicles and show home leases.

Lease liabilities included in the consolidated statement of financial position

	2025 £m	2024 £m
Non-current	7.0	8.8
Current	3.2	3.2
Total lease liabilities	10.2	12.0

Amounts recognised in the consolidated income statement	2025	2024
	£m	£m
Depreciation on right-of-use assets	3.4	2.3
Interest on lease liabilities	0.6	0.4
Amounts recognised in the consolidated cash flow statement	2025	2024
	£m	£m
Principal element of lease payments	4.0	1.9
Maturity of undiscounted contracted lease cash flows	2025	2024
	£m	£m
Less than one year	3.6	3.8
One to five years	6.0	8.2
More than five years	1.7	2.5
Total	11.3	14.5

13 INVESTMENTS

Investments in joint ventures

Below are the joint ventures that the Directors consider to be material to the Group:

- Crest A2D (Walton Court) LLP: In January 2016, the Group entered into a partnership agreement with A2 Dominion Developments Limited to procure and develop a site in Surrey. The LLP commenced construction in 2019, with sales completion forecast for 2026. The development is equally funded by both parties by way of interest free loans. The Group performs the role of project manager, for which it receives a project management fee.
- Crest Sovereign (Brooklands) LLP: In April 2019, the Group entered into a partnership agreement with Sovereign Housing Association Limited to develop a site in Bristol. The LLP commenced construction in 2019, with sales completion forecast for 2027. The LLP is equally funded by both parties, who will receive interest on loaned sums. The Group performs the role of project manager, for which it receives a project management fee.
- Crest Peabody (Turweston) LLP: In September 2023, the Group entered into a partnership agreement with the Peabody Trust to develop a site in Buckinghamshire. The LLP is expecting to commence construction in 2026, with sales completion forecast for 2032. The development is equally funded by both parties by way of interest free loans. The Group performs the role of project manager, for which it will receive a project management fee and a sales and marketing fee.

	2025	2024
	£m	£m
Total investments in joint ventures		
Crest A2D (Walton Court) LLP	-	1.3
Crest Sovereign (Brooklands) LLP	8.4	5.9
Crest Peabody (Turweston) LLP	0.2	0.2
Other non-material joint ventures	0.9	1.2
Total investments in joint ventures	9.5	8.6

All material joint ventures have their place of business in Great Britain, are 50% owned and are accounted for using the equity method, in line with the prior year. See note 27 for further details.

Summarised financial information for joint ventures

The tables below provide financial information for joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures, where the Group retains an interest, and not the Group's share of those amounts.

2025	Crest A2D (Walton Court) LLP	Crest Sovereign (Brooklands) LLP	Crest Peabody (Turweston) LLP
	£m	£m	£m
Summarised statement of financial position			
Current assets:			
Cash and cash equivalents	0.7	0.5	0.1
Inventories	4.4	21.5	24.2
Other current assets	0.7	5.1	-
Current liabilities:			
Financial liabilities	(4.6)	(6.2)	(4.5)
Other current liabilities	(0.1)	(4.1)	-
Non-current liabilities:			
Financial liabilities	(5.9)	-	(19.4)
Net (liabilities)/assets	(4.8)	16.8	0.4
Reconciliation to carrying amounts			
Opening net assets at 1 November 2024	2.6	11.8	0.4
(Loss)/profit for the year	(7.7)	5.0	(0.4)
Capital contribution reserve	0.3	-	0.4
Closing net (liabilities)/assets at 31 October 2025	(4.8)	16.8	0.4
Group's share of closing net (liabilities)/assets at 31 October 2025	(2.4)	8.4	0.2
Losses recognised against provision/receivable from joint venture (note 16)	2.4	-	-
Group's share in joint venture	-	8.4	0.2
Amount due to the Group (note 16)	2.1	1.0	10.6

Summarised income statement for the 12 months ended 31 October

2025

Revenue	14.5	32.9	-
Expenditure	(22.0)	(27.4)	-
Operating (loss)/profit before finance expense	(7.5)	5.5	-
Finance expense	(0.2)	(0.5)	(0.4)
Pre-tax and post-tax (loss)/profit for the year	(7.7)	5.0	(0.4)

Group's share in joint venture (loss)/profit for the year	(3.9)	2.5	(0.2)
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2024

	Crest A2D (Walton Court) LLP £m	Crest Sovereign (Brooklands) LLP £m	Crest Peabody (Turweston) LLP £m
Summarised statement of financial position			
Current assets:			
Cash and cash equivalents	0.3	0.3	0.1
Inventories	19.6	19.5	1.1
Other current assets	8.1	4.2	5.1
Current liabilities:			
Financial liabilities	(21.8)	(7.4)	(5.9)
Other current liabilities	(3.6)	(4.8)	-
Net assets	2.6	11.8	0.4
Reconciliation to carrying amounts			
Opening net assets at 1 November 2023	4.5	9.8	-
(Loss)/profit for the year	(2.4)	2.0	(0.2)
Capital contribution reserve	0.5	-	0.6
Closing net assets at 31 October 2024	2.6	11.8	0.4
Group's share of closing net assets at 31 October 2024	1.3	5.9	0.2
Group's share in joint venture	1.3	5.9	0.2
Amount due to the Group (note 16)	11.1	3.7	6.0

**Summarised income statement for the 12 months ended 31 October
2024**

Revenue	56.1	15.4	-
Expenditure	(57.5)	(13.1)	-
Operating (loss)/profit before finance expense			
Finance expense	(1.4)	2.3	-
Pre-tax and post-tax (loss)/profit for the year	(1.0)	(0.3)	(0.2)
Group's share in joint venture (loss)/profit for the year	(2.4)	2.0	(0.2)
	(1.2)	1.0	(0.1)

The aggregate information of joint ventures that are not individually material is as follows:

	2025 £m	2024 £m
Share of post-tax results for the year	(0.7)	0.2
Share of total comprehensive (expense)/income	(0.7)	0.2

Subsidiary undertakings

The subsidiary undertakings that are significant to the Group and traded during the year are set out below. The Group's interest is in respect of ordinary issued share capital that is wholly owned and all the subsidiary undertakings are incorporated in Great Britain and are included in the consolidated financial statements.

Subsidiary	Nature of business
CN Finance plc	Holding company (including Group financing)
Crest Nicholson plc	Holding company
Crest Nicholson Operations Limited	Residential and commercial property development

A full list of the Group's undertakings including subsidiaries and joint ventures is set out in note 27.

14 DEFERRED TAX

Deferred tax assets	Inventories fair value £m	Pension surplus £m	Share- based payments £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 November 2023 (restated¹)	1.1	(2.5)	0.2	0.7	2.0	1.5
Consolidated income statement movements (restated ¹)	(0.2)	(0.3)	-	36.6	0.5	36.6
Equity movements	-	(2.1)	0.1	-	-	(2.0)
At 31 October 2024 (restated¹)	0.9	(4.9)	0.3	37.3	2.5	36.1
Consolidated income statement movements	(0.1)	-	0.1	0.3	(0.5)	(0.2)
Equity movements	-	1.5	-	-	-	1.5
At 31 October 2025	0.8	(3.4)	0.4	37.6	2.0	37.4

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

Total deferred tax credited to equity in the year is £1.5m (2024: £2.0m). Deferred tax assets expected to be recovered in less than 12 months is £7.6m (2024: £9.4m), and in more than 12 months is £33.2m (2024: £31.6m¹). Deferred tax losses have been recognised based on current trading forecasts for the next six years. Deferred tax liabilities are expected to be settled in more than 12 months.

At the consolidated statement of financial position date the substantively enacted future corporation tax rate is 25.0%. RPDT became effective from 1 April 2022 and is an additional tax at 4.0% of profits generated from residential property development activity, in excess of an annual threshold. Deferred tax assets and liabilities have been evaluated using the applicable tax rates when the asset is forecast to be realised and the liability is forecast to be settled. The Group has no material unrecognised deferred tax assets.

15 EMPLOYEE BENEFITS

(a) Retirement benefit obligations

Defined contribution scheme

The Group operates a defined contribution scheme for new employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions to this scheme for the year were £2.8m (2024: £2.6m). At the consolidated statement of financial position date there were no outstanding or prepaid contributions (2024: £nil).

Defined benefit scheme

The Company sponsors the Crest Nicholson Group Pension and Life Assurance Scheme (Scheme), a funded defined benefit pension scheme in the UK. The Scheme is administered within a trust that is legally separate from the Company. A Trustee company (Trustee) is appointed by the Company and the Company and the Scheme's members appoint Trustee Directors. The Trustee is appointed to act in the interest of the Scheme and all relevant stakeholders, including the members and the Company. The Trustee is also responsible for the investment of the Scheme's assets.

The Scheme closed to future service accrual from 30 April 2010. Accrued pensions in relation to deferred members are revalued at statutory revaluation in the period before retirement. Benefits also increase either at a fixed rate or in line with inflation while in payment. The Scheme provides pensions to members on retirement and to their dependants on death.

