mj gleeson plc

From First Homes to Forever Homes

Annual Report and Accounts 2024

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Kaity, Keelan and Remy, Grangemoor Park, Northumberland

Greg and Jon, "Tyrone", Phoenix Meadows, Scunthorpe, Lincolnshire

MJ Gleeson plc specialises in **low-cost** **house building** and **land promotion**

Operational highlights

Homes sold

1,772

2023: 1,723

Average selling price

£185,700

2023: £186,200

CO_2e emissions (scope 1 & 2)

2.02 tonnes per home sold

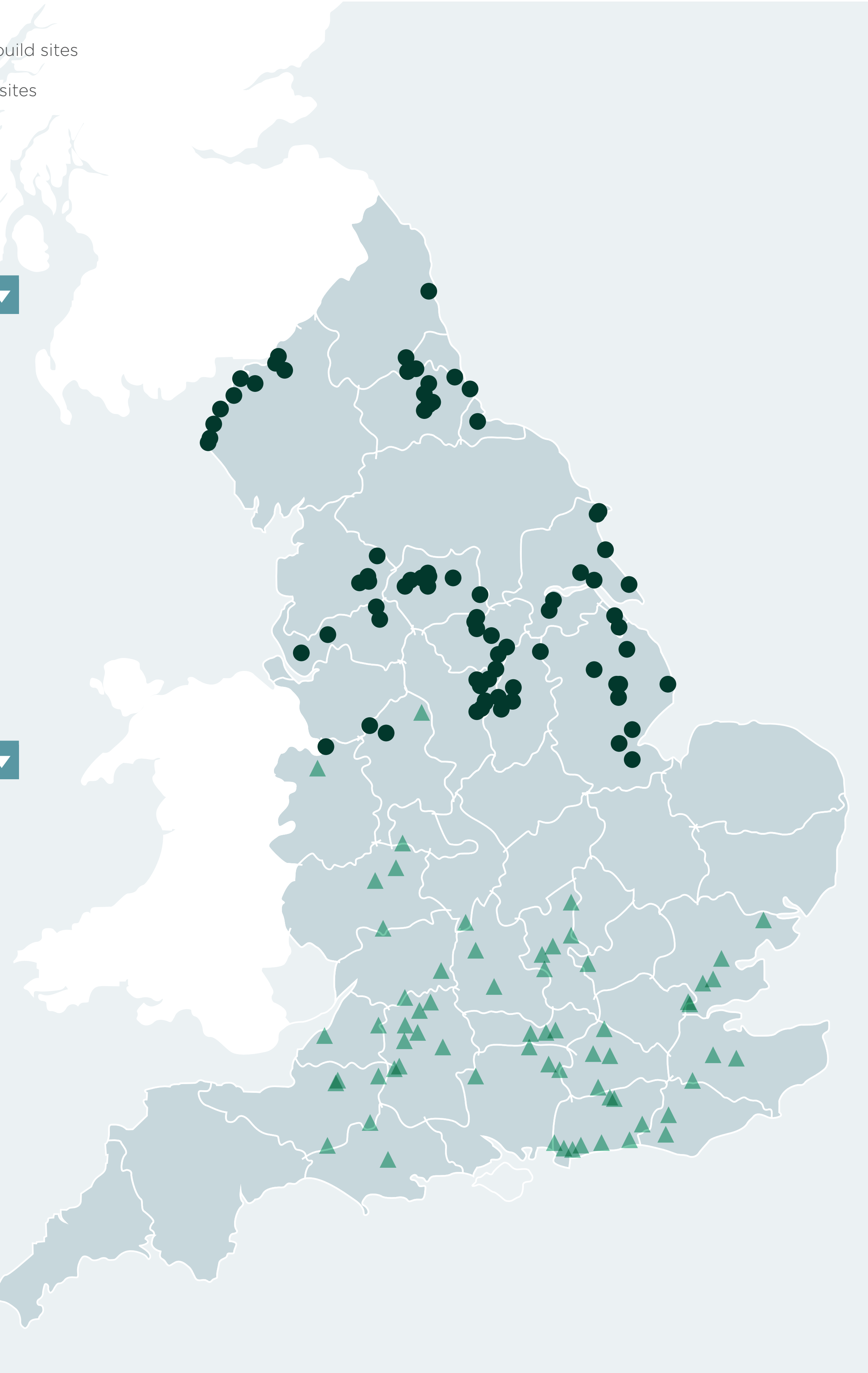
2023: 2.09 tonnes per home sold

Financial highlights

Revenue	Profit before tax and exceptional items	Operating profit (pre-exceptional items)
£345.3m	£24.8m	£28.6m
2023: £328.3m	2023: £31.5m	2023: £33.6m

Basic earnings per share (pre-exceptional items)	Cash and cash equivalents	Return on capital employed (pre-exceptional items)
33.1p	£12.9m	10.1%
2023: 42.9p	2023: £5.2m	2023: 13.0%

Business at a Glance



GLEESON HOMES

- Owned sites: **91**
- Conditionally purchased sites: **88**

GLEESON LAND

- Promotion agreement: **54**
- Held under option: **13**
- Freehold: **4**

Harriers Croft,
Sutterton, Lincolnshire

Gleeson Homes

Our mission: Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most.

We build high-quality affordable homes across the North of England and Midlands. We build safe, sustainable communities, improving the areas in which we build and the lives of the people who live there. We help our customers to achieve their dream of home ownership, wealth creation, and the benefits of better health and wellbeing that come from living in a modern, energy-efficient home. We now also work in partnership with high-quality Housing Associations and private institutions to develop multi-tenure sites.

REVENUE

- Gleeson Homes: **£329.0m** (2023: £320.8m)
- Gleeson Land: **£16.3m** (2023: £7.5m)

OPERATING PROFIT

- Gleeson Homes: **£30.3m** (2023: £35.0m)
- Gleeson Land: **£2.2m** (2023: £1.0m)

1 2023 before exceptional items
2 After Group overheads of £3.9m (2023: £2.4m)

Gleeson Land

Our mission: We promote land through the complex planning system. Unlocking value to deliver sustainable and attractive sites for other developers to build new homes, where they are needed.

We carefully select and promote land through the planning process predominantly in the South of England. We build strong relationships with our landowners and take a proactive and bespoke approach to promoting their land. We fulfil a vital part of the housing supply chain in delivering land with planning consent in areas of housing need.

Sondes Place Farm,
Dorking

Chairman's Statement

"We fully recognise the hard work of our teams, and their commitment to our vision, mission and values which underpins the delivery of our strategy."

James Thomson
Chairman

Whilst it has been another challenging year for the sector as a whole, I'm pleased with the way in which the Group has responded. We've delivered a resilient set of results and have set the foundations to return to strong growth when market confidence returns. Although we do not anticipate this to be immediate, I'm encouraged by the early signs, including the recent interest rate cut, improvement in mortgage rates and positive statements of intent from the new Government.

Strategy

Our strategy remains focused on addressing the country's need for high-quality new-build homes, and the resulting economic and social benefits. For Gleeson Homes, our vision of "Building Homes. Changing Lives" encapsulates this well, and perfectly aligns with the Government's commendable aspiration to grow the supply of high-quality, affordable new homes. At Gleeson Land, the team continue to focus on creating value for their landowner clients through the planning system: "Promoting Land. Unlocking value".

The Board remains committed to enabling the delivery of profitable growth via the strategy launched at last year's Capital Markets Day. During the year we were pleased to sign Gleeson Homes' first partnerships site, representing a diversification of our routes to market and accelerating our potential growth. Within the open market Gleeson Homes business, we have a clear route to 3,000 homes per annum in stable market conditions with partnerships being additive to this target.

Our medium-term objective of 3,000 new homes per annum could see profitability broadly triple and Gleeson resume its position as the fastest growing listed housebuilder in the UK.

We are encouraged by the Government's proposed changes to the planning system, which have the potential to reduce the unpredictability and inefficiency which hampers the provision of much-needed new homes. For Gleeson Homes, it reinforces our strategy, emphasising the importance of building on brownfield land and the provision of affordable homes. For Gleeson Land, it will help secure planning where there is a mandatory housing requirement, and consequent growing demand from other developers for high-quality consented land.

Building Safety

We have noted the report of the Grenfell Tower Inquiry and are deeply moved by its findings.

The Group is wholly committed to remediating life-critical fire-safety issues as quickly as possible and have a dedicated full-time senior resource overseeing the management of building safety issues. Monthly update meetings are held by the Executive leadership team to ensure progress, with reports to every meeting of the Board.

We moved swiftly to contact all building owners and management companies and have continued to make progress in the assessment and remediation work required. In some cases, progress has been slower than we would have liked as some building owners and management companies have been unwilling to respond or to permit the required investigations. Our progress has been further slowed by the lack of capacity at the regulatory authorities, delaying the time it takes to obtain sign-off on proposed works. However, we will shortly complete works on the first buildings and are progressing as fast as we are permitted on others.

Status (by number of buildings)	**30 June 2024**	30 June 2023
Awaiting permission to access	**3**	6
In assessment	**2**	10
Design development	**5**	1
Procurement	**2**	–
On site	**5**	–
Total buildings	**17**	17

The overall provision has been reassessed and remains appropriate with total provisions of £12.4m held at 30 June 2024. The timing of expected cash spend reflects our desire to get this work completed as quickly as possible against the challenges in obtaining access to some buildings and completion of works.

People

I would like to thank all Gleeson colleagues for their commitment, hard work and resilience this year, ensuring we were able to deliver robust results in a tough environment. The positive results of our latest employee survey are testament to the engagement of our colleagues with continuing high levels of satisfaction. I am also pleased we achieved Gold accreditation from Investors in People. The hard work of our teams, and their commitment to our vision, mission and values underpins the delivery of our strategy.

Sustainability and our commitment to Science Based Targets

Our Sustainability Committee and the wider business are focused on our three pillars of sustainability: People, Communities and the Environment, with targets set and actively managed throughout the year. Gleeson Homes' core mission remains fully aligned with UN Sustainable Development Goal 11, the first target of which is "access for all to adequate, safe and affordable housing", and our analysis of completed sites in areas of high crime demonstrates how our developments can help in reducing crime, and our analysis of completed sites demonstrates a significant contribution, vividly illustrating the social value that building new homes in 'tough' areas can bring.

Following our commitment to set Science Based Targets last year, we are pleased to announce that we have submitted our near-term and net-zero targets for validation to the Science Based Targets initiative ("SBTi"). These targets align to the Paris Agreement's goal of limiting global warming to 1.5°C, and are underpinned by comprehensive forecasts and a proposed route to achieve these ambitious goals.

Board

There have been no changes to the composition of the Board in the year. We carried out an externally facilitated review of the Board and its Committees during the year, supported by an internal self-assessment at the year end. The conclusions from this evaluation were positive and helpful, and we believe the Board is well placed to support the development of the business.

Dividend

Subject to shareholder approval at the 2024 Annual General Meeting, in line with the Board's stated dividend policy, the Company intends to pay a final dividend of 7.0 pence per share on 22 November 2024, to shareholders on the register at the close of business on 25 October 2024. The total dividend for the year to 30 June 2024 will be 11.0 pence. The Board intends to maintain an earnings to ordinary dividend cover ratio of between three and five times.

Outlook

The Board anticipates a more stable economic outlook notwithstanding the commentary from the new Government in recent weeks. This, along with the continued under-supply of low-cost affordable homes, the expected cuts in interest rates and the availability of cheaper mortgages, should see buyer confidence continue to build over the coming months.

Against this backdrop, the Group is well positioned for strong growth as demand returns.

James Thomson
Chairman

17 September 2024

Investment Case: **Gleeson Homes**

Market for affordable homes is underserved

The market for affordable homes in the North of England and Midlands is much larger than the market for higher priced homes but is underserved. There is untapped demand in our regions, with our homes appealing to first-time buyers, home movers, retirees and downsizers along with rapidly growing interest from investors and registered providers of social housing.