The Company pays contributions to improve the Scheme's funding position as determined by regular actuarial valuations. The Trustee is required to use prudent assumptions to value the liabilities and costs of the Scheme, whereas the accounting assumptions must be best estimates.

Responsibility for meeting any deficit within the Scheme lies with the Company and this introduces a number of risks for the Company. The major risks are: interest rate risk, inflation risk, investment risk and longevity risk. The Company and Trustee are aware of these risks and manage them through appropriate investment and funding strategies.

The Scheme is subject to regular actuarial valuations, which are usually carried out every three years. The last actuarial valuation was carried out with an effective date of 31 January 2024. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions. The results of the actuarial valuation as at 31 January 2024 have been projected to 31 October 2025 by a qualified independent actuary and used to derive the present value of scheme liabilities. The figures in the following disclosure were measured using the Projected Unit Method.

The investment strategy in place for the Scheme is to invest in a mix of return-seeking, index-linked and fixed-interest investments. As at 31 October 2025, the allocation of the Scheme's invested assets was 21% in return-seeking investments, 71% in liability-driven investing, 5% in cash and 3% in insured annuities. Details of the investment strategy can be found in the Scheme's Statement of Investment Principles, which the Trustee updates as their policy evolves.

It should also be noted that liabilities relating to insured members of the Scheme have been included as both an asset and a liability.

During the year, a review of historical scheme documentation identified inconsistencies in the basis of estimating obligations and underlying scheme documentation. A charge of £2.2m has been recognised as an exceptional cost in the year. See note 4 for further details.

Following the High Court judgement in the Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank plc and others (2018) case, overall pension benefits now need to be equalised to eliminate inequalities between males and females in Guaranteed Minimum Pensions (GMP). The Company has allowed for this in its financial statements by adding a 1.0% (2024: 1.0%) reserve, reflecting an approximate estimate of the additional liability.

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate. The High Court's decision has wide-ranging implications, affecting other schemes that were contracted out on a salary-related basis, and which made amendments between April 1997 and April 2016.

The Scheme was contracted out until 29 February 2016 and amendments were made during the relevant period. As such the ruling could have implications for the Group. Following the Court of Appeal upholding the 2023 High Court ruling on 25 July 2024, the Trustee initiated the process of investigating any potential impact for the Scheme. As part of this process the Trustee is also considering certain other historical amendments and the manner in which they were applied.

As the detailed investigation is in progress, the Group considers that the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient reliability at the 2025 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2025 and will review again in 2026 based on the findings of the detailed investigation.

	2025 £m	2024 £m
The amounts recognised in the consolidated statement of financial position are as follows:		
Fair value of scheme assets	138.5	145.1
Present value of scheme liabilities	(124.8)	(125.6)
Net surplus amount recognised at year end	13.7	19.5
Deferred tax liability recognised at year end within non-current balances	(3.4)	(4.9)

The retirement benefit surplus recognised in the consolidated statement of financial position represents the surplus of the fair value of the Scheme's assets over the present value of the Scheme's liabilities.

The rules of the Scheme provide the Group with an unconditional right to a refund of surplus assets on the gradual settlement of the Scheme's liabilities. In the ordinary course of business, the Scheme Trustee has no unilateral right to wind the Scheme up. Based on these rights and in accordance with International Financial Reporting Interpretations Committee 14, the Group has made the judgement that the net surplus in the Scheme is recognised in full.

At the consolidated statement of financial position date, the corporation tax rate is 25.0%. The deferred tax liability on the retirement benefit surplus has been evaluated applying this rate. RPDT of 4.0% is applicable to residential property development trading income only.

Amounts recognised in comprehensive income:

The current and past service costs, settlements and curtailments, together with the interest income for the year are included in the consolidated statement of comprehensive income. Remeasurements of the net defined benefit asset are included in the consolidated statement of comprehensive income.

	2025 £m	2024 £m
Service cost		
Administrative expenses	(0.7)	(0.7)
Exceptional past service cost	(2.2)	-
Interest income	1.0	0.6
Recognised in the consolidated income statement	<u>(1.9)</u>	<u>(0.1)</u>
Remeasurements of the net surplus		
(Loss)/return on Scheme assets	(6.5)	3.2
Gains/(losses) arising from changes in financial assumptions	3.9	(4.6)
(Losses)/gains arising from changes in demographic assumptions	(0.2)	3.9
Experience (losses)/gains	(1.1)	6.0
Actuarial (losses)/gains recorded in the consolidated statement of comprehensive income	<u>(3.9)</u>	<u>8.5</u>
Total defined benefit scheme (losses)/gains	<u>(5.8)</u>	<u>8.4</u>

	2025 %	2024 %
The principal actuarial assumptions used were:		
Liability discount rate	5.4	5.3
Inflation assumption - Retail Price Index	2.8	3.2
Inflation assumption - Consumer Price Index	2.4	2.7
Revaluation of deferred pensions	2.4	2.7
Increases for pensions in payment:		
Benefits accrued in excess of GMP pre-1997	3.0	3.0
Benefits accrued after 5 April 1997 and before 1 September 1997	3.5	3.0
Benefits accrued post 1 September 1997	2.7	3.0
Proportion of employees opting for early retirement	100.0	100.0
Proportion of employees commuting pension for cash	AC00	AC00
Mortality assumption - pre-retirement		
Mortality assumption - male and female post-retirement		
Male/female pensioners: 103%/103% S3PA base tables.		
Male/female dependants: 103%/100% S3DA base tables.		
Projected in line with CMI 2024 projections (H=1.0), an initial additional of 0.25% and a long-term improvement rate of 1.25%		
Male/female pensioners: 103%/103% S3PA base tables.		
Male/female dependants: 103%/100% S3DA base tables.		
Projected in line with CMI 2023 core projections and core parameters (Sk = 7.0, an initial addition of 0.25%, w2020 = w2021 = 0%, and w2022 = w2023 = 15%) and a long-term improvement rate of 1.25%		

	2025 Years	2024 Years
Future expected lifetime of current pensioner at age 65		
Male aged 65 at year end	21.8	21.4
Female aged 65 at year end	24.1	23.9
Future expected lifetime of future pensioner at age 65		
Male aged 45 at year end	23.0	22.7
Female aged 45 at year end	25.5	25.3

	2025 £m	2024 £m
Changes in the present value of assets over the year		
Fair value of assets at beginning of the year	145.1	141.3
Interest income	7.5	7.7
Return on assets (excluding amount included in net interest income)	(6.5)	3.2
Contributions from the employer	-	1.1
Benefits paid	(6.9)	(7.5)
Administrative expenses	(0.7)	(0.7)
Fair value of assets at end of the year	<u>138.5</u>	<u>145.1</u>
Actual return on assets over the year	1.0	10.9

	2025 £m	2024 £m
Changes in the present value of liabilities over the year		
Liabilities at beginning of the year	(125.6)	(131.3)
Interest cost	(6.5)	(7.1)
Remeasurement gains/(losses)	^	^

Gains/(losses) arising from changes in financial assumptions	3.9	(4.6)
(Losses)/gains arising from changes in demographic assumptions	(0.2)	3.9
Experience (losses)/gains	(3.3)	6.0
Benefits paid	6.9	7.5
Liabilities at end of the year	(124.8)	(125.6)
	2025 £m	2024 £m
Split of the Scheme's liabilities by category of membership		
Deferred pensioners	(45.3)	(47.2)
Pensions in payment	(79.5)	(78.4)
	(124.8)	(125.6)
	2025 Years	2024 Years
Average duration of the Scheme's liabilities at end of the year	11.0	11.0
This can be subdivided as follows:		
Deferred pensioners	15.0	15.0
Pensions in payment	9.0	9.0
	2025 £m	2024 £m
Major categories of Scheme assets		
Return seeking		
Overseas equities	-	8.6
Other (hedge funds, multi-asset strategy and absolute return funds)	28.6	40.1
	28.6	48.7
Debt instruments		
Corporates	22.8	35.8
Liability-driven investing	76.4	38.4
	99.2	74.2
Other		
Cash (including liquidity fund)	6.9	18.3
Insured annuities	3.8	3.9
	10.7	22.2
Total market value of assets	138.5	145.1

The Scheme has a Liability-Driven Investment (LDI) strategy designed to closely align investment returns with movements in the Scheme's liabilities on a low-risk basis, thereby reducing the volatility of the Scheme's funding level. The use of LDI brings liquidity risk as the demand for additional collateral to maintain the Scheme's hedging can change over short periods when interest rates change.

£nil (2024: £nil) of Scheme assets have a quoted market price in active markets, £126.3m (2024: £132.1m) of Scheme assets have valuation inputs other than quoted market prices, including quoted market prices for similar assets in active markets, £5.4m (2024: £6.2m) of Scheme assets are instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect the differences between the instruments, and £6.8m (2024: £6.8m) of Scheme assets are cash at bank and insured pension annuities.

The Scheme has no investments in the Group or in property occupied by the Group.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 31 January 2024 and showed a surplus of £8.1m. The Company ceased paying deficit contributions in July 2024.

Sensitivity of the liability value to changes in the principal assumptions

The sensitivities included are consistent with those shown in prior years and show the change in the consolidated statement of financial position as at 31 October 2025 as a result of a change to the key assumptions.

If the discount rate was 0.25% higher/(lower), the Scheme liabilities would decrease by £3.2m/(increase by £3.2m) if all the other assumptions remained unchanged.

If the inflation assumption was 0.25% higher/(lower), the Scheme liabilities would increase by £1.8m/(decrease by £1.8m) if all the other assumptions remained unchanged.

If life expectancies were to increase by one year, the Scheme liabilities would increase by £4.7m if all the other assumptions remained unchanged.

16 TRADE AND OTHER RECEIVABLES

	Trade and other receivables before expected credit loss	Expected credit loss	Trade and other receivables after expected credit loss	Trade and other receivables before expected credit loss	Expected credit loss	Trade and other receivables after expected credit loss
	2025	2025	2025	2024	2024	2024
	£m	£m	£m	£m	£m	£m
Non-current						
Trade receivables	8.2	(0.1)	8.1	12.6	-	12.6
Due from joint ventures	10.3	-	10.3	-	-	-
Other receivables	2.6	-	2.6	2.0	-	2.0
	21.1	(0.1)	21.0	14.6	-	14.6

Current						
Trade receivables	89.2	(0.8)	88.4	51.0	(1.4)	49.6
Contract assets	-	-	-	7.7	(0.1)	7.6
Due from joint ventures	2.1	(0.1)	2.0	22.7	(0.1)	22.6
Other receivables	18.9	(0.2)	18.7	15.9	(0.1)	15.8
Prepayments	2.2	-	2.2	2.5	-	2.5
	112.4	(1.1)	111.3	99.8	(1.7)	98.1

Non-current and current	133.5	(1.2)	132.3	114.4	(1.7)	112.7
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Trade receivables and contract assets mainly comprise contractual amounts due from housing associations, bulk sale purchasers and land sales to other housebuilders. Other receivables mainly comprise two development agreements where the Group is entitled to recovery of costs incurred under the agreement. Current trade receivables of £14.2m have been collected as of 1 January 2026 (2024: £17.7m have been collected as of 1 January 2025). The remaining balance is due according to contractual terms. At the consolidated statement of financial position date, the difference between the fair value of amounts due from joint ventures and nominal value is £0.2m (2024: £0.2m).

Amounts due from joint ventures comprises funding provided on six (2024: four) joint venture developments which are being project managed by the Group and are repayable according to contractual arrangements. Amounts due from joint ventures are stated net of losses of £3.4m (2024: £0.9m). See note 13 for additional details on the Group's interests in joint ventures.

Movements in total loss allowance for expected credit losses

	2025 £m	2024 £m
At beginning of the year	1.7	1.1
Charged in the year	0.5	0.7
Released in the year	(1.0)	(0.1)
At end of the year	1.2	1.7

Maturity of non-current receivables:

	2025 £m	2024 £m
Due between one and two years	10.7	14.6
Due between two and five years	10.3	-
Due after five years	-	-
	21.0	14.6

17 INVENTORIES

	2025 £m	Restated ¹ 2024 £m
Land ²	618.5	681.6
Work-in-progress ²	335.2	314.4
Completed buildings including show homes	79.0	102.9
Part exchange inventories	23.4	30.2
	1,056.1	1,129.1

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

² The 2024 comparative amounts have been represented for land and work-in-progress. This resulted in a representation of £11.4m from work-in-progress to land.

Total inventories of £507.9m (2024: £499.7m) were recognised as cost of sales in the year.

Inventories are stated after a net realisable value (NRV) provision of £15.7m (2024: £22.3m), and it is currently forecast nearly half will be used in the next financial year.

During the year £3.7m (2024: £14.2m) additional NRV was charged, mainly on legacy developments.

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

	2025 £m	2024 £m
At beginning of the year	22.3	20.2
NRV charged in the year	3.7	14.2
NRV used in the year	(10.3)	(12.1)
Total movement in NRV provision in the year	(6.6)	2.1
At end of the year	15.7	22.3

18 MOVEMENT IN NET (DEBT)/CASH

	2025 £m	Movement £m	2024 £m
Cash and cash equivalents	125.0	51.2	73.8
Bank loans and senior loan notes	(163.2)	(80.9)	(82.3)
Net (debt)/cash	(38.2)	(29.7)	(8.5)

19 INTEREST-BEARING LOANS AND BORROWINGS

		2025 £m	2024 £m
Non-current			
Senior loan notes		65.0	65.0
Senior loan notes issue costs		(0.9)	(1.8)
		64.1	63.2
Current			
Senior loan notes		-	20.0
Revolving credit facility		100.0	-
Revolving credit and senior loan notes issue costs		(0.9)	(0.9)
		99.1	19.1

There were undrawn amounts of £150.0m (2024: £250.0m) under the RCF at the consolidated statement of financial position date. During the year, the Group had average drawings of £87.8m (2024: £21.3m) under the RCF. The RCF is categorised as current or non-current according to the contractual repayment date of amounts drawn down at the balance sheet date, in accordance with the terms of the RCF new drawings can be made up to the £250m facility limit until the facility expires. See note 23 for additional disclosures.

20 TRADE AND OTHER PAYABLES

		2025 £m	2024 £m
Non-current			
Land payables on contractual terms		12.9	31.8
Other payables		1.5	1.7
Accruals and deferred income		9.4	8.8
		23.8	42.3
Current			
Land payables on contractual terms		60.3	99.8
Other trade payables		88.3	67.8
Contract liabilities		10.2	6.9
Amounts due to joint ventures		-	0.1
Taxes and social security costs		7.7	1.7
Other payables		1.0	1.1
Accruals and deferred income		101.8	107.8
		269.3	285.2

Land payables are recognised from the date of unconditional exchange of contracts, and represent amounts due to land vendors for development sites acquired. All land payables are due according to contractual terms. Where land is purchased on deferred settlement terms then the land and the land payable are discounted to their fair value using the effective interest method in accordance with IFRS 9. The difference between the fair value and the nominal value is amortised over the deferment period, with the financing element being charged as an interest expense through the consolidated income statement. As at 31 October 2025 the difference between the fair value and nominal value of land payables is £1.4m (2024: £3.7m).

Contract liabilities represent payments on account, received from customers, in excess of billable work-in-progress on affordable and other sales in bulk on contracts in which revenue is recognised over time.

Amounts due to joint ventures are interest free and repayable on demand. See note 13 for additional details on the Group's interests in joint ventures.

Other trade payables mainly comprise amounts due to suppliers and subcontractor retentions. Suppliers are settled according to agreed payment terms and subcontractor retentions are released for payment once the retention condition has been satisfied.

Accruals are mainly work-in-progress related where work has been performed but not yet invoiced and completed site accruals. Completed site accruals are £20.4m (2024: £21.8m) and relate to the cost to complete outstanding site infrastructure and amenities on completed developments. Included within the completed site accruals is £1.6m exceptional charge in the year. See note 4 for additional disclosure.

21 PROVISIONS

	Combustible materials £m	Legal provision £m	Completed site provisions £m	Joint ventures £m	Other provisions £m	Total £m
At 1 November 2023	144.8	13.0	9.8	0.9	0.6	169.1
Provided in the year	131.7	-	21.5	-	0.3	153.5
Utilised in the year	(33.3)	-	(4.0)	-	-	(37.3)
Released in the year	-	-	(3.7)	-	(0.2)	(3.9)
Imputed interest	6.1	-	-	-	-	6.1
Funding commitment change	-	-	-	(0.9)	-	(0.9)
At 31 October 2024	249.3	13.0	23.6	-	0.7	286.6
Provided in the year	39.9	0.9	2.7	0.3	0.9	44.7
Utilised in the year	(62.8)	-	(6.5)	-	(0.5)	(69.8)
Released in the year	(29.3)	-	(5.4)	-	-	(34.7)
Transfers	(3.7)	3.7	-	-	-	-
Imputed interest	9.4	-	-	-	-	9.4
At 31 October 2025	202.8	17.6	14.4	0.3	1.1	236.2
At 31 October 2025	106.9	-	7.2	0.3	0.7	115.1
Non-current	95.9	17.6	7.2	-	0.4	121.1
At 31 October 2024	202.8	17.6	14.4	0.3	1.1	236.2
Non-current	181.5	-	10.7	-	0.3	192.5
Current	67.8	13.0	12.9	-	0.4	94.1
	249.3	13.0	23.6	-	0.7	286.6

Combustible materials

In March 2023 the Group signed the DLUHC (now MHCLG) Developer Remediation Contract in England, which converted the principles of the building safety pledge signed in 2022, in which the Group committed to resolve any historical fire remedial work on buildings completed since 5 April 1992, into a binding agreement between the government and the Group. This provides clarity for future remediation, particularly with regards to the standards required for internal and external

remedial works on legacy buildings.

The combustible materials provision reflects the estimated costs to complete the remediation of life-critical fire safety issues on identified buildings. A combination of BSF costed information, other external information, and internal assessments, known at the balance sheet date, are considered when estimating the provision.