Adapting to market needs

We recognise that whilst the desire to own remains high, home ownership may not be possible for some people. Our mission of building affordable, quality homes, where they are needed and for the people who need them most remains a fundamental principle of our model. By working with high-quality, carefully selected partners we are also able to achieve this through offering well designed, high-quality homes for social and affordable housing, shared ownership and private rental.

Building resilience to turbulent markets

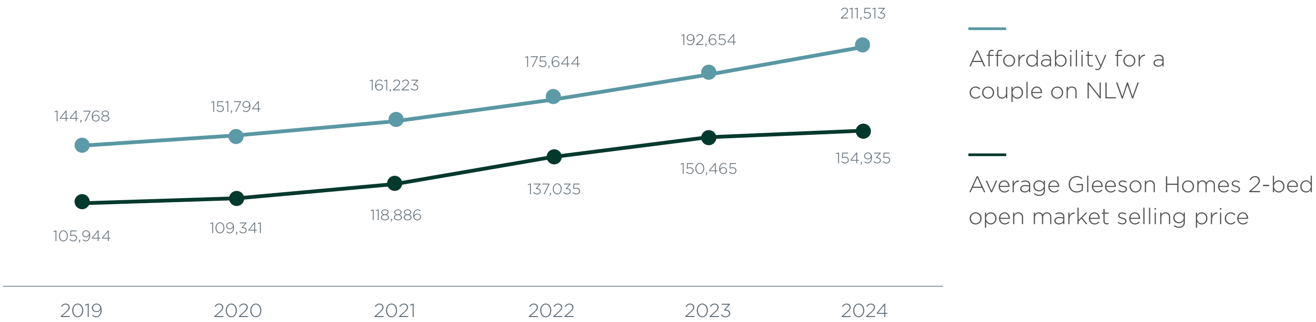
The introduction of partnerships adds further growth opportunity and ensures that our business remains resilient. These arrangements have the benefit of earlier funding, locking in a pipeline of sales often on significantly larger sites which benefit from economies of scale. At the same time, our broader marketing strategy and wide range of buying schemes and incentives will continue to drive open market sales as buyer sentiment returns.

01

Meeting the needs of an underserved market

Kaity, Keelan and Remy, Gleeson Customers

Gleeson 2-bed selling prices versus affordability for a couple on National Living Wage (NLW)



Crown Gardens, Mansfield, Nottinghamshire

Limerick Kitchen Chimes Bank, Wigton, Cumbria

KEY HIGHLIGHTS

Pipeline (sites)	Pipeline (plots)
179	19,138

Average selling price (FY2024)

£185,700

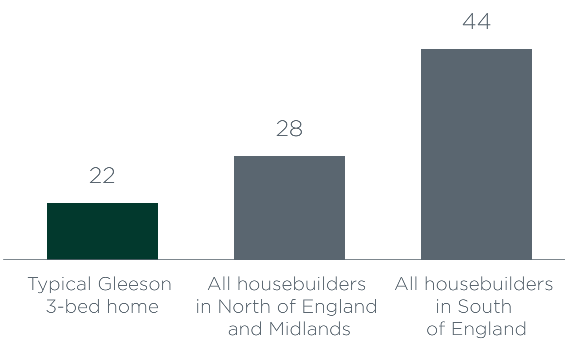
02

Remaining highly affordable

Compelling reason for customers to choose Gleeson

Affordability remains strong in our sector of the market, with lower prices meaning lower deposits and lower mortgage payments as a proportion of salary compared to the South of England and London. The cost of a Gleeson home is one-third lower than other new build homes in our area, and it remains cheaper to buy than to rent. Our modern homes are also highly energy efficient, using 49% less energy than existing housing, giving our buyers a compelling reason to choose Gleeson.

First time buyer mortgage payments as % of take home pay (at current mortgage costs)



Gleeson percentage calculated as average median salary of Gleeson first time buyers compared to the average sales price of a Gleeson 3-bed home. All housebuilder data source: Nationwide Affordability Indicators.

Remaining highly affordable

Affordability remains our priority. We ensure affordability through strict land buying criteria, efficient design, and tight control of build costs and overheads. We benchmark our prices against other new build homes in the local area to ensure our customers get the best value for money. We are proud that a working couple on the National Minimum Wage can afford to buy a home on all of our developments.

Commitment to quality

Low cost does not mean low quality. A Gleeson home typically incorporates exactly the same materials and products, such as kitchen and bathroom fixtures, as homes built by other major housebuilders who sell at a higher price point. We build to a strict specification ensuring consistent quality whilst managing our costs, and achieve 5-star quality status in all of our regions.

Investment Case: Gleeson Homes CONTINUED

03

We're building towards 3,000 homes a year

Margot, "Fergus", Petersmiths Park, Nottinghamshire

Saltom Bay Heights, Whitehaven, Cumbria

Road to 3,000 homes

Our strong pipeline of sites, affordable price point and high-quality homes ensure we are well positioned to take advantage of growth as buyer confidence returns. The market for affordable homes is undersupplied and, with the lowest paid seeing some of the fastest growth in wages, our homes continue to be affordable. Combined with the launch of Gleeson Partnerships and further multi-unit sales, we are well positioned to reach our target of 3,000 homes per year in the medium term.

Pipeline of sites

Our pipeline of sites (179 sites) underpins our route to 3,000 homes per year. We will achieve this by increasing site openings to benefit from the recovery of open market sales and further multi-unit agreements. The growth from partnerships will be incremental to this target and will allow us to reach our medium-term goal earlier than originally planned.

Operational strength

We have structured our regional operating teams to provide capacity for growth, refreshed our product to appeal to a wider range of customers and meet planning preferences in certain regions, broadened our marketing strategy and focused on upskilling our sales teams. All of this means that we are ideally positioned for a return to strong growth as buyer confidence returns.

Partnership model

The addition of partnerships to our business model will allow partners to take advantage of Gleeson design, price and quality, all of which are attractive to a range of potential investors. We have been in discussions with a number of high-quality partners throughout the year, and in June 2024 signed our first partnership deal with further deals imminent.

- Land-led forward funding structure reduces capital requirements and enhances returns
- Opportunity to develop and de-risk larger sites
- Dedicated team with low additional investment
- Strong market need for affordable housing across all tenures
- Additional sales security over pre-sold plots

Accreditations

CDP SUPPORTER 2023 · Living Wage Foundation · INVESTORS IN PEOPLE · SUPPLY CHAIN SUSTAINABILITY SCHOOL GOLD · Future Homes Hub · Fair Tax · UN GLOBAL COMPACT

Investment Case: **Gleeson Land**

Portfolio of sites

Gleeson Land has a growing pipeline of high-quality sites which are held either under option to purchase agreements or promotion agreements rather than land purchased outright. This model mitigates land value risk and requires relatively low capital investment whilst being highly cash generative.

Market leading data analytic capabilities

Our investment in data analytics and technology is enabling us to accelerate new site sourcing and target strategic areas. It also informs planning strategies, provides robust evidence in applications and appeals, and assists with due diligence on new sites. We are a market leader in research and analytics and will continue to explore and invest in new technologies.

Creating the highest value in the shortest time

We aim to source high-quality sites that have a strong planning context and we invest in those sites that have the opportunity to come forward in a reasonable period of time. We have competitive bidding on all sites that we bring to market and achieve some of the highest gross profit per plot values in the industry. We aim to create value for our landowners and for Gleeson in the shortest possible time.

The best team

We have invested in a high-quality, highly-motivated team, recruiting in our land, planning and technical disciplines to ensure we have the best people. We have regionalised the Gleeson Land business to give a more focused approach and will leverage local expertise to grow market share in our selected regions. Our enhanced bench-strength will allow us to maintain margin whilst growing volumes, ultimately improving returns year-on-year.

800 new homes in Malvern, Worcestershire

04

Navigating the complex planning system

Guy Gusterson, Gleeson Land Managing Director

KEY HIGHLIGHTS

Gross profit per plot* (FY2024)

£15,600

Sites (portfolio)

71

Total plots (portfolio)

16,911

* Gross profit before inventory provision movements and write downs divided by proportion of developable plots in which we have an interest.

Gleeson Homes Partnerships

This year Gleeson Homes launched its Gleeson Partnerships brand. Partnerships will accelerate the delivery of much needed affordable homes, enabling us to reach our medium-term target of 3,000 homes per year sooner than under our traditional sales model.

Whilst our traditional open market operating model remains core to our business and will form the majority of our revenue, the addition of partnerships to our strategy is in keeping with the Gleeson Homes mission to build affordable quality homes, where they are needed, for the people who need them most. Partnerships take advantage of our existing strategy of acquiring and developing sites where there is a need for regeneration, along with our high-quality product and place making capabilities, expanding this offering to the social housing and private rental sectors.

Waterloo Sidings, Halton Moor, West Yorkshire

The **Power**

Our partners

Our partnership strategy focuses on finding partners who share our values. We have a broad pipeline of opportunities with a range of blue-chip providers across the private rental sector and Registered Providers of affordable rental and shared ownership properties.

Waterloo Sidings site plan

We signed our first agreement with Home Group in the year to deliver 47 homes on our Waterloo Sidings development.

We achieved Investment Partner status with Homes England in the year, which will give us access to grant funding and allow us to work with a wider range of partners.

Subsequent to the year end we signed a contract with Citra Living to deliver 58 homes on our Shetcliffe development.

Features of partnership developments

Under a partnership agreement we enter into a contractually secure agreement with a third party to deliver a number of homes, typically with the benefit of upfront funding and funding during the life of the site from the partner. This differs from traditional multi-unit plot sale agreements, where funding is received only on the legal completion of each home delivered.

The development of a meaningful Partnerships brand enables us to develop suitable sites on a 'capital-light' basis, with partner funding contributing to the acquisition of the site and its required infrastructure. This will enable us to secure larger sites which are typically more efficient to develop through leveraging operating, marketing and sales synergies, economies of scale for materials and offering long-term certainty to subcontractors. Furthermore, the provision of funding on a partnership site reduces the risk and improves our return on capital.

	Gleeson Homes traditional open market development	Gleeson Partnership development
Site size (plots)	50-200	100-900
Annual sales (homes)	30-50	50-80
Proportion forward sold to Partner	Nil	30%-50%
Site cash profile	Gleeson funds all land and build cost	Partner finances/part-finances land and working capital
Sales risk	Open market	Mixed forward sold to partner & open market
Gross margin	25%-35%	15%-30%
Return on capital employed	20%-30%	35%-45%

# of Partnerships

Partnerships in operation

A Partnership site will typically deliver 200 or more new homes and will include a mix of open market and partner properties. A typical partnership site will have between a third to a half of homes allocated to one or more partners, with the remainder of homes for sale on the open market via our traditional model.

The Company is targeting partnership agreements in each of Gleeson Homes' six operating regions by June 2025. It is expected that, over the medium-term, Gleeson Partnerships will deliver an additional 600 homes per annum.

Waterloo Sidings, Halton Moor, West Yorkshire

Chief Executive's Statement

"Quality and customer experience continue to be a priority and we want our customers to enjoy the experience of buying a Gleeson home from start to finish, including when they are living in their new home."

Graham Prothero
Chief Executive Officer

Overview

I am pleased to report a resilient financial performance, delivering results in line with expectations, and good progress against our strategic growth objectives.

Gleeson Homes exceeded expectations, completing the sale of 1,772 new homes and delivering an operating profit of over £30m. We have continued to invest in growth, building Gleeson Homes' pipeline of sites and total plots, and are now set to return to opening more sites each year than are completed, underpinning strong volume growth in future years.

Having outlined our strategy for growth last year, we are delighted to have signed Gleeson Homes' first partnership agreement during the year, followed by a second post-period end in August. Diversifying into partnerships will complement our open market business, reducing risk, enhancing efficiency and leveraging economies of scale while accelerating our growth.