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

In the previous year the Group recorded a combustible materials charge of £131.7m, mainly relating to the estimated costs of non-surveyed buildings at that time based on the increased level of information that the Group had gathered to reasonably estimate any provision required. During the year, as the number of surveyed buildings nears completion, this estimate has been updated reflecting the outcome of surveys, along with changes in forecast build cost scope and price over the duration of remediation for previously surveyed buildings. This has resulted in a net charge in the year of £10.6m, comprising a provision in the year of £39.9m, and a release of £29.3m. The release primarily relates to buildings where surveys performed in the year confirmed that no remedial works are required. While nearly all buildings have now been surveyed, detailed cost plans and work tenders need to be finalised for approximately 30% of the buildings and the estimate for these buildings has been made in a similar manner to the prior year, updated for the latest cost experience of the Group. The combustible materials net charge of £12.8m per note 4 includes a £2.2m professional fees charge incurred by the Group in pursuing third parties where it has a contractual right of recourse. The provision is measured on a nominal basis with an assumed level of inflation over the period that the remediation will take place. A discount rate of 3.8% (2024: 4.4%) based on a UK gilts rates of equivalent cashflow profiles to that estimated of the provision has been applied, the reduction to the discount rate increased the discounted provision resulting in a charge to cost of sales of £1.1m in the period. The discounting applied to the provision unwinds to the consolidated income statement as an exceptional finance expense over the expected duration of the provision.

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

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

During the year, £3.7m contained within the opening combustible materials provision was transferred to legal provisions. This provision relates to a building which has previously been remediated by the freeholder who has lodged a claim against the Group to recover costs of the remediation.

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

Legal provision

The Group is subject to a legal claim relating to a low-rise bespoke apartment block built by the Group which was damaged by fire in 2021. The fire caused extensive damage to the property which was subsequently demolished and is currently being rebuilt by the freeholder. In 2023 the Group received a letter of claim alleging fire safety defects and claiming compensation for the rebuild and other associated costs. The provision recorded represents the Directors' best estimate of the Group's potential exposure taking into account legal and professional advice. The claim and ultimate route to settlement is ongoing, but the two parties agreed a heads of terms in October 2025, the terms of which are reflected in the provision as at 31 October 2025.

Following the year end a settlement was reached with the claimant in respect of the building damaged by the fire in 2021 and a remedial works agreement was agreed with respect to other buildings identified with defects through this case. The final terms of the settlement and remedial works agreement are consistent with the amounts provided for at the balance sheet date, although the final cost of remedial works will continue to be subject to estimation uncertainty.

During the year, £3.7m contained within the opening combustible materials provision was transferred to legal provisions. This provision relates to a building which has previously been remediated by the freeholder who has lodged a claim against the Group to recover costs of the remediation.

Completed site provisions

During the first half of the prior financial year, the Group became aware of certain build defects initially identified on four sites that were completed prior to 2019 when the Group closed its Regeneration and London divisions. The Group has undertaken a comprehensive review of all completed sites in association with third-party consultants.

The forecast costs to remedy build defects on these sites is £14.4m (2024: £23.6m). Discounting has not been applied to the balance as the impact would not be material. Included within the £14.4m completed site provisions is a £0.1m exceptional charge in the year. See note 4 for consolidated income statement disclosure.

22 SHARE CAPITAL

	Shares issued Number	Nominal value Pence	Share capital £	Share premium account £
Ordinary shares as at 1 November 2023 and 31 October 2024	256,920,539	5	12,846,027	74,227,216
Shares issued during the year	12,739	5	637	21,118
Ordinary shares as at 31 October 2025	256,933,278	5	12,846,664	74,248,334

Ordinary shares are issued and fully paid.

Own shares held

The Group and Company holds shares within the employee share ownership trust (ESOT) for participants of certain share-based payment schemes. These are held within retained earnings. During the year no shares were purchased by the ESOT (2024: 250,000 shares were purchased by the ESOT for £0.5m) and the ESOT transferred 282,313 (2024: 248,124) shares to employees and Directors to satisfy options. In 2024, 21,968 shares as part of Martyn Clark's share-based awards from previous employment in Crest Nicholson Holdings plc were granted on joining at a cost of £0.1m. The number of shares held within the ESOT and on which dividends have been waived, at 31 October 2025 was 297,851 (2024: 580,164). These shares are held within the financial statements in equity at a cost of £0.9m (2024: £1.4m). The market value of these shares at 31 October 2025 was £0.5m (2024: £1.0m).

23 FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash, trade and other receivables, financial assets at fair value through profit and loss, bank loans, senior loan notes, and trade and other payables. The main objective of the Group's policy towards financial instruments is to maximise returns on the Group's cash balances, manage the Group's working capital requirements and finance the Group's ongoing operations.

Capital management

The Group's policies seek to match long-term assets with long-term finance and ensure that there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and continue to sustain trading.

The Group's capital comprises shareholders' funds and net debt.

The Group seeks to manage its capital through control of expenditure, dividend payments and through its banking facilities. The revolving credit facility (RCF) and senior loan notes impose certain minimum capital requirements on the Group. These requirements are integrated into the Group's internal forecasting process and are regularly reviewed. The Group has operated, and is forecasting to operate, within these capital requirements.

There were undrawn amounts of £150.0m (2024: £250.0m) under the RCF at the consolidated statement of financial position date.

On 31 October 2024 the Group signed an amendment and extension to the RCF. This amendment extended the facility to run through to October 2027 and redefined margin from 1.85% to 2.15%. Therefore, from 1 November 2024 the RCF carried interest at SONIA plus 2.15%. Subsequently, on 21 November 2025, the Group entered into a further new amendment and extension to the RCF. This extended the facility to October 2029 and increased the margin from 2.15% to 3.0%.

Both the senior loan notes and the RCF are subject to three covenants that are assessed through the year. They are gearing being of a maximum of 70%, interest cover being a minimum of three times against adjusted earnings before interest and tax, and consolidated tangible net worth being not less than £500m, all based on measures as defined in the facilities agreements which are adjusted from the equivalent IFRS amounts. As at the statement of financial position date, gearing was 16.1%, interest cover was 4.1 times and consolidated tangible net worth was £689.1m. See the going concern assessment in note 1 for forecast future covenant performance and sensitivity of covenants in a severe but plausible downside scenario.

The RCF facility is sustainability linked with the margin applicable varying by plus or minus 0.05% depending on the Group's progress against four targets. These targets and 2025 results are presented below:

- Reduction in absolute scope 1 and 2 GHG emissions in line with our science-based targets. In 2025 this target was met.
- Increasing the number of our suppliers engaging with the Supply Chain Sustainability School. In 2025 this target was met.
- Reduction in GHG emissions associated with the use of our homes. In 2025 this target was met.
- Increasing the number of our employees in trainee positions and on training programmes. In 2025 this target was not met.

As a result of meeting 3 out of 4 of the metrics for 2025 the margin on the RCF will be amended down by 0.025% (2024: 0.025% based on achieving 3 out of 4 targets) from the date of submission of the compliance documents for the facility.

Financial risk

As virtually all of the operations of the Group are in sterling, there is no direct currency risk, and thus the Group's main financial risks are credit risk, liquidity risk and market interest rate risk. The Board is responsible for managing these risks and the policies adopted are as set out here.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or other counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash deposits, as most receivables are secured on land and buildings.

The Group has cash deposits of £125.0m (2024: £73.8m) which are held by the providers of its banking facilities. The Group has bank facilities of £250.0m expiring in October 2029; as at 31 October 2025 with £150.0m remaining available for drawdown under such facilities. These are primarily provided by HSBC Bank Plc, Barclays Bank Plc, Lloyds Bank Plc and NatWest Group Plc, being four of the UK's leading financial institutions. The security and suitability of these banks is monitored by the treasury function on a regular basis.

Financial assets at fair value through profit and loss of £2.8m (2024: £3.3m) are receivables on extended terms granted as part of a sales transaction and are secured by way of a legal charge on the relevant property and therefore credit risk is considered low.

The carrying value of trade and other receivables is mainly contractual amounts due from housing associations, bulk sale purchasers, land sales to other housebuilders and a development agreement where the Group is entitled to recovery of costs incurred under the agreement, and equates to the Group's exposure to credit risk which is set out in note 17. Amounts due from joint ventures of £12.3m (2024: £22.6m) is funding provided on six (2024: four) joint venture developments which are being project managed by the Group and are subject to contractual arrangements. The Group has assessed the expected credit loss impact on the carrying value of trade and other receivables as set out in note 16. Within trade receivables the other largest single amount outstanding at 31 October 2025 is £12.9m (2024: £7.6m) which

is within agreed terms.

The Group considers the credit quality of financial assets that are neither past due nor impaired as good. In managing risk the Group assesses the credit risk of its counterparties before entering into a transaction. No credit limits were exceeded during the reporting year, and the Directors do not expect any material losses from non-performance of any counterparties, including in respect of receivables not yet due. No individually material financial assets are past due, or are considered to be impaired as at the consolidated statement of financial position date (2024: none).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasts are produced to monitor the expected cash flow requirements of the Group against the available facilities. The principal risks within these cash flows relate to achieving the level of sales volume and prices in line with current forecasts.