We were also pleased to receive a strong customer recommendation score of 95.3%, achieving five-star status in each of our six regions.

Profits in Gleeson Land were held back by the vagaries of the planning system, but the business has continued to implement its growth strategy, deepening regional presence and embedding data and analytics throughout its processes. The business is now well positioned for growth, benefiting from a strong land pipeline and, with the election behind us, what is expected to be a more stable planning environment.

Looking ahead, we welcome the Government's proposed policy reforms with a focus on affordable housebuilding and planning reform, which should benefit both Gleeson Homes and Gleeson Land. Having spent the last year and a half on positioning the business for growth and introducing several related strategic initiatives, we now look forward to executing our strategy and delivering our growth target of 3,000 annual completions.

Group results

The Group generated revenue of £345.3m (2023: £328.3m) and delivered profit before tax of £24.8m (2023: £31.5m pre-exceptional items, £30.5m after exceptional restructuring costs of £1.0m).

The Group ended the year with cash and cash equivalents of £12.9m (2023: £5.2m) and continues to have a strong balance sheet and significant liquidity to invest in new sites and future growth.

Gleeson Homes

Net reservation rates including multi-unit sales for the full year remained flat at 0.52 (2023: 0.52) and excluding multi-unit sales increased from 0.38 to 0.44 per site per week. Cancellation rates reduced from 24% to 18%.

Gleeson Homes sold 1,772 homes (2023: 1,723), of which 346 were sold via private multi-unit sale agreements (2023: 115). Average selling prices decreased marginally by 0.3% to £185,700 (2023: £186,200) due to the impact of multi-unit sales and changes in the mix of homes sold, offset by underlying selling price* increases of 1.5%.

Whilst inflationary pressures around material and labour costs eased during the financial year, we experienced an increase in costs on several legacy sites approaching closure. This, combined with the cumulative impact of extended site durations, additional use of sales incentives and multi-unit sales, resulted in a reduction in gross margin of 2.9% to 24.1% (2023: 27.0%).

The reduction in gross profit was partly offset by a reduction in administrative expenses following the restructuring of Gleeson Homes undertaken in the previous year, which resulted in an operating profit of £30.3m (2023: £35.0m before exceptional items, £34.0m after exceptional items).

The division enters the new financial year with a forward order book of 559 plots (31 December 2023: 586 plots, 30 June 2023: 665 plots).

Gleeson Homes opened 10 new build sites in the year and were building on 79 sites at 30 June 2024 (2023: 82 build sites). We have retained a healthy pipeline, with 179 sites at 30 June 2024 (2023: 173 sites), with our total number of plots increasing significantly to 19,138 plots (2023: 17,375 plots).

Medium-term target

3,000 homes

Gleeson Land

Gleeson Land generated an operating profit of £2.2m (2023: £1.0m) completing the sale of four sites under planning promotion agreements, with the potential to deliver 520 plots for housing development, and completed the final four phases of a legacy site sold in 2019.

The division ended the year with a strong portfolio, having seven sites consented or with resolution to grant, which have the potential to deliver 1,473 plots for housing development (2023: six sites, 1,400 plots), and a further 11 sites awaiting a planning decision or in appeal, with the potential to deliver 3,045 plots for housing development (2023: 18 sites, 4,285 plots).

The Gleeson Land business is well positioned for growth. Our investment in the team and technology this year is already yielding positive results through the identification of high-quality new sites and significantly strengthening our bid success rate on new sites. The new regional operating structure launched this year provides a more focused approach on further strengthening relationships with landowners and land agents in our target areas, as well as with local authorities and planning departments.

Gleeson Land's portfolio comprises 71 sites, with the potential to deliver 16,911 plots, and 25 acres of commercial land (2023: 70 sites, 17,831 plots, 25 acres of commercial land). The majority of these sites are held under promotion or option agreements.

* Underlying selling price changes are based on average reported revenue changes on open market completions, on sites with completions in both the current and previous periods, adjusted for the effect of garage mix and bed mix.

Chief Executive's Statement
CONTINUED

The market

The UK housing market continued to face challenges this year with interest rates remaining high, political uncertainty and wider global instability all having an impact on buyer confidence. Mortgage availability, however, has improved and affordability remains healthy in our sector of the market.

It is encouraging to see the new Government moving quickly to implement important reforms in planning; the benefits of the changes to new housing supply will naturally depend upon the detail of the changes and, critically, how effectively they are implemented on the ground.

The average selling price of a Gleeson home at £185,700 is 34% lower than the average selling price of new build homes in our geographic regions at £281,000. Increases in the National Living Wage also mean that affordability has improved at the lower end of the market, and mortgage payments as a percentage of take-home pay remain low in the North of England at 27.9% relative to the UK average of 36.5%.

The UK's housing market continues to have a structural under-supply of new homes both to the private market and for social and affordable housing. In the North of England and the Midlands, 4.2 million households are renting, and there are a further 620,000 households on local authority waiting lists. This represents the significant demand both for affordable home ownership and supply through the private rental sector and Registered Providers.

We await the Government's announcements on new funding for Homes England and housing associations, with the market for both s106 affordable homes and further multi-unit sales currently stalled in many areas, directly holding back the supply of vital affordable new homes.

The market served by Gleeson Land for consented land is growing stronger, having seen some level of caution from major housebuilders earlier in the year. The demand for attractive, well-located sites with planning permission remains robust and it is pleasing to see demand returning.

Gleeson Land remains one of only two large land promoters in the UK whose interests are purely aligned to their landowners by maximising land value through open market sales, and not selling land to their housebuilding arm.

Strategic progress

We have a clear route to delivering 3,000 homes per annum over the medium term under our open market model. Partnerships' is accretive to this strategy and will allow us to meet our target within a shorter time frame with approaching one fifth of Gleeson Homes sales being delivered from Partnership sites.

The impact of current market conditions and margin pressures will continue to be seen through FY2025, with net sales site additions expected to be relatively flat. The timing of site openings and closures means that average sales sites will be circa 5% lower. Additional multi-unit sales are anticipated in FY2025 which is expected to offset the impact of lower sales sites. From FY2026 onwards we expect to increase the number of Gleeson Homes sales sites by an average of 10 sites per year. As older sites are closed and the pace of development increases in an improving market, we expect operating margins to increase.

We have placed additional emphasis on increasing customer enquiries through a refreshed marketing strategy, and have implemented sales excellence training in the year to ensure that we maximise conversion of enquiries to reservations and deliver the best possible customer service. During the year we began to realise the benefits of these initiatives, enabling us to mitigate the impact of a challenging market and increase net reservation rates excluding multi-unit sales by 15.8% to 0.44 net reservations per site per week.

Gleeson Land is well-placed to deepen its regional presence, leveraging the strength of its team and technological capability to become the country's pre-eminent land promoter.

As interest rates begin to fall and the Government's proposed reforms to planning start to take shape, we believe we are well placed to contribute to the much needed social and affordable housing provision which aligns to both our open-market and Partnerships' strategies.

Partnerships

We launched the Gleeson Partnerships brand under the Gleeson Homes business during the year and signed our first partnership deal in June 2024 with Home Group, with a further agreement signed with Citra Living in August 2024. The introduction of a partnerships capability will enable us to develop suitable sites on a 'capital-light' basis with partner funding contributing to the acquisition of the site and its required infrastructure. This will enable us to secure larger sites which are typically more efficient to develop through leveraging operating, marketing and sales synergies, economies of scale for materials and offering long-term certainty to subcontractors. The secured unit sales reduce market risk and the provision of forward funding on a partnership site reduces risk and leads to an improved return on capital.

While partnership deals have no impact on reported results for this financial year, we expect this brand to gain momentum in the year ahead before contributing more significantly to Group performance from FY2026. We also expect the scale of our partnership sites to increase over the coming years.

Current trading and outlook

We are encouraged by the Government's proposed and ambitious policy reforms. Alongside what we believe is an improving macro-economic outlook we anticipate further improvement in buyer confidence.

We have been seeing encouraging early signs of this, with reservations improving in the 10 weeks following year end. Gleeson Homes' net reservation rate for the 10 weeks to 6 September 2024 was 0.50 per site per week compared with 0.39 per site per week over the comparable period last year, an increase of 28%. Cancellation rates were 0.11 per site per week compared with 0.10 per site per week over the comparable period last year.

With several sites close to achieving planning and in sale processes, Gleeson Land looks forward to an improved performance in FY2025.

Oliver, Margot, Laura and Sylie,
Petersmiths Park, Nottinghamshire

In an improving market, Gleeson Homes is confident of achieving market expectations for the current year and, more importantly, fulfilling an ambitious programme of site openings which, supplemented by a growing pipeline of partnership transactions, will drive the exciting growth planned for FY2026 and beyond.

Sustainability Review

Home ownership

Our strategy continues to support our vision of "Building Homes. Changing Lives" and our mission of "Changing lives by building affordable, quality homes, where they are needed, for the people who need them most". A key element of this is ensuring affordability, and we are proud to say that a substantial proportion of the homes on each of our sites are affordable to a couple on the National Living Wage. This is underpinned by our commitment to build in areas which need regeneration, and this year 82% of the homes that we sold were either in the most deprived areas of the country or on brownfield land.

We recognise that home ownership may not be an option for some. We have continued to enter into multi-unit agreements in the year, and via our partnerships brand we are able to develop properties for private rental and social housing through carefully selected providers.

Chief Executive's Statement
CONTINUED

Build quality and customer service

We were pleased to receive a strong customer recommendation score of 95.3% (2023: 89.0%), achieving five-star status in each of our six regions. We worked hard throughout the year to improve our customer recommendation scores, particularly around point of handover and effectiveness in dealing with defects promptly.

Build quality remains a priority for us and we strive for continuous improvement. We are committed to meeting our customers' expectations for quality and excellent service throughout their homebuying journey.

People and health and safety

Our independently assessed people engagement score of 85% compared favourably to the industry benchmark of 80%, and we remain in the top quartile of all surveyed companies this year. We increased our response rate across the Group to an impressive 91%, reflecting the importance of the survey to both the business and our people. We took on board the feedback from the prior year survey and implemented a number of improvements in the year and will be responding to the latest feedback over the coming months. Emphasis continues to be placed on personal development and training, and on rewarding our colleagues appropriately for their roles.

We improved our health and safety score in the year with the number of reportable incidents reducing to three from six in the previous year. This gives us an AIIR score of 166, which is below the HBF average of 239. We continue to develop our policies, training and monitoring around health and safety, implementing new near-miss and safety observation software in the year and rolling out further mandatory training in key areas.

Climate, the environment and our commitment to Science Based Targets

Last year we committed to set Science Based Targets and, in June 2024, we submitted our targets to the SBTi for validation. The submission of targets for validation is a key milestone for the Group, demonstrating our ongoing commitment to decarbonise our operations, supply chain and the in-use emissions of our homes.

Our commitment will cover scope 1, 2 and 3 emissions, with near-term targets set for 2032, and a commitment to net zero by 2050. As part of the target setting process, we carried out a detailed refresh of our emissions inventory and methodology, appointing an external adviser to provide assurance over the baseline and current year emissions.

Hillcrest Gardens, Gainsborough, Lincolnshire

We will announce our specific targets once we have received validation. However, we are pleased to report that our scope 1 & 2 emissions per completion reduced to 2.02 tonnes CO_2e per home sold (2023: 2.11 tonnes after restatement for revised methodology), with absolute emissions reducing from 3,629 to 3,575 tonnes CO_2 equivalent emissions.

We are already taking steps to switch to lower carbon materials, where viable, such as using concrete bricks or reconstituted stone rather than kiln-fired clay bricks, installing air source heat pumps, and reducing fuel use on sites through improved forklift and generator technology and HVO fuel. We continue to assess changes proposed in respect of the Future Homes Standard, alternative materials and more efficient methods of construction. All new homes started after 15 June 2023 incorporate an air source heat pump in place of the gas boiler. Whilst this increases embodied emissions in the construction process, in-use emissions will be zero when the electricity generation grid is set to be decarbonised in 2035.