The following are the contractual maturities of the financial liabilities of the Group at 31 October 2025:

	Carrying value £m	Contractual cash flows £m	Within 1 year £m	Within 1 to 2 years £m	Within 2 to 3 years £m	More than 3 years £m
2025						
Senior loan notes	65.0	71.0	2.4	52.4	-	16.2
Revolving credit facility	100.0	100.0	100.0	-	-	-
Financial liabilities carrying no interest	276.5	277.6	246.2	26.3	1.5	3.6
At 31 October 2025	441.5	448.6	348.6	78.7	1.5	19.8
2024						
Senior loan notes	85.0	94.1	23.1	2.4	52.4	16.2
Financial liabilities carrying no interest	326.7	332.8	280.8	36.1	13.4	2.5
At 31 October 2024	411.7	426.9	303.9	38.5	65.8	18.7

Market interest rate risk

Market interest rate risk reflects the Group's exposure to fluctuations to interest rates in the market. The risk arises because the Group's RCF is subject to floating interest rates based on SONIA. The Group accepts a degree of interest rate risk, and monitors rate changes to ensure they are within acceptable limits and in line with banking covenants. The Group has partially mitigated this risk by placing £65.0m of senior loan notes which are at fixed interest rates. For the year ended 31 October 2025 it is estimated that an increase of 1.0% in interest rates applying for the full year would decrease the Group's profit before tax and equity by £0.9m (2024: £0.2m).

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

	2025 £m	2024 £m
Sterling bank borrowings, loan notes and long-term creditors		
Financial liabilities carrying interest	165.0	85.0
Financial liabilities carrying no interest	276.5	326.7
At 31 October 2025	441.5	411.7

For financial liabilities that have no interest payable but for which imputed interest is charged, consisting of land payables and lease liabilities, the weighted average period to maturity is 13 months (2024: 14 months).

	2025 £m	2024 £m
The maturity of the financial liabilities is:		
Repayable within one year	345.8	297.6
Repayable between one and two years	76.0	34.5
Repayable between two and five years	18.1	77.0
Repayable after five years	1.6	2.6
At 31 October 2025	441.5	411.7

Fair values

Financial assets

The Group's financial assets are detailed in the table below. The carrying value of cash and cash equivalents and trade and other receivables is a reasonable approximation of fair value which would be measured under a level 3 hierarchy. Financial assets at fair value through profit and loss are carried at fair value and categorised as level 3 (inputs not based on observable market data) within the hierarchical classification of IFRS 13: Revised.

Financial liabilities

The Group's financial liabilities are detailed in a table below, the carrying amounts of which are deemed to be a reasonable approximation to their fair value. The fair values of the RCF, other loans and loan notes are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the consolidated statement of financial position date.

The fair values of the facilities determined on this basis are:

2025	Nominal interest rate	Face value £m	Carrying value £m	Maturity
Current				
Revolving credit facility	SONIA+3%	100.0	100.0	2026
Non-current				
Senior loan notes	3.62%-3.87%	65.0	65.0	2027-2029
Total interest-bearing loans		165.0	165.0	
2024				
	Nominal interest rate	Face value £m	Carrying value £m	Maturity
Current				
Senior loan notes	3.32%	20.0	20.0	2025
Non-current				

Senior loan notes	3.62%-3.87%	65.0	65.0	2026-2029
Total interest-bearing loans		85.0	85.0	

Financial assets and liabilities by category

	2025	2024
	£m	£m
Financial assets		
Sterling cash deposits	125.0	73.8
Trade receivables	96.5	62.2
Amounts due from joint ventures	12.3	22.6
Other receivables	21.3	12.5
Total financial assets at amortised cost	255.1	171.1
Financial assets at fair value through profit and loss	2.8	3.3
Total financial assets	257.9	174.4

Financial liabilities

	2025	2024
	£m	£m
Senior loan notes	65.0	85.0
Revolving credit facility	100.0	-
Land payables on contractual terms carrying no interest	73.2	131.6
Amounts due to joint ventures	-	0.1
Lease liabilities	10.2	12.0
Other trade payables	82.5	67.8
Other payables	2.5	2.8
Accruals	108.1	112.4
Total financial liabilities at amortised cost	441.5	411.7

24 CONTINGENCIES AND COMMITMENTS

There are performance bonds and other engagements, including those in respect of joint venture partners, undertaken in the ordinary course of business. It is impractical to quantify the financial effect of performance bonds and other arrangements. The Directors consider the possibility of a cash outflow in settlement of performance bonds and other arrangements to be remote and therefore this does not represent a contingent liability for the Group.

In the ordinary course of business, the Group enters into certain land purchase contracts with vendors on a conditional exchange basis. The conditions must be satisfied for the Group to recognise the land asset and corresponding liabilities within the consolidated statement of financial position. No land payable in respect of conditional land acquisitions has been recognised.

The Group provides for all known material legal actions where, having taken appropriate legal advice as to the likelihood of success of the actions, it is considered probable that an outflow of economic resource will be required, and the amount can be reliably measured. No material contingent liability in respect of such claims has been recognised since there are no known claims of this nature.

As discussed in note 15, as a result of the Section 37 case the Group considers that the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient reliability at the 2025 year end. We are therefore disclosing this issue as a potential contingent liability at 31 October 2025 and will review again in 2026 based on the findings of the detailed investigation.

The Group is reviewing the recoverability of costs incurred from third parties where it has a contractual right of recourse. As reflected in these financial results, the Group has a track record of successfully obtaining such recoveries, however no contingent assets have been recognised in these consolidated financial statements for such items.

25 NET DEBT AND LAND CREDITORS

	2025	2024
	£m	£m
Cash and cash equivalents	125.0	73.8
Non-current interest-bearing loans and borrowings	(64.1)	(63.2)
Current interest-bearing loans and borrowings	(99.1)	(19.1)
Net debt	(38.2)	(8.5)
Land payables on contractual terms carrying no interest	(73.2)	(131.6)
Net debt and land creditors	(111.4)	(140.1)

26 RELATED PARTY TRANSACTIONS

Transactions between subsidiaries, which are related parties, are eliminated on consolidation, as well as transactions between the Company and its subsidiaries during the current and prior year.

Transactions between the Group and key management personnel mainly comprise remuneration which is given in note 6. Detailed disclosure for Board members is given within the Directors' remuneration report on pages 82-104 of our 2025 Annual Report to be published in February 2026. There were no other transactions between the Group and key management personnel in the year.

Transactions between the Group and the Crest Nicholson Group Pension and Life Assurance Scheme is given in note 15.

The Company's Directors have associations other than with the Company. From time to time the Group may trade with organisations with which a Director has an association. Where this occurs, it is on normal commercial terms and without the direct involvement of the Director.

The Group had the following transactions/balances with its joint ventures in the year/at year end:

	2025	2024
	£m	£m
Interest income on joint venture funding	0.4	0.7
Project management fees recognised	2.0	1.9
Amounts due from joint ventures, net of expected credit losses	12.3	22.6
Amounts due to joint ventures	-	0.1
Funding to joint ventures	(14.2)	(13.1)
Repayment of funding from joint ventures	6.2	36.4
Dividends received from joint ventures	-	2.5

27 GROUP UNDERTAKINGS

In accordance with Section 409 Companies Act 2006, the following is a list of all the Group's undertakings at 31 October 2025.

Subsidiary undertakings

None

At 31 October 2025 the Group had an interest in the below subsidiary undertakings, which are included in the consolidated financial statements. All subsidiaries were incorporated in England and Wales.