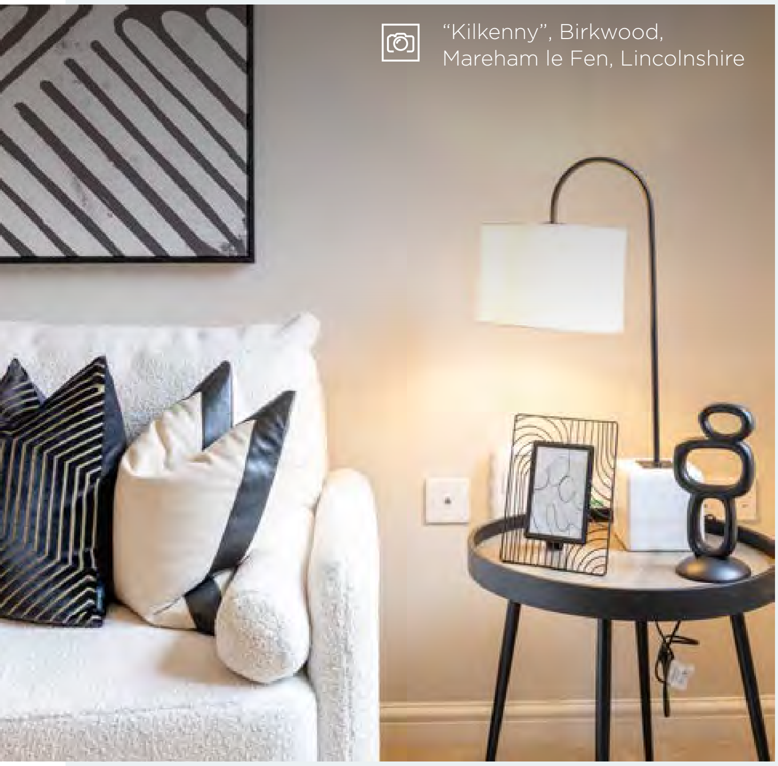
We are supportive of the measures to improve energy efficiency and our homes already have better energy performance ratings than most other homes, with 96% of our homes having an EPC “B” rating or above. As a result, customers benefit from living in an energy-efficient and well-insulated home, with the average Gleeson home requiring 49% less energy to heat and power than existing housing stock.

Graham Prothero
Chief Executive Officer

17 September 2024

Annie, Gleeson customer at Petersmiths Park

Business Review:
Gleeson Homes


"Kilkenny", Birkwood, Mareham le Fen, Lincolnshire

KEY HIGHLIGHTS

Homes sold

1,772

2023: 1,723 homes

Average selling price

£185,700

2023: £186,200

Operating profit*

£30.3m

2023: £35.0m

Operating margin*

9.2%

2023: 10.9%

* Stated before exceptional items in 2023

Results

Gleeson Homes completed the sale of 1,772 homes during the year (2023: 1,723), an increase of 2.8% on the previous year. Of the homes sold, 346 were sold via private multi-unit agreements (2023: 115).

Revenue increased by 2.6% to £329.0m (2023: £320.8m) due to the increase in homes sold partly mitigated by a reduction in the average selling price ('ASP') of homes sold during the year by 0.3% to £185,700 (2023: £186,200). This reduction was driven by a higher proportion of sales under multi-unit agreements at lower ASP, offset by changes in mix of site locations and house types and higher underlying selling prices which were up 1.5%.

Gross margin on homes sold decreased to 24.1% (2023: 27.0%) reflecting additional costs relating to a number of sites that are set to close within the next 18 months, increased fixed site costs as site durations extended due to the wider market downturn, the impact of multi-unit sales and the increased use of incentives to secure sales. Despite the increase in the volume of homes sold, the decrease in the gross margin and the average selling price resulted in gross profit decreasing by 8.4% to £79.2m (2023: £86.5m).

Administrative expenses, which include sales and marketing costs, decreased by £2.6m to £49.2m (2023: £51.8m) driven by reduced headcount as a result of the restructuring of Gleeson Homes' operations undertaken in the previous financial year. Other operating income amounted to £0.3m (2023: £0.4m). Consequently, operating profit decreased by 13.4% to £30.3m (2023: £35.0m before exceptional costs) and operating margin decreased from 10.9% to 9.2%.

Market demand

The recovery from the slowdown in the housing market has been more gradual than anticipated. As a consequence Gleeson Homes' sales rate over the last six months were steady albeit less dynamic than expected due to deferred expectations around interest and mortgage rate reductions. Net reservation rates over the second half of the financial year, excluding multi-unit sales, averaged 0.50 per site per week, up 19% on the previous year but still below typical market conditions.

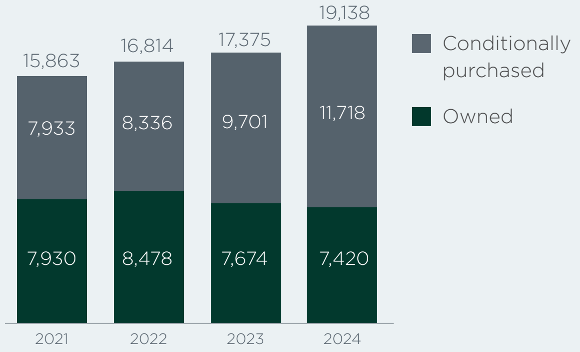
Interest rates now appear to have peaked, with the first reduction of 0.25% to 5.00% announced at the start of August, and we are anticipating an increase in demand for new homes as interest rates continue to reduce and consumer confidence returns. The change in government and aspirations for mandatory housing targets, planning reform and other measures to increase considerably the supply of new homes are welcomed.

Sites

Gleeson Homes opened 10 new build sites during the year and started the new financial year with 79 active build sites (2023: 82), of which 62 were actively selling (2023: 71). Whilst we increased our site openings from the prior year, which was when we paused land buying, the current challenges in the planning system meant that we were unable to open as many sites as intended. Our average active build sites and sales sites were 79 and 65 respectively (2023: 85 and 68).

Gleeson Homes' developments are located across the North of England and the Midlands, with plans to continue expanding in existing regions. The business expects to open more than 20 build sites during the new financial year and to be building on between 70 and 75 sites and selling on between 60 and 65 sites by 30 June 2025.

Pipeline – owned and conditionally purchased plots



Actively building on

79 sites

Pipeline

The pipeline of owned and conditionally purchased sites increased by 10.1% to 19,138 plots on 179 sites at 30 June 2024, representing over ten years of sales (2023: 17,375 plots on 173 sites). Of the total plots, 7,420 plots are owned (2023: 7,674 plots) and 11,718 plots have been conditionally purchased subject to receiving planning permission (2023: 9,701 plots).

During the year, 32 new sites were added to the pipeline, whilst 13 sites were completed and 13 sites did not proceed to purchase.

Partnership agreements

During the year we launched the Gleeson Partnerships brand within the Gleeson Homes division.

- Entered into an agreement with Home Group in June 2024 for delivery of 47 shared ownership and rented homes in Leeds, representing a third of total plots on site.
- Achieved Investment Partner status with Homes England, giving access to grant funding through their Affordable Homes Programme.
- Targeting partnership agreements in each of our six operating regions by June 2025.

In August 2024 Gleeson Homes entered into an agreement with Citra Living for the delivery of 58 single family rental homes in Bradford.

Business Review:
Gleeson Land

KEY HIGHLIGHTS

Plots sold

520 on 4 sites

2023: 413 on 3 sites

Gross profit

£5.3m

2023: £3.6m

Operating profit

£2.2m

2023: £1.0m

Sondes Place Farm, Dorking

Results

During the year, Gleeson Land completed the sale of four sites with residential planning permission for 520 plots (2023: three sites, 413 plots).All sites were sold under planning promotion agreements. In addition, completion of the final four phases of a legacy site sold in 2019 was brought forward at the request of the developer.

As a result, revenue from land sales increased to £16.3m (2023: £7.5m). The four sites sold in the year totalled 85 gross acres (2023: 55 acres). Total gross profit for the year was £5.3m (2023: £3.6m). Gross profit is stated after increases to inventory provisions of £3.3m during the year (2023: £1.1m increase) which reflects the outcome of planning decisions refused during the year and our assessment of the planning prospects for individual sites.

Overheads for the business increased to £3.1m (2023: £2.6m) reflecting the investment in executing the division's growth strategy. The increase in gross profit offset by the increase in overheads resulted in an operating profit for the division of £2.2m (2023: £1.0m).

Overall results were lower than expected largely driven by planning challenges accentuated by the general election and unhelpful revisions to the National Planning Policy Framework (NPPF) under the previous Government in December 2023. Despite this, we made progress on a number of sites and enter the current year with two sites in an active sales process and 11 sites awaiting planning approval. We are encouraged by the commitment from the Labour Government to start fixing the issues in the planning system and wider housing market.

Gleeson Land continues to invest for the future. We took the opportunity this year to strengthen the team, increasing headcount, regionalising the business, and improving operational systems and processes. In addition, we continued to invest in technology through our Research and Analytics team and this is already increasing our capability, particularly with regards to sourcing and securing high-quality new sites. This investment uniquely positions us for growth, supporting the strength of our bids on new sites and planning applications.

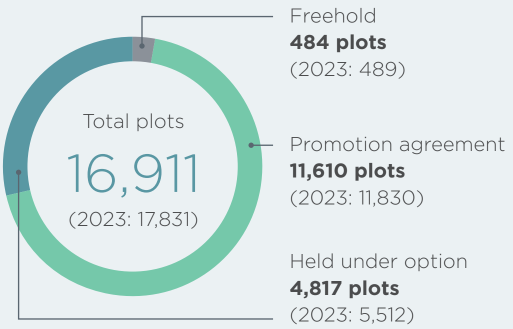
Planning

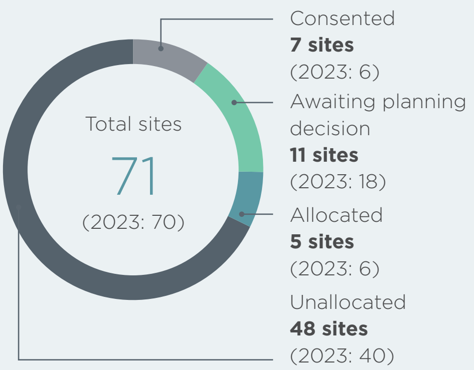
This year, Gleeson Land submitted planning applications on four sites with the potential to deliver 483 plots (2023: 11 sites, 2,014 plots), and achieved planning consent or resolution to grant on five sites.

As a result of the challenges in the planning system, we have had to take a more measured approach on planning submissions to maximise success rates on future sites which resulted in the lower number of applications submitted. Disappointingly, permission was refused on six sites, including five that went to appeal. It is the intention to continue to promote these sites through the local plan making process, however the outcome reflects the state of the current planning system, which is acting as a blocker to the supply of consented land and new housing development.

We ended the year with 11 sites awaiting a decision on planning applications or in appeal (2023: 18 sites). The business has a strong immediate pipeline, with seven sites either with planning permission or resolution to grant, with the potential to deliver 1,473 plots for housing development (2023: six sites, 1,400 plots).

Portfolio





Actively promoting

71 sites

Portfolio

During the year, five high-quality new sites (852 plots) were added to the portfolio, secured under planning promotion agreements.

At 30 June 2024, the business had a portfolio totalling 71 sites (2023: 70 sites) with the potential to deliver 16,911 plots (2023: 17,831 plots) plus 25 acres of commercial land (2023: 25 acres). The majority of the portfolio is held under option and promotion agreements with landowners, which provide the advantage of reduced capital investment up front and reduced risk arising from changes in land values.

The portfolio contains a mixture of sites with differing planning contexts, giving us the opportunity for both near-term and long-term growth. Our role in the housing supply chain is critical to unlocking development in areas of housing need. Our planning approach focuses on creating well-designed developments that enhance the community, meet local needs including affordable housing and, importantly, offer the benefits of green open space.

The business is now organised into three distinct operating regions; Southern, Western and Central. This structure enables us to focus on building stronger relationships with local landowners and land agents in those areas, as well as with local authorities and planning departments.

Our investment in technology and data has already yielded results, both through significantly increasing our bid success rate, and strengthening our due diligence on new sites. Ultimately this investment will lead to high-quality sites being secured that will enrich the portfolio and support future profit delivery and growth.

Market Review

The housing market has continued to face challenges this year with interest rates remaining high and political uncertainty both leading to a lack of buyer confidence.

Mortgage availability has returned to more normal levels and affordability remains healthy at the lower end of the market. There remains a fundamental under-supply of housing, particularly affordable homes and rental properties, which has not been helped by delays in the planning system that will further reduce housing supply if not resolved. Selling prices have slowed and, in some regions reduced, although the North of England shows opportunity for growth. Supply chain pressures have eased as prices have stabilised over the year and both materials and labour availability has improved.

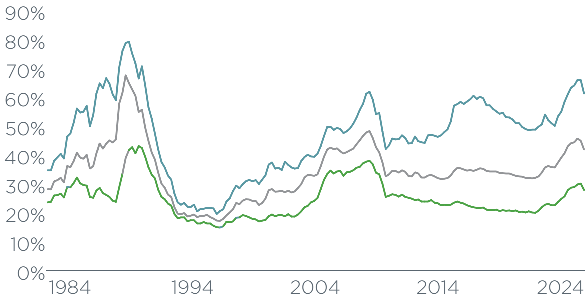
01

Mortgage rates and affordability

Average 2-year fixed mortgage rates (90% LTV)

Source: Bank of England

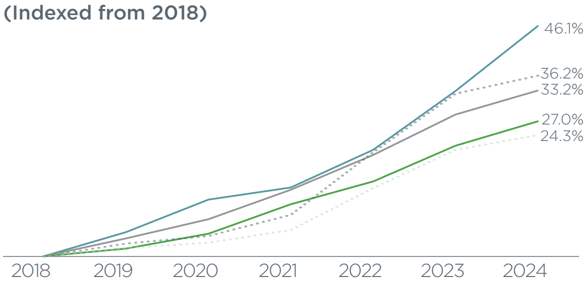
Mortgage costs as a percentage of take home pay for first time buyers



Source: Nationwide affordability indicators

London
Rest of England
North of England & E Midlands

Gross Weekly Pay of Full Time Employees (Indexed from 2018)



Source: ONS – Labour Force Survey

National Living Wage
Highest Quartile Earners
Lowest Quartile Earners
RPI
CPI

We commenced the year with considerable uncertainty over interest rates and inflation with the Bank of England base rate at its highest level since 2008 at 5.25% and inflation running at 6.8% in July 2023. The base rate remained stubbornly flat throughout the year, but mortgage rates have begun to ease reducing from 6.6% in July 2023 for the average two year fixed rate mortgage to 5.7% in June 2024. Inflation has been steadily reducing over the year, but political uncertainty and the expectation of a future base rate reduction impacted on buyer confidence. Despite this, increases in the National Living Wage mean that affordability has improved at the lower end of the market which offers opportunities for growth as buyer confidence returns.

Impact

The housebuilding sector as a whole has seen a challenging year with lower sales volumes as a result of reduced demand. Gleeson Homes started the year with a low forward order book and relatively subdued reservation rates. Reservation rates have fluctuated from week-to-week, but overall improved over the course of the year. The impact of interest rates, inflation and the high cost of living has had a significant impact on first-time buyers and the affordable end of the market which has prevented meaningful growth. As far as possible we have mitigated this by broadening our marketing strategy and product offering to appeal to a wider demographic of customers including home-movers and retirees, and exploring further sales to investors as well as partnership opportunities.

Opportunities

We are well positioned to respond to growth opportunities as the market returns. Our focus in the North of England and Midlands, where mortgage costs as a percentage of pay remain low relative to the rest of England, means that we will continue to appeal to a range of buyers. We expect demand to grow as we start to see real wage growth, reductions in interest rates and increased mortgage availability, all of which will drive confidence in the housing market.

Link to strategy

1 3

Link to risk

1 3

Key – Strategic priorities

- 1 Sustainable growth
- 2 Build quality
- 3 Affordability
- 4 Land sourcing
- 5 Climate change
- 6 People, wellbeing, health and safety

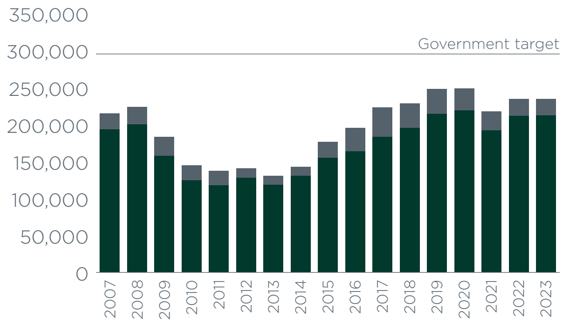
Key – Risks

- 1 Economic environment
- 2 Land availability
- 3 Government policy and regulations
- 4 Build costs and availability
- 5 Build quality and customer service
- 6 People
- 7 Cyber and IT systems
- 8 Health and safety
- 9 Financial environment and control
- 10 Climate risk
- 11 Sustainability

02

Structural under-supply of new homes

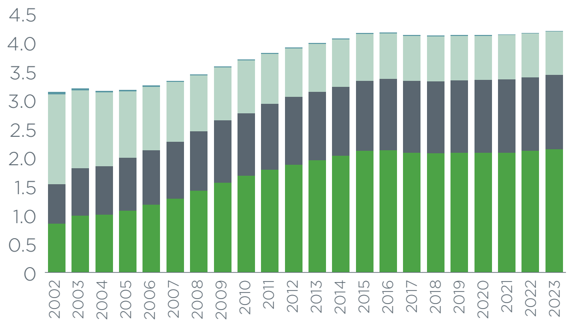
Net additional dwellings



Source: Department for Levelling Up, Housing and Communities

New build completions | Other net additions

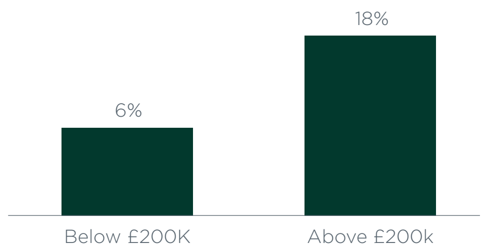
Rental stock by tenure – North of England & Midlands (millions)



Source: Live tables on dwelling stock (including vacants) by tenure and region from April 2001 to March 2023

Rented privately or with a job or business | Rented from private Registered Providers | Rented from local authorities | Other public sector dwellings

Supply of affordable new build homes



Source: Land Registry – Price Paid Data 2022

The chronic under-supply of new homes remains an issue which has been exacerbated by the planning system and political intransigence during the year under the previous Government. Net additional dwellings in 2023 were 234,000, similar to the volumes in 2022. Government targets have been reinstated at 1.5 million homes over the Government's term, which means that the annual target is now closer to 370,000 per annum. The need for affordable homes is estimated at 145,000 per year, but stood at only 63,000 in 2023.

The shortage of homes applies across all tenures, with social housing and private rental properties all showing demand outstripping supply. The limited supply of rental properties, accompanied by increasing inflation, has led to an increase in average rents of 8% in the year. Analysis by Rightmove shows that around 120,000 more rental properties are needed in order to bring the balance of supply and demand back down to normal levels.

Impact

In the North of England and Midlands, 4.2 million households are renting, and there are 620,000 households on local authority waiting lists. A further 2.1 million adults live with parents. In the North of England and East Midlands, there remains a shortage of affordable homes, with new build sales representing only 6% of all homes sold below £200k. The opportunity for home ownership remains squeezed by this lack of supply. Whilst older terraced housing stock makes up the vast majority of sales under £200k, the quality of these houses tends to be poorer than new build and are not as energy-efficient, with only 15% of English houses EPC rated A or B in the year.

Opportunities

The structural under-supply of new homes represents a vast underserved market of customers in our target areas. 76% of Gleeson homes were sold in the most deprived areas of the country in line with our mission of building homes "where they are needed, for the people who need them most". In addition, our homes are highly energy-efficient with 96% of Gleeson homes being EPC rated A or B. The large number of rented properties and people on local authority waiting lists gives further opportunity to provide social housing and new builds for private landlords.

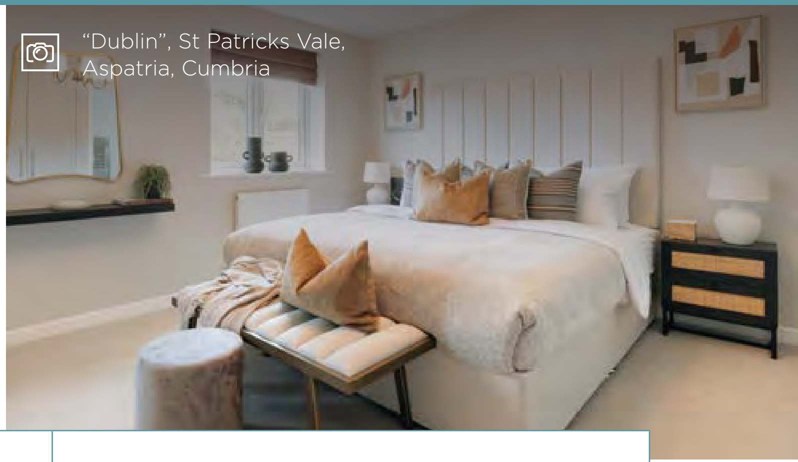
Link to strategy

1 2 3

Link to risk

1 2 3 5

Market Review
CONTINUED


"Dublin", St Patricks Vale, Aspatria, Cumbria

03

Under-resourced and tortuous planning system

Planning continues to be a challenge across the industry, with a sustained reduction year-on-year in major planning applications granted. An already under-resourced planning system came under further pressure during the year with revisions to the National Planning Policy Framework and new requirements, including biodiversity net gain which came into effect in February 2024. The political uncertainty of the General Election caused further delays whilst local authorities waited to assess the direction of future policy. However, the Government's proposed reforms to planning are expected to impact positively on both Gleeson Homes and Gleeson Land in future periods.

Impact

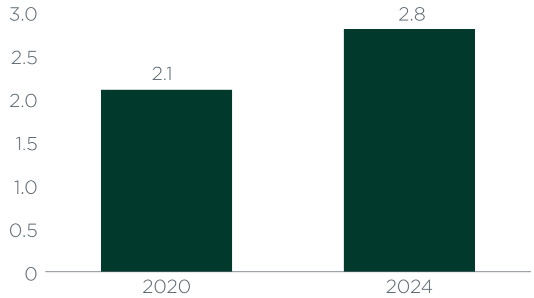
Planning applications are taking longer than ever before, at an average of 34 months for larger sites, and the number of planning applications granted has continued to fall year-on-year. The impact has been felt across the industry by housebuilders and land promoters alike. Gleeson Homes and Gleeson Land have seen the time taken to secure planning permissions increase during the year with more applications also being taken to appeal. Even in cases where applications are recommended with planning officer approval, these are receiving local authority refusals due to uncertainty over planning policy or, in some cases, political sway or 'nimbyism'. This is more keenly felt by Gleeson Land who are reliant on planning permissions for sites to market and sell. Gleeson Homes have also experienced delays on site purchases and build start dates.