Entity name	Registered office ¹	Active / dormant	Year end date	Voting rights and shareholding (direct or indirect)
Bath Riverside Estate Management Company Limited	2	Dormant	31 October	100%
Bath Riverside Liberty Management Company Limited	2	Dormant	31 October	100%
Castle Bidco Home Loans Limited	1	Active	30 October	100%
Brightwells Residential 1 Company Limited	1	Dormant	31 October	100%
Bristol Parkway North Limited	1	Dormant	31 October	100%
Building 7 Harbourside Management Company Limited	2	Active	31 December	58.33%
Buildings 3A, 3B & 4 Harbourside Management Company Limited	2	Dormant	31 December	83.33%
Clevedon Developments Limited	1	Dormant	31 October	100%
Clevedon Investment Limited	1	Active	31 October	100%
CN Assets Limited	1	Active	31 October	100%
CN Finance plc ²	1	Active	31 October	100%
CN Nominees Limited	1	Dormant	31 October	100%
CN Properties Limited	1	Dormant	31 October	100%
CN Secretarial Limited	1	Dormant	31 October	100%
CN Shelf 2 LLP	1	Dormant	31 October	100%
CN Shelf 3 LLP	1	Dormant	31 October	100%
Crest (Claybury) Limited	1	Dormant	31 October	100%
Crest Developments Limited	1	Dormant	31 October	100%
Crest Estates Limited	1	Dormant	31 October	100%
Crest Homes (Eastern) Limited	1	Dormant	31 October	100%
Crest Homes (Midlands) Limited	1	Dormant	31 October	100%
Crest Homes (Nominees) Limited	1	Active	31 October	100%
Crest Homes (Nominees No. 2) Limited	1	Active	31 October	100%
Crest Homes (Northern) Limited	1	Dormant	31 October	100%
Crest Homes (South East) Limited	1	Dormant	31 October	100%
Crest Homes (South West) Limited	1	Dormant	31 October	100%
Crest Homes (South) Limited	1	Dormant	31 October	100%
Crest Homes (Wessex) Limited	1	Dormant	31 October	100%
Crest Homes (Westerham) Limited	1	Dormant	31 October	100%
Crest Homes Limited	1	Dormant	31 October	100%
Crest Manhattan Limited	1	Dormant	31 October	100%
Crest Nicholson (Bath) Holdings Limited	1	Active	31 October	100%
Crest Nicholson (Chiltern) Limited	1	Dormant	31 October	100%
Crest Nicholson (Eastern) Limited	1	Dormant	31 October	100%
Crest Nicholson (Epsom) Limited	1	Dormant	31 October	100%
Crest Nicholson (Henley-on-Thames) Limited	1	Active	31 October	100%
Crest Nicholson (Highlands Farm) Limited	1	Dormant	31 October	100%
Crest Nicholson (Londinium) Limited	1	Dormant	31 October	100%
Crest Nicholson (Midlands) Limited	1	Dormant	31 October	100%
Crest Nicholson (Peckham) Limited	1	Active	31 October	100%
Crest Nicholson (South East) Limited	1	Dormant	31 October	100%
Crest Nicholson (South West) Limited	1	Dormant	31 October	100%
Crest Nicholson (South) Limited	1	Dormant	31 October	100%
Crest Nicholson (Stotfold) Limited	1	Active	31 October	100%

¹ 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.

2: Units 1,2, and 3 Beech Court Wokingham Road, Hurst, Reading, England, RG10 0RU.

² CN Finance plc is the only direct holding of Crest Nicholson Holdings plc.

Entity name	Registered office ¹	Active / dormant	Year end date	Voting rights and shareholding (direct or indirect)
Crest Nicholson Developments (Chertsey) Limited	1	Active	31 October	100%
Crest Nicholson Operations Limited	1	Active	31 October	100%
Crest Nicholson Pension Trustee Limited	1	Dormant	31 January	100%
Crest Nicholson plc	1	Active	31 October	100%
Crest Nicholson Projects Limited	1	Dormant	31 October	100%
Crest Nicholson Properties Limited	1	Dormant	31 October	100%
Crest Nicholson Regeneration Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (London) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (Midlands) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (South East) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential (South) Limited	1	Dormant	31 October	100%
Crest Nicholson Residential Limited	1	Active	31 October	100%
Crest Nicholson (Wheatley) LLP	1	Active	31 October	100%
Crest Partnership Homes Limited	1	Dormant	31 October	100%
Crest Strategic Projects Limited	1	Dormant	31 October	100%
Eastern Perspective Management Company Limited	1	Dormant	31 October	100%
Essex Brewery (Walthamstow) LLP	1	Dormant	31 October	100%
Harbourside Leisure Management Company Limited	1	Active	30 December	71.43%
Landscape Estates Limited	1	Dormant	31 October	100%
Mertonplace Limited	1	Dormant	31 October	100%
Nicholson Estates (Century House) Limited	1	Dormant	31 October	100%
Park Central Management (Central Plaza) Limited	1	Dormant	31 October	100%
Ellis Mews (Park Central) Management Limited	1	Active	31 October	100%
Park Central Management (Zone 11) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 12) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1ANorth) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1ASouth) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 1B) Limited	1	Dormant	31 October	100%

Entity name	Registered office ¹	Active / dormant	Year end date	Voting rights and shareholding (direct or indirect)
Park Central Management (Zone 3/1) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/2) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/3) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 3/4) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 4/41 & 42) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 4/43/44) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/53) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/54) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 5/55) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 6/61-64) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 7/9) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 8) Limited	1	Dormant	31 October	100%
Park Central Management (Zone 9/91) Limited	1	Dormant	31 January	100%
Park West Management Services Limited	1	Active	29 March	62.00%

¹ 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.

Subsidiary audit exemption

The following subsidiaries have taken advantage of an exemption from audit under Section 479A of the Companies Act 2006. The parent of the subsidiaries, Crest Nicholson plc, has provided a statutory guarantee for any outstanding liabilities of these subsidiaries. All subsidiary undertakings have been included in the consolidated financial statements of Crest Nicholson Holdings plc as at 31 October 2025.

Castle Bidco Home Loans Limited (13687515)
 Clevedon Investment Limited (00454327)
 Crest Homes (Nominees No. 2) Limited (02213319)
 Crest Nicholson (Henley-on-Thames) Limited (03828831)
 Crest Nicholson (Peckham) Limited (07296143)
 Crest Nicholson (Stotfold) Limited (08774274)
 Crest Nicholson (Bath) Holdings Limited (05235961)
 Crest Nicholson Developments (Chertsey) Limited (04707982)
 Crest Homes (Nominees) Limited (01715768)
 Crest Nicholson Residential Limited (00714425)

Joint venture undertakings

At 31 October 2025 the Group had an interest in the following joint venture undertakings which are equity accounted within the consolidated financial statements. The principal activity of all undertakings is that of residential development. All joint ventures were incorporated in England and Wales.

Entity name	Registered office ¹	Active / dormant	Year end date	Voting rights and shareholding (direct or indirect)
Material joint ventures				
Other joint ventures not material to the Group				
Crest A2D (Walton Court) LLP	1	Active	31 March	50%
Crest Sovereign (Brooklands) LLP	3	Active	31 October	50%
Crest Peabody (Turweston) LLP	1	Active	31 March	50%
Crest Vistry (Epsom) LLP	1	Active	31 October	50%
Crest Nicholson Bioregional Quintain LLP	1	Active	31 October	50%
Elmsbrook (Crest A2D) LLP	4	Active	31 March	50%
English Land Banking Company Limited	1	Dormant	31 October	50%
Haydon Development Company Limited	2	Active	30 April	21.36%
North Swindon Development Company Limited	2	Active	31 December	32.64%

¹ 1: 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.

2: 6 Drakes Meadow, Penny Lane, Swindon, Wiltshire SN3 3LL.

3: Sovereign House, Basing View, Basingstoke RG21 4FA

4: 113 Uxbridge Road, London W5 5TL.

Joint operations

The Group is party to a joint unincorporated arrangement with Aviva Life & Pensions UK Ltd, the purpose of which is to acquire and develop a site in Chertsey, Surrey. The two parties are jointly responsible for the control and management of the site's development, with each party funding 50% of the cost of the land acquisition and development of the site, in return for 50% of the returns. As such, this arrangement has been designated as a joint operation.

The Group is party to a joint unincorporated arrangement with Persimmon plc, the purpose of which is to develop a site in Ringwood, Hampshire. The two parties are jointly responsible for the development of the site, the specification and delivery of critical shared infrastructure is agreed by both parties under an initial collaboration agreement and any deviations to that agreement must be agreed unanimously. The costs of shared infrastructure at the site are split 60% to Persimmon plc and 40% to Crest Nicholson which is consistent with the split of plots on the development for which each party have taken responsibility for the direct build costs and revenues of specific plots on the development and recognise revenues and costs consistent with their rights and obligations to costs revenue and costs under the terms of the arrangement.

The Group is party to a joint unincorporated arrangement with Persimmon plc and Taylor Wimpey plc, the purpose of which is to develop 80 apartments at a site in Horley, Surrey. The three parties are jointly responsible for the control and management of the site's development, with the parties responsible for funding the development of the site per to following proportions: Crest Nicholson: 53%, Persimmon plc: 26% and Taylor Wimpey plc: 21%, in return for the same proportion of the returns. As such, this arrangement has been designated as a joint operation.

In line with the Group's accounting policies, the Group has recognised its share of the jointly controlled assets and liabilities, and income and expenditure, in relation to these joint arrangements on a line-by-line basis in the consolidated statement of financial position and consolidated income statement as there is no legal entity in place and the arrangements are structured such that the Group has a direct interest in the underlying assets and liabilities of each arrangement.

Crest Nicholson employee share ownership trust (ESOT)

The Group operates the Crest Nicholson ESOT, which is used to satisfy awards granted under the Group's share incentive schemes. Shares are allotted to the Trust or the Trust is funded to acquire shares in the open market. The

ESOT falls within the scope of IFRS 10: Consolidated Financial Statements, and is consolidated within the Group financial statements, as the Group is considered to have control over the ESOT.

28 PRIOR YEAR RESTATEMENT

In response to identified control weaknesses, the Group investigated cost forecasting of sites in its Eastern division through its strengthened Cost Value Recognition (CVR) process. A thorough investigation identified isolated issues in the cost forecasting of one Eastern site, where historical non-compliance with the Group's CVR process was identified as a result of insufficient capability in the division. In addition to strengthened controls in the previous year, Finance leadership in the division has been replaced, and the new team led the investigation overseen directly by the CFO and Group Commercial Director.