Opportunities

Gleeson Homes and Gleeson Land both have strong pipelines of land across a number of local authorities and have an excellent track record of successful planning applications, including via appeal. As the planning system gets increasingly complex, this serves as a competitive advantage for our expert teams to work on promoting land for landowners in Gleeson Land, and securing land for development in Gleeson Homes. Should the new Labour Government be successful in making the promised improvements to the planning system this will give us opportunity to progress more sites through planning, enabling growth as demand returns to both the housing and land markets.

Length of planning approval period

(Years)



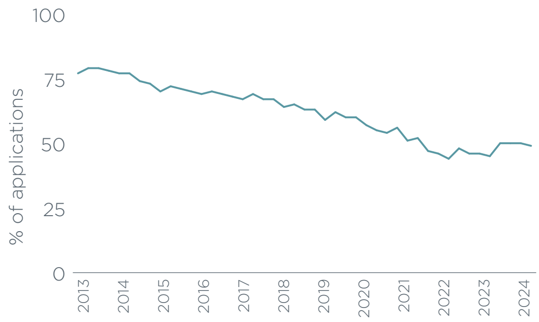
Planning approval for sites with 100-499 units, from planning application to approval
Source: Lichfields

Major planning applications granted

Source: Department for Levelling Up, Housing and Communities

Applications decided within statutory time period

(Major – 13 weeks, Minor – 8 weeks)



Source: Department for Levelling Up, Housing and Communities

Link to strategy

1 4

Link to risk

3 4

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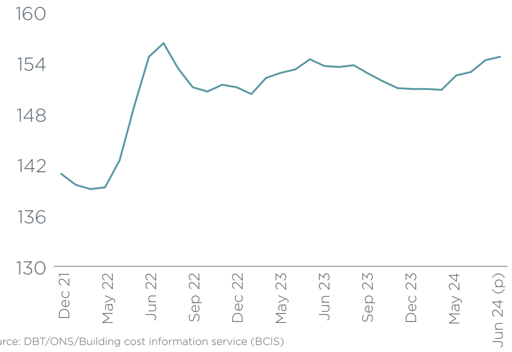
6 People
7 Cyber and IT systems
8 Health and safety
9 Financial environment and control
10 Climate risk
11 Sustainability

04

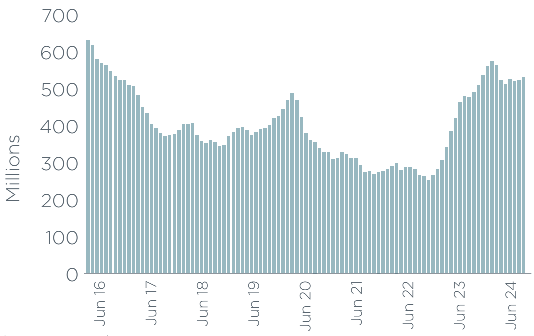
Supply chain and cost impacts

Construction material price indices
New housing



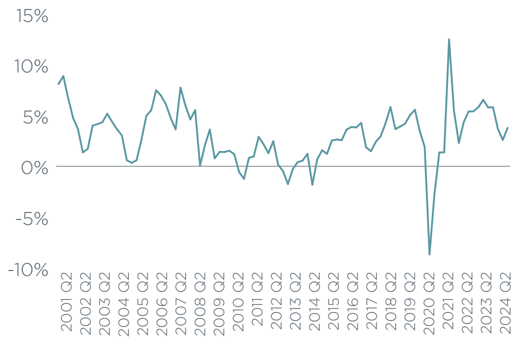
Source: DBT/ONS/Building cost information service (BCIS)

Brick stocks



Source: DBT – gov.uk

Wages in construction
(3m av.) year-on-year (%)



Source: ONS – AWE: Construction Index

Margin and build rates in the housebuilding sector are impacted by availability and pricing in the supply chain as well as demand. The supply chain broadly consists of material supplies, external subcontractors and land. There have been significant shifts in these in recent years, with the post pandemic period giving rise to an under-supply of both materials and labour as build rates increased, causing prices to increase sharply in response. More recently we have seen availability and prices return to more normal levels as build rates have slowed in response to demand. There is a risk that as build volumes rise again in line with growing demand, this could increase pressure on the supply chain, driving up prices and impacting margin.

Margin is also dependent on the mix of material price changes in the system, for example brick price increases have a higher overall impact than kitchen price increases. Furthermore, demand can impact on build rates which impacts the time spent on site, with a lower build rate increasing site 'prelim' costs adding further pressure on margin.

The impact on margin is also dependent on how selling prices change over the same period, with subdued house prices putting further pressure on margin.

Impact

The cost of new materials, such as air source heat pumps and additional insulation requirements, increases the cost of building a home. However, our average plot build costs reduced slightly over the year, with a reduction of 0.7%. This was due to increases in subcontractor costs being more than offset by a reduction in material costs.

This 'saving' was offset by increases in one-off costs arising on certain legacy sites, where additional costs were incurred as we neared the end of the development. This has a more pronounced effect as the costs are spread over a shorter period of time as the site completes. In addition, the slower build rate this year, as a result of subdued demand, resulted in an increase in plot costs once preliminary costs are factored in, reducing overall margin.

Opportunities

The stabilisation of prices and availability gives us the opportunity to maintain or improve margin. Whilst there is a risk that material and subcontractor prices could rise as demand returns, we expect this to be matched by an increase in selling prices that would mitigate any cost increases.

Link to strategy

1 2 3

Link to risk

1 4 5 10 11

Our Business Model

KEY INPUTS

Financial capital
We have a robust capital model with high levels of liquidity to invest and grow the business.

Land
We buy land where homes can be sold at affordable prices and often in areas in need of regeneration where other housebuilders do not want to build.

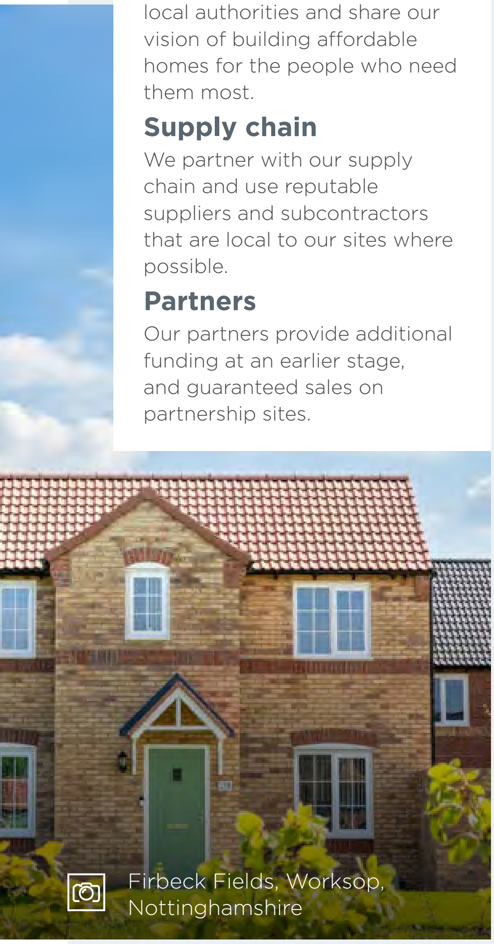
Building materials
We look to sustainably source materials from reputable suppliers. We select materials with lower levels of embodied carbon where possible.

Our people
Our people are key to achieving the mission and vision of our business and share our core values.

Local authority relationships
We build relationships with local authorities and share our vision of building affordable homes for the people who need them most.

Supply chain
We partner with our supply chain and use reputable suppliers and subcontractors that are local to our sites where possible.

Partners
Our partners provide additional funding at an earlier stage, and guaranteed sales on partnership sites.



Firbeck Fields, Worksop, Nottinghamshire

GROUP BUSINESS MODEL

01 Land acquisition
We acquire land, often in brownfield areas or areas in need of regeneration. We transform these into places for people to live. We have clearly defined gateway processes to ensure we buy land in the right areas and at the right price. This is essential to keeping our homes affordable.

02 Planning
We plan our developments to transform sites into attractive and sustainable communities.

We work with local authorities, local residents, community groups and other stakeholders to achieve an implementable planning permission that is sympathetic to local needs.

03 Designing homes
Our homes are designed to the latest planning and building regulations.

We regularly review the specification of our homes to ensure they meet our customers' needs and remain highly energy-efficient to help lower their bills.

04 Build
Our health and safety procedures are designed to ensure everyone connected to our sites remains safe and free from harm.

We are reducing carbon emissions in our build activities and supply chain and working to reduce our impact on the environment including through waste reduction and recycling.

05 Sales and customer experience
Our focus on quality is absolute and we will not hand over a home that we are not 100% proud of.

We strive to provide a five-star customer experience and ensure this commitment to quality extends throughout the customer journey.

06 Outcome
We enable people to escape from housing poverty by getting them out of the "rent trap" and into home ownership, bringing financial benefits and wealth creation from owning their own home.

We sell high-quality, affordable homes to first-time buyers or young families as well as home movers and "downsizers" who can benefit from our lower price points.

01 New sites

We use land agents and in-house search capabilities to identify and carefully select new land opportunities. We enter into agreements with landowners to promote their land through the planning process.

02 Promotion

We engage with local authorities, residents, communities, stakeholder groups and statutory consultees to promote land for sustainable housing development whilst balancing stakeholder needs.

03 Planning

We have in-house planning capabilities and work closely with masterplanning and other specialist consultants to secure attractive and sustainable planning consents in areas of housing need.

04 Technical

We have in-house technical experts to ensure that our sites are delivered with a readily implementable planning permission. In doing so, we provide developers with an "oven ready" site for them to start on.

05 Sales process

As one of the UK's largest land promoters, we have strong relationships with a wide range of housebuilders. We bring high-quality consented land to market and look to achieve best value for our landowners.

06 Outcome

We supply high-quality land that has the benefit of planning permission to other housebuilders, fulfilling a key need in the supply chain for the delivery of much needed new homes.

VALUE FOR STAKEHOLDERS

Customers
We help our customers achieve long-term value creation, security and wellbeing through home ownership and provide high-quality housing for rent through carefully selected partners.

Shareholders
We generate sustainable value and returns for our shareholders.

Our people
We invest in our people, develop their skills and reward them appropriately.

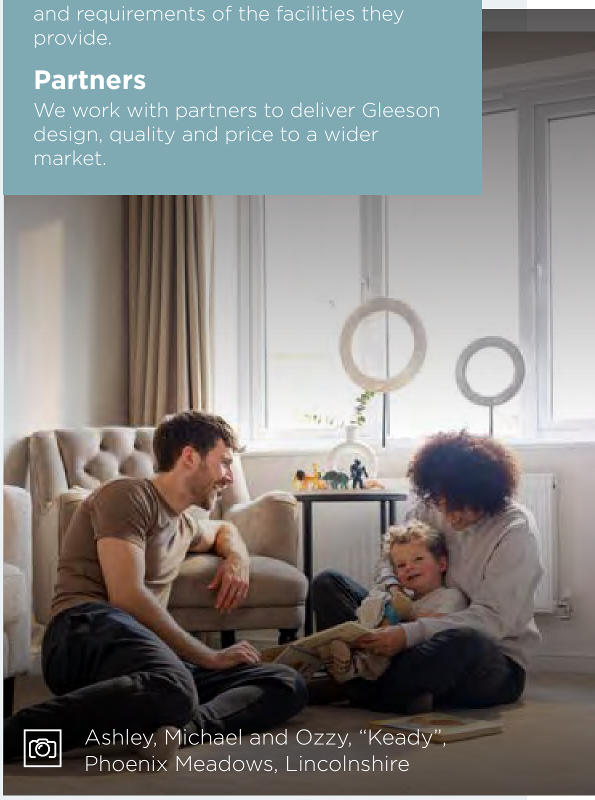
Suppliers and subcontractors
We create long-term relationships with our suppliers and subcontractors. We pay them fairly and on time.

Communities
We regenerate land often in deprived areas, leaving a positive legacy for the communities who need it the most.

Government and local authorities
We consult with government, local authorities and industry bodies to ensure we remain fully compliant and they understand the impact of policies on house building.

Banks
We work with our banks to ensure that we comply at all times with the covenants and requirements of the facilities they provide.

Partners
We work with partners to deliver Gleeson design, quality and price to a wider market.



Ashley, Michael and Ozzy, "Keady", Phoenix Meadows, Lincolnshire

Our Business Strategy

Our strategy incorporates the Group's objective for sustainable growth, together with the environmental, social and governance priorities that are most important to the Group.

Strategic priorities	Objectives	Target
1 Sustainable growth	**Gleeson Homes** Increase the number of new homes built and extend our geographical and customer reach.	**Gleeson Homes** To reach 3,000 homes per year over the medium term.
	Gleeson Land Build the pipeline of sites with planning permission to generate stable growth and returns.	**Gleeson Land** To obtain more planning permissions in each financial year than sites sold. Link to KPI 7 8 9 10 11 13
2 Build quality	**Gleeson Homes** Build high-quality, energy-efficient homes to the specification that our customers require.	**Gleeson Homes** To be a five-star housebuilder on all our development sites. Link to KPI 3
3 Affordability	**Gleeson Homes** Keep our homes affordable through buying land in the best locations, managing build costs, sourcing responsibly and building efficiently, utilising local suppliers and subcontractors where possible.	**Gleeson Homes** To ensure a couple on National Living Wage can afford a home on any one of our developments. Link to KPI 5 12
4 Land sourcing	**Gleeson Homes** To sustainably grow our land pipeline, sourcing land in areas that are in need of regeneration where homes can be built for sale at low cost.	**Gleeson Homes** To acquire sufficient quality sites to support the growth plans of the business.
	Gleeson Land To secure high-quality new sites that are well located and can deliver attractive planning consents for sustainable development.	**Gleeson Land** To secure more new sites each financial year than sites sold. Link to KPI 14 15

Key – KPIs

1. Health and safety ("AIIR")
2. Employee engagement
3. Customer recommendation score
4. CO_2e (scope 1 and 2)
5. First-time buyers
6. Waste
7. Cash and cash equivalents net of borrowings
8. Group profit before tax (pre-exceptional items)
9. Total dividend
10. Return on capital employed
11. Gleeson Homes – Homes sold
12. Gleeson Homes – Average selling price
13. Gleeson Homes – Build sites
14. Gleeson Homes – Land pipeline
15. Gleeson Land – Portfolio

Key – Sustainability pillar

- People
- Communities
- Environment

Progress in 2024	Future actions to meet target	Sustainability	Link to SDGs
Gleeson Homes We increased our sales volume from the previous year despite challenging market conditions. We have been in discussions with a number of high-quality potential partners to extend our reach to a wider market. We signed our first partnership agreement in June 2024. **Gleeson Land** Whilst demand remains strong, challenges with planning have impacted on the number of permissions secured and land sales in the year. We obtained planning permission on five sites and sold four sites during the year.	**Gleeson Homes** Our refreshed product range and implementation of a broader marketing strategy along with continued investment in land will enable a return to strong growth in the medium term. This will be supplemented by further Partnership arrangements. **Gleeson Land** Whilst the planning system remains extremely challenging, we continue to successfully progress sites in our portfolio, aided by the strength of the team.		8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
Gleeson Homes We recovered our five-star status with a recommend score of 95% (2023: 89%), the equivalent of the Home Builders Federation five-star rating.	**Gleeson Homes** We will maintain our five-star recommend score, and will make further improvements to our Build Quality score. See further actions on page 85.		11 SUSTAINABLE CITIES AND COMMUNITIES
Gleeson Homes We have a number of schemes in place to give customers affordable options to buy our homes. A couple working full time on the National Living Wage are able to buy a home on 100% of our active sales sites.	**Gleeson Homes** We remain committed to building high-quality homes that are affordable to a couple on the National Living Wage. Our work with carefully selected investors and partners allows access to safe affordable housing for those who cannot buy outright.		11 SUSTAINABLE CITIES AND COMMUNITIES
Gleeson Homes The average cost per plot of land acquired in the year was below 15% of expected selling price and seven out of ten sites in the land pipeline were brownfield or in areas of deprivation. **Gleeson Land** We acquired five sites in the year and sold four sites.	**Gleeson Homes** Our land buying policy continues to require land to be purchased according to these criteria in order to ensure our homes remain affordable. **Gleeson Land** Our investment in the Land team, including the regionalisation of the business and enhanced Research and Analytics will enable us to secure high-quality new sites at a faster rate.		15 LIFE ON LAND

Our Business Strategy
CONTINUED

Strategic priorities	Objectives	Target
5 **Climate change**	Protect the environment and reduce carbon emissions for the homes that we build and sell.	To achieve Science Based Targets validation by June 2025 for near-term and net zero targets with a clear path to achieve these targets. Link to KPI 4 6
6 **People, well-being, health and safety**	Everyone who is involved with, or affected by, our business remains free from harm and returns home safe every day. To attract, retain and develop employees who share our values, culture and objectives.	To maintain our health and safety accident rate ("AIIR") at lower than the industry average. To maintain our employee engagement score in the upper quartile of all surveyed companies. Link to KPI 1 2

Key – KPIs

1 Health and safety (“AIIR”)
2 Employee engagement
3 Customer recommendation score
4 CO_2e (scope 1 and 2)
5 First-time buyers
6 Waste
7 Cash and cash equivalents net of borrowings
8 Group profit before tax (pre-exceptional items)
9 Total dividend
10 Return on capital employed
11 Gleeson Homes – Homes sold
12 Gleeson Homes – Average selling price
13 Gleeson Homes – Build sites
14 Gleeson Homes – Land pipeline
15 Gleeson Land – Portfolio

Key – Sustainability pillar

- People
- Communities
- Environment

Progress in 2024	Future actions to meet target	Sustainability	Link to SDGs
We committed to setting Science Based Targets in the year and have submitted our targets for validation. We obtained assurance over our greenhouse gas (GHG) baseline emissions across scope 1, 2 and 3 and completed detailed modelling to show the pathway to achieving our submitted targets.	We will obtain validation of our Science Based Targets. We will continue to drive the changes needed to achieve our targets through implementation of new materials, building methods and technologies and through engagement with our suppliers.		12 Responsible consumption and production 13 Climate action
Our AIIR for the year was 166 (2023: 303) and was below the industry average of 239. We took a number of actions as a result of our 2023 employee survey. In our latest employee survey we had a 85% engagement score, which maintains our position in the top quartile of all companies surveyed.	Safety remains our number one priority. We have now fully implemented a new Safety, Health and Environment software platform that is used to monitor risk areas and determine where training and additional actions should be focused. See further actions on page 85. We recently launched our People Forum which will be used to enhance our communication throughout the year. More actions can be found on page 85.		5 Gender equality 8 Decent work and economic growth

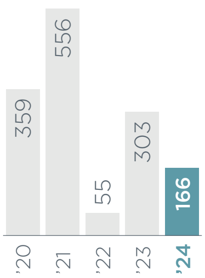
“Carlow”, Springfield Meadows, Bolsover, Derbyshire

Key Performance Indicators

Sustainability KPIs

Health and safety (AIIR[1])

Employee health and safety is our number one priority, and we are committed to keeping our AIIR below the industry average.



Link to sustainability

Link to strategy

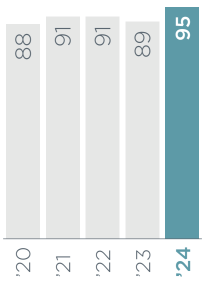
6

Link to risk

8 11

Customer recommendation score (%)

We aim to be a 5-star builder on all of our developments, which means obtaining a customer recommendation score above 90%.



Link to sustainability

Link to strategy

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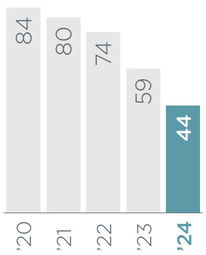
Link to risk

5 11

First-time buyers (%)

We aim to get more first-time buyers into home ownership and out of the "rent trap".



Link to sustainability

Link to strategy

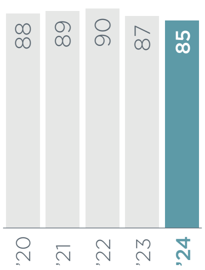
3

Link to risk

1 5 11

Employee engagement (%)

We want to attract, retain and develop employees who share the values and culture of the Group.



Link to sustainability

Link to strategy

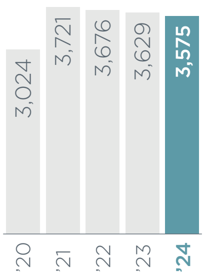
6

Link to risk

6 11

CO_2e (scope 1 and 2) tonnes

We are setting Science Based Targets to reduce our absolute scope 1 & 2 emissions.



Link to sustainability

Link to strategy

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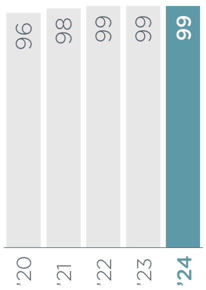
Link to risk

10 11

Waste (% of waste diverted from landfill)

We aim to reduce our impact on the environment.



Link to sustainability

Link to strategy

5

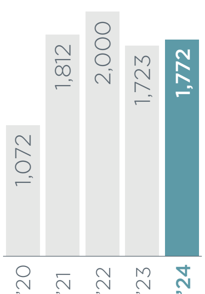
Link to risk

10 11

Operational KPIs

Gleeson Homes Homes sold

We aim to increase the number of new homes built and extend our geographical reach.



Link to strategy

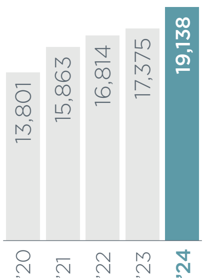
1

Link to risk

1 2 3 4

Gleeson Homes Land pipeline (plots)

Land pipeline ensures our ability to grow over the coming years. Our pipeline includes owned and conditionally purchased sites.



Link to strategy

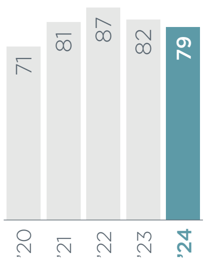
4

Link to risk

1 2 3

Gleeson Homes Build sites (year end)

Build sites represent the sites we are actively building on.



Link to strategy

1

Link to risk

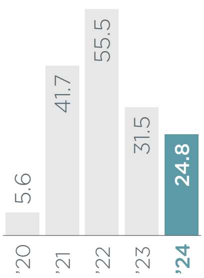
1 2 3

1 Accident Injury Incidence Rate measured as the number of reportable incidents per 100,000 employees and on-site subcontractors.

Financial KPIs

Group profit before tax (pre-exceptional items) (£m)

The Group aims to generate profits to invest in the future growth of the business for all stakeholders.



Link to strategy

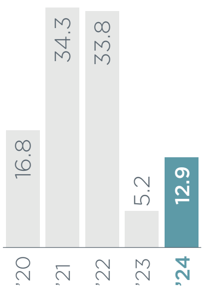
1 3

Link to risk

1 2 3 4 9

Cash and cash equivalents net of borrowings (£m)

We aim to maintain positive cash balances or reduce net debt.



Link to strategy

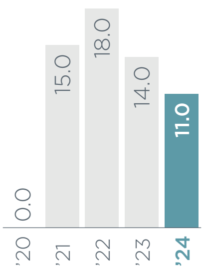
1

Link to risk

1 9

Total dividend (pence)

We look to provide steady dividend growth whilst maintaining dividend cover at sustainable levels.