The investigation found significant programme costs and changes to sales assumptions, that could previously have reasonably been identified, estimated, obtained and accounted for in previous periods, from 2022 to 2024. In accordance with IAS 8 this is considered to be an accounting error that requires adjustment of site margins recognised in prior periods. The adjustment does not reflect changes to estimates that could not have been reasonably estimated at the time without the benefit of hindsight. Such changes in estimates are accounted for in the period in which information becomes reasonably available, and events occur to trigger an updated cost estimate that can be reasonably and reliably estimated.

After considering a range of qualitative factors and the aggregate quantitative impact for the year ended 31 October 2024, it was concluded that there was a material balance sheet error in the 2024 financial statements in the context of historical profits recognised since 2022 and the equity position. The additional forecast costs which should have been identified in prior years would have reduced the estimated full-life margin on the impacted site at that time. The full-life margin is used to determine the amount of inventories to be expensed as cost of sales. To correct the error, the full-life margin at the time has been recalculated to include the additional forecast costs, and the revised margin has been used to recalculate the amount of inventories that should have been expensed.

The adjustment directly impacted cost of sales, income tax expense, inventories, current tax assets, deferred tax assets and retained earnings. The impact on net income recognised in any one year is not material. The tables below outline the impact on each line item. Where relevant to these changes, other disclosures in the notes to the financial statements have also been restated.

Restated financial information

The below tables disclose the restated prior year financial information.

	As previously reported £m	Adjustment 2024 £m	As presented £m
Consolidated income statement			
Total			
Cost of sales	(689.8)	(2.1)	(691.9)
Gross loss	(71.6)	(2.1)	(73.7)
Operating loss	(128.7)	(2.1)	(130.8)
Loss before tax	(143.7)	(2.1)	(145.8)
Income tax credit	40.2	0.6	40.8
Loss for the year attributable to equity shareholders	(103.5)	(1.5)	(105.0)
Total comprehensive expense attributable to equity shareholders	(97.1)	(1.5)	(98.6)
Basic loss per share (pence)	(40.4)	(0.6)	(41.0)
Adjusted basic earnings per share (pence)	5.6	(0.6)	5.0
Consolidated statement of financial position			
Deferred tax assets	39.7	1.3	41.0
Total non-current assets	127.8	1.3	129.1
Inventories	1,137.4	(8.3)	1,129.1
Current income tax receivable	4.1	0.6	4.7
Total current assets	1,314.4	(7.7)	1,306.7
Total assets	1,442.2	(6.4)	1,435.8
Net assets	728.9	(6.4)	722.5
Retained earnings	641.9	(6.4)	635.5
Total equity	728.9	(6.4)	722.5
Total equity at 1 November 2023	856.3	(4.9)	851.4
Changes in consolidated cash flow statement			
Loss for the year attributable to equity shareholders	(103.5)	(1.5)	(105.0)
Income tax credit	(40.2)	(0.6)	(40.8)
Operating loss before changes in working capital, provisions and contributions to retirement benefit obligations	(120.8)	(2.1)	(122.9)
Increase in inventories	22.2	2.1	24.3
Notes to the financial statements			
Inventories expensed in the year	(497.6)	(2.1)	(499.7)
Alternative performance measures			
Adjusted operating profit	31.3	(2.1)	29.2
Average of opening and closing capital employed	764.4	(5.6)	758.8
ROCE (%)	4.1	(0.3)	3.8
Land creditors as a percentage of net assets (%)	18.1	0.1	18.2
Inventory as a percentage of revenue (%)	184.0	(1.4)	182.6

The amount relating to years earlier than 2024 gave rise to an adjustment of £4.9m (net of tax) to opening retained earnings as at 1 November 2023, comprising a reduction of £6.2m in inventories, an increase in current income tax receivable of £0.6m and an increase in the deferred tax asset of £0.7m. A third balance sheet has not been presented as is normally required by IAS 8 given the limited impact outside of the items already disclosed.

CREST NICHOLSON HOLDINGS PLC COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 October 2025

2025

2024

	Note	£m	£m
ASSETS			
Non-current assets			
Investments	4	34.2	33.6
Current assets			
Trade and other receivables	5	165.7	162.5
TOTAL ASSETS		199.9	196.1
NET ASSETS		199.9	196.1
SHAREHOLDERS' EQUITY			
Share capital	6	12.8	12.8
Share premium account	6	74.2	74.2
Share-based payments reserve	4	34.2	32.1
Retained earnings:			
TOTAL SHAREHOLDERS' EQUITY		199.9	196.1

The Company recorded a profit for the financial year of £9.6m (2024: £8.4m).

The notes below form part of these financial statements.

The financial statements were approved by the Board of Directors on 28 January 2026.

On behalf of the Board

Martyn Clark
Director

Bill Floyd
Director

CREST NICHOLSON HOLDINGS PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2025

	Note	Share capital £m	Share premium account £m	Share-based payments reserve £m	Retained earnings £m	Total equity £m
Balance at 1 November 2023		12.8	74.2	30.3	101.0	218.3
Profit for the financial year and total comprehensive income		-	-	-	8.4	8.4
Transactions with shareholders						
Dividends paid	4	-	-	-	(32.1)	(32.1)
Exercise of share options through employee share ownership trust		-	-	-	(0.7)	(0.7)
Net proceeds from the issue of shares and exercise of share options		-	-	-	0.4	0.4
Equity-settled share-based payments		-	-	1.8	-	1.8
Balance at 31 October 2024		12.8	74.2	32.1	77.0	196.1
Profit for the financial year and total comprehensive income		-	-	-	9.6	9.6
Transactions with shareholders						
Dividends paid	4	-	-	-	(6.4)	(6.4)
Exercise of share options through employee share ownership trust		-	-	-	(0.5)	(0.5)
Transfer of investment in own shares	4	-	-	-	(1.0)	(1.0)
Equity-settled share-based payments		-	-	2.1	-	2.1
Balance at 31 October 2025		12.8	74.2	34.2	78.7	199.9

CREST NICHOLSON HOLDINGS PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparation

Crest Nicholson Holdings plc (the Company) is a public company limited by shares, incorporated, listed and domiciled in England and Wales. The address of the registered office is 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ. The Company financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), in accordance with the Companies Act 2006 as applicable to companies using FRS 101, and have been prepared on the historical cost basis. The preparation of financial statements in conformity with FRS 101 requires the Directors to make assumptions and judgements that affect the application of policies and reported amounts within the financial statements. Assumptions and judgements are based on experience and other factors that the Directors consider reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements are presented in pounds sterling and amounts stated are denominated in millions (£m), unless otherwise stated. The accounting policies have been applied consistently in dealing with items which are considered material. These financial statements present information about the Company as an individual undertaking and not about its group. Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payments
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

Going concern

When determining the appropriateness of the basis of preparation, the Directors evaluated whether the Company has the ability to meet its liabilities and obligations as they fall due. This evaluation included a review of detailed cash flow projections and financial forecasts covering the period up to 30 April 2027 (the going concern period), aligned with those used for the Group's going concern assessment. The Company relies on the overall performance of the Group to fulfil its liabilities and obligations in the foreseeable future. These obligations include compliance with financial covenants under the sustainability-linked revolving credit facility (RCF) and senior loan notes, as outlined in note 23 of the consolidated financial statements.

Based on these forecasts, the Group is expected to meet its liabilities as they become due throughout the going concern period. However, in a severe but plausible downside scenario the Group has identified a material uncertainty during the going concern period in respect of the compliance with the interest cover covenant, with the first measurement date in April 2026. Further details of the Group's going concern assessment are provided in note 1 of the consolidated financial statements.

In reviewing the assessment outlined above, the Directors are confident that the Company has the necessary resources and mitigations available to continue operations and discharge its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the Company financial statements continue to be prepared on a going concern basis. However, a material uncertainty exists, in particular with respect to the ability to achieve the covenant amendments which may be required, which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Adoption of new and revised standards

There were no new standards, amendments or interpretations that were adopted by the Company and effective for the first time for the financial year beginning 1 November 2024 that have had a material impact on the Company. The principal accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries. Equity-settled share-based payments are measured at fair value at the grant date and charged to the subsidiaries income statement on a straight-line basis over the vesting period, based on the estimate of shares that will vest. The cost of equity-settled share-based payments granted to employees of the Group is borne by other subsidiary companies, which are the employing company of these employees. Since the Company does not receive any direct employee services in relation to these share-based payments, it recognises this cost as a capital contribution in the Company financial statements through an addition to investments and the share-based payment reserve in equity.

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the Company's income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit is profit before tax per the Company's income statement after adjusting for income and expenditure that is not subject to tax, and for items that are subject to tax in other accounting periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Where uncertain tax liabilities exist, the liability recognised is assessed as the amount that is probable to be payable. Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Dividends

Final and interim dividend distributions to the Company's shareholders are recorded in the Company's financial statements in the earlier of the period in which they are approved by the Company's shareholders, or paid.