Link to strategy

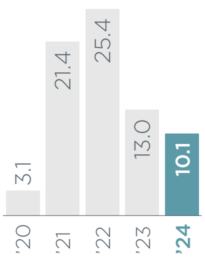
1

Link to risk

1 9

Return on capital employed[2] (%)

Return on capital employed represents the profits made from the assets we hold.



Link to strategy

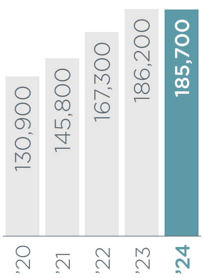
1

Link to risk

1 2 3 4 9

Gleeson Homes
Average selling price (£)

Average selling price represents our overall sales income per home sold.



Link to strategy

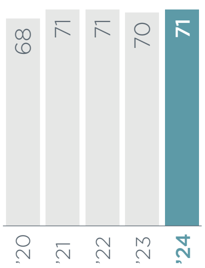
3

Link to risk

1 2 4 11

Gleeson Land
Portfolio (sites)

Gleeson Land portfolio represents the number of sites available to progress through the planning system for future sale.



Link to strategy

4

Link to risk

1 2 3

2 Return on capital employed is calculated based on earnings before interest, tax and exceptional items ("EBIT") from continuing and discontinued operations, expressed as a percentage of the average of opening and closing net assets after deducting deferred tax and cash net of borrowings.

Key – Strategic priorities

- 1 Sustainable growth
- 2 Build quality
- 3 Affordability
- 4 Land sourcing
- 5 Climate change
- 6 People, wellbeing, health and safety

Key – Risks

- 1 Economic environment
- 2 Land availability
- 3 Government policy and regulations
- 4 Build costs and availability
- 5 Build quality and customer service
- 6 People
- 7 Cyber and IT systems
- 8 Health and safety
- 9 Financial environment and control
- 10 Climate risk
- 11 Sustainability

Key – Sustainability pillar

- People
- Communities
- Environment

Financial Review

“I am pleased with how the business has performed in a challenging environment and has readied itself to resume a strong growth trajectory.”

Stefan Allanson
Chief Financial Officer

Introduction

Net reservation rates, excluding multi-unit sales, improved to 0.44 per site per week over the year (2023: 0.38) which, combined with multi-unit sales delivered 2.8% volume growth in Gleeson Homes.

Margin pressures have been persistent, stemming from increased sales incentives, lower customer extras, a higher proportion of multi-unit sales and extended site durations. This was exacerbated part way through the year by additional costs on several older sites, which were brought to light following the organisational restructure last year.

Gleeson Homes has a clear pathway to reach its medium-term objective of delivering 3,000 homes per annum in a stable market environment by opening significantly more sites each year than it expects to complete. This trajectory will be accelerated through the addition of further partnership agreements.

Our medium-term objective of 3,000 new homes per annum could see profit before tax broadly triple and Gleeson resume its position as the fastest growing listed housebuilder in the UK.

Revenue

Group revenue increased 5.2% to £345.3m (2023: £328.3m) with increases in both Gleeson Homes and Gleeson Land.

Gleeson Homes’ revenue increased by 2.6% to £329.0m (2023: £320.8m). The number of homes sold increased by 2.8% to 1,772 (2023: 1,723) despite the average number of selling sites, at 64.8, being slightly lower than the previous year (2023: 68.0 average selling sites). The average selling price (“ASP”) at £185,700 was 0.3% lower than the previous year (2023: £186,200) driven by a higher proportion of multi-unit sales and a lower house-type mix largely offset by higher underlying selling prices which were up 1.5% and a higher site mix.

Gleeson Land completed the sale of four sites in the year (2023: three sites) as well as completing the sale of a further four phases of a legacy site sold in 2019. As a result, revenue increased by 117.3% to £16.3m (2023: £7.5m). A number of the disposals which had been expected to complete during the year were delayed due to planning. This resulted in certain land sales progressing more slowly than anticipated. However, we commence the new financial year in a strong position with seven sites with consent or resolution to grant (2023: six sites) and 11 sites awaiting a planning decision (2023: 18 sites).

Gross profit

Gross profit for the Group decreased by 6.2% to £84.5m (2023: £90.1m), with gross profit in Gleeson Homes decreasing by 8.4% to £79.2m (2023: £86.5m). The gross profit margin for Gleeson Homes decreased to 24.1% (2023: 27.0%) reflecting additional costs on a number of older sites, increased fixed site costs as site durations extended, the impact of multi-unit and affordable sales and the greater use of sales incentives.

Gleeson Land generated gross profit of £5.3m (2023: £3.6m) after increasing inventory provisions by £3.3m (2023: £1.1m increase in provisions).

Administrative expenses

Administrative expenses excluding exceptional costs reduced by £0.8m (1.4%) in the year to £56.2m (2023: £57.0m) reflecting reduced payroll costs, advertising spend and office costs following the operational restructuring of Gleeson Homes completed in June 2023.

Profit for the year

Group operating profit before exceptional items was £28.6m (2023: £33.6m), a 14.9% decrease on the prior year. This was due to the 13.4% decrease in operating profit in Gleeson Homes to £30.3m (2023: £35.0m) offset by an increase in Gleeson Land operating profit to £2.2m (2023: £1.0m). Group overheads were £3.9m (2023: £2.4m) as the prior year benefitted from the reversal of certain share based payment costs.

Net finance expenses increased in the year to £3.7m (2023: £2.1m) due to the impact of higher interest rates during the year and increased borrowings. As a result, the Group delivered profit before tax of £24.8m (2023: £31.5m pre-exceptional items, £30.5m post exceptional items).

Group revenue

£345.3m

Exceptional items

There were no exceptional costs in the year. The £1.0m exceptional cost in the prior year related to the operational restructuring of the Gleeson Homes business, consolidating the three divisions and nine regional management teams to two divisions and six regional management teams. The operational restructure was implemented to right-size the business and standardise our operations, creating the platform for well-controlled growth as the market returns

Tax

The tax charge of £5.5m (2023: £6.3m) represents an effective tax rate of 22.3% against the headline rate of 25.0%. The most significant factor benefitting the Group's tax charge is land remediation relief, whereby relief is granted on an additional 50% of qualifying remediation expenditure. Many of our sites are on brownfield land and require significant remediation prior to use.

Included in the tax charge is £0.1m relating to residential property developers' tax ("RPDT"), which was effective from 1 April 2022 and applies to profit from residential property development activity on profits over £25.0m

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Financial Review
CONTINUED

Profit after tax

Profit after tax for the year decreased 20.2% to £19.3m (2023: £24.2m). Pre-exceptional profit after tax decreased by 22.8% to £19.3m (2023: £25.0m).

Earnings per share

Basic earnings per share decreased by 20.2% to 33.1 pence (2023: 41.5 pence). Pre-exceptional basic earnings per share decreased by 22.8% to 33.1 pence (2023: 42.9 pence).

Return on capital employed

Return on capital employed decreased 290 basis points to 10.1% (2023: 13.0%) caused by the reduction in profit.

Balance sheet

During the year to 30 June 2024, shareholders' funds increased by 4.1% to £297.7m (2023: £286.0m). Net assets per share increased to 510 pence, an increase of 4.1% year on year (2023: 490 pence).

Non-current assets decreased during the year by 19.0% to £9.8m (2023: £12.1m). This was mostly due to a reduction in property, plant and equipment of £1.9m with a lower level of capital expenditure compared to the previous year.

Current assets increased by 1.1% to £368.2m (2023: £364.3m). As planned, the unwind of a large portion of the investment in substantial starts from last year was broadly matched by the investment in work in progress on sites, leaving inventories broadly flat at £345.2m (30 June 2023: £344.6m). Trade and other receivables decreased by £4.6m to £9.3m largely as a result of receipts of deferred monies in Gleeson Land of £6.4m and reduction in VAT receivables offset by an increase in completion monies due in Gleeson Homes at the end of the year. This was offset by an increase in cash and cash equivalents, which increased to £12.9m (2023: £5.2m).

Cash and bank facilities

The Group ended the year with cash and cash equivalents of £12.9m (2023: £5.2m). In July 2023, the Group successfully refinanced its club borrowing facility with Lloyds Bank plc and Santander UK plc. The facility was increased from £105m to £135m and extended to October 2026 plus two uncommitted one-year extension options. The increased facility provides the Group with the liquidity to invest in new sites and support Gleeson Homes growth plans.

Dividends

In line with the Board's stated dividend policy, the Company intends to pay a final dividend of 7.0 pence per share at a total cost to the Company of £4.1m. The dividend will be paid on 22 November 2024 to shareholders on the register at the close of business on 25 October 2024. Combined with the interim dividend of 4 pence per share paid in April 2024, the total dividend for the year will be 11.0 pence (2023: total dividend per share 14.0p) and is covered 3.0 times.

The Board intends to maintain an earnings to ordinary dividend cover ratio of between three and five times.

Stefan Allanson
Chief Financial Officer

17 September 2024

> Gleeson Homes has a clear pathway to 3,000 homes p.a. by opening significantly more sites each year."

Hillcrest Gardens,
Gainsborough, Lincolnshire

Risk Management

Effective risk management is essential to the achievement of our strategic priorities and risk management controls are integrated across all levels of our business and operations.

The Board has overall responsibility for the Group's management and assessment of risk, supported by the Audit Committee. Our risk management framework is made up of underlying functional risk registers, which monitor the financial, operational and compliance risks in each functional area of the business.

These functional risk registers link to the overall Group risk register, which identifies both principal and emerging risks and informs a formal risk assessment process that considers the likelihood and impact of the identified risks, together with any mitigating controls.

The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings. The Audit Committee reports to the Board on any changes to risks, including consideration of emerging risk areas. This is supported by the findings from the Group's internal audit function that reports to the Audit Committee on risk areas across the Group and on the effectiveness of internal controls.

Our risk management framework consists of the following components:

Main Board

- Sets the Group risk policy, strategy and risk appetite
- Overall responsibility for monitoring and managing principal and emerging risks
- Responsible for effective operation of the risk management framework
- Sets the "tone at the top" for the management of risk across the Group

Audit Committee

- Monitors the Group's systems, controls and integrity of reporting
- Advises on and approves the internal audit plan and monitors effectiveness of internal audit
- Monitors the performance, effectiveness and independence of external audit
- Monitors the management of principal and emerging risks and responses

Internal Audit

- Provides assurance on how risks are managed operationally
- Provides assurance on the design effectiveness of internal controls and makes recommendations
- Provides assurance on the operational effectiveness of internal controls in practice

Senior Management

- Identifies, reports on, and monitors risk within the relevant function
- Assesses the effective operation of day-to-day controls
- Designs and implements additional controls to mitigate any risks identified

Operational Management

- Operates processes and controls to manage risks in day-to-day activities
- Identifies emerging risks and gaps in controls for reporting to senior management

We categorise our risks into two sources:

- External – risks arising from the macro or external environment, not wholly within the Group's control but where action can often be taken to manage the risk.
- Operational – risks relating to the day-to-day operation of the business which are within our control.

Some risks can be both external and operational where there are elements of both sources. The Group's risk framework shows how the principal risks are rated by the Board in terms of their potential impact on the business and the likelihood of the risk transpiring. The table on pages 40 to 43 summarises the Group's principal risks and the mitigating actions the Group has in place to manage these risks. The Audit Committee has assessed the risks during the year and determined these remain appropriate and no new or emerging risks have been identified.

The risk matrix is presented after taking account of mitigating controls and actions.

Key – Risks

1 Economic environment
2 Land availability
3 Government policy and regulations
4 Build costs and availability
5 Build quality and customer service
6 People
7 Cyber and IT systems
8 Health and safety
9 Financial environment and control
10 Climate risk
11 Sustainability

Risk appetite

The Board sets the risk appetite for the Group based on the level of risk the Board is prepared to accept in its operational and strategic objectives. Risk appetite is set for each principal risk and a target score is set based on this appetite. We define our risk appetite into four categories averse, low, medium or high as explained