Investments

Investments relate to the impact of the capital contribution in respect of the cost of equity-settled share-based payments borne by other subsidiary companies. Investments are assessed annually for indicators of impairment.

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- at amortised cost
- subsequently at FVTPL
- subsequently at FVOCI.

The classification of financial assets depends on the Company's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the income statement using the effective interest rate method. Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Company as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the income statement and presented within administrative expenses. The Company currently has no financial assets measured at FVOCI.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade receivables. The amount of the loss is recognised in the income statement.

Own shares held by ESOT

Transactions of the Company-sponsored ESOT are included in both the Group financial statements and the Company's own financial statements. The Company makes contributions to the ESOT which are used to acquire Company ordinary shares in the market in order to satisfy share options under the Company's share incentive schemes. The purchase of shares in the Company by the ESOT is charged directly to equity.

Audit fee

Auditor's remuneration for audit of these financial statements of £33,000 (2024: £32,000) was met by Crest Nicholson plc. No disclosure of other non-audit services has been made as this is included within note 5 of the consolidated financial statements.

Critical accounting estimates and judgements

The preparation of the Company financial statements under FRS 101 requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and related disclosures.

In applying the Company's accounting policies, the Directors have made no individual judgements that have a significant impact on the financial statements.

Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The Directors do not consider there are any significant sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities of the Company.

2 DIRECTORS AND EMPLOYEES

The Company had no employees during either year. Details of Directors' emoluments, which were paid by another Group company, are set out in the Directors' remuneration report on pages 82-104 of our 2025 Annual Report to be published in February 2026.

3 DIVIDENDS

Details of the dividends recognised as distributions to equity shareholders in the year and those proposed after the statement of financial position date are shown in note 9 of the consolidated financial statements.

4 INVESTMENTS

	Investment in own shares £m	Capital contribution £m	Total £m
At 1 November 2023	1.6	30.3	31.9
Additions	0.5	1.8	2.3
Disposals	(0.6)	-	(0.6)
At 31 October 2024	1.5	32.1	33.6
Additions	-	2.1	2.1
Disposals	(0.5)	-	(0.5)
Transfer to equity	(1.0)	-	(1.0)
At 31 October 2025	-	34.2	34.2

The additions and disposals in the prior year to investment in own shares relate to Company contributions/ utilisation to/from the Trust. During the year, the investment in own shares has been transferred to equity. The addition to capital contributions is the impact of the cost borne by other subsidiary companies relating to equity-settled share-based payments in the year.

The Directors believe that the carrying value of the investments is supported by their underlying assets.

5 TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
Amounts due from Group undertakings	165.7	162.5

Amounts due from Group undertakings are unsecured, repayable on demand and carry an interest rate of 7.0% (2024: 7.0%).

Amounts due from Group undertakings are stated after an allowance of £nil has been made (2024: £nil) in respect of expected credit losses. £nil (2024: £nil) provision was made during the year, £nil (2024: £nil) was utilised, and £nil (2024: £nil) provision was released during the year.

6 SHARE CAPITAL

The Company share capital is disclosed in note 22 of the consolidated financial statements.

7 CONTINGENCIES AND COMMITMENTS

There are performance bonds and other arrangements, including those in respect of joint venture partners, undertaken in the ordinary course of business. It is impractical to quantify the financial effect of performance bonds and other arrangements. The Directors consider the possibility of a cash outflow in settlement of performance bonds and other arrangements to be remote and therefore this does not represent a contingent liability for the Company.

In addition, the Company is required from time to time to act as guarantor for the performance by subsidiary undertakings of contracts entered into in the normal course of their business and typically provide that the Company will ensure that the obligations of the subsidiary are carried out or met in the unlikely event that any subsidiary default occurs. The Company considers the likelihood of an outflow of cash under these arrangements to be remote and therefore this does not represent a contingent liability for the Company.

8 GROUP UNDERTAKINGS

A list of all the Group's undertakings at 31 October 2025 is given in note 27 of the consolidated financial statements.

CREST NICHOLSON HOLDINGS PLC ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

The Group uses a number of alternative performance measures (APMs) which are not defined within IFRS. The Directors use the APMs, along with IFRS measures, to assess the operational performance of the Group as detailed in the Strategic Report on pages 1-55 of our 2025 Annual Report to be published in February 2026 and above. Definitions and reconciliations of the financial APMs used compared to IFRS measures, are included below.

Sales

The Group uses sales as a core management measure to reflect the full extent of its business operations and responsibilities. Sales is a combination of statutory revenue as per the consolidated income statement and the Group's share of revenue earned by joint ventures, as detailed in the below table:

		2025	2024
Revenue	£m	610.8	618.2
Group's share of joint venture revenue	£m	24.0	39.9
Sales	£m	634.8	658.1

Return on capital employed (ROCE)

The Group uses ROCE as a core management measure to reflect the profitability and efficiency with which capital is employed. ROCE is calculated as adjusted operating profit before joint ventures divided by average capital employed (capital employed = equity plus net debt or less net cash), as presented below. The Group has long-term performance measures linked to ROCE. ROCE achieved by the Group in the year increased to 4.7% (2024: reduced to 3.8%¹).

		2025	Restated ¹ 2024
Adjusted operating profit	£m	34.7	29.2
Average of opening and closing capital employed	£m	743.7	758.8
ROCE	%	4.7	3.8

		2025	Restated ¹ 2024	Restated ¹ 2023
Capital employed				
Equity shareholders' funds	£m	718.1	722.5	851.4
Net debt/(cash) (note 18)	£m	38.2	8.5	(64.9)
Closing capital employed	£m	756.3	731.0	786.5

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

Land creditors as a percentage of net assets

The Group uses land creditors as a percentage of net assets as a core management measure to ensure that the Group is maintaining its financial position when entering into future land commitments. Land creditors as a percentage of net assets is calculated as land creditors divided by net assets, as presented below. Land creditors as a percentage of net assets has reduced in the year to 10.2% (2024: reduced to 18.2%¹).

		2025	Restated ¹ 2024
Land creditors (note 20)	£m	73.2	131.6
Net assets	£m	718.1	722.5
Land creditors as a percentage of net assets	%	10.2	18.2

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

Net debt

Net debt is cash and cash equivalents plus non-current and current interest-bearing loans and borrowings. Net debt illustrates the Group's overall liquidity position and general financial resilience. Net debt has increased in the year to £38.2m net debt from £8.5m net debt in 2024.

	2025	2024
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Cash and cash equivalents	£m	125.0	(3.8)
Interest-bearing loans and borrowings	£m	(163.2)	(82.3)
Net debt	£m	(38.2)	(8.5)

Inventory as a percentage of revenue

Inventory as a percentage of revenue is calculated as inventory divided by revenue, as presented below. Inventory as a percentage of revenue has reduced in the year to 172.9% (2024: increased to 182.6%¹).

			2025	Restated ¹ 2024
Inventory (note 17)	£m	1,056.1	1,129.1	
Revenue (note 3)	£m	610.8	618.2	
Inventory as a percentage of revenue	%	172.9	182.6	

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

Adjusted performance metrics

Adjusted performance metrics as shown below comprise statutory metrics adjusted for the exceptional items as presented in note 4 of the consolidated financial statements. The exceptional items have a material impact to reported performance and arise from recent, unforeseen events. As such, the Directors consider that these adjusted performance metrics reflect a more accurate view of its core operations and business performance. Adjusted and pre-exceptional are used interchangeably. The earnings before interest and tax margin for share award performance conditions is equivalent to operating profit margin.

			Exceptional	
		Statutory	items	Adjusted
Year ended 31 October 2025				
Gross profit	£m	81.3	4.0	85.3
Gross profit margin	%	13.3	-	14.0
Operating profit	£m	24.2	10.5	34.7
Operating profit margin	%	4.0	-	5.7
Net finance expense	£m	(19.0)	9.4	(9.6)
Profit before tax	£m	2.9	23.6	26.5
Income tax expense	£m	(0.7)	(5.9)	(6.6)
Profit after tax	£m	2.2	17.7	19.9
Basic earnings per share	Pence	0.9	6.9	7.8
Diluted earnings per share	Pence	0.9	6.8	7.7
Year ended 31 October 2024 restated¹			Exceptional	
		Statutory	items	Adjusted
Gross (loss)/profit	£m	(73.7)	158.4	84.7
Gross (loss)/profit margin	%	(11.9)	-	13.7
Operating (loss)/profit	£m	(130.8)	160.0	29.2
Operating (loss)/profit margin	%	(21.2)	-	4.7
Net finance expense	£m	(14.9)	6.1	(8.8)
(Loss)/profit before tax	£m	(145.8)	166.1	20.3
Income tax credit/(expense)	£m	40.8	(48.2)	(7.4)
(Loss)/profit after tax	£m	(105.0)	117.9	12.9
Basic (loss)/earnings per share	Pence	(41.0)	46.0	5.0
Diluted (loss)/earnings per share	Pence	(41.0)	46.0	5.0

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

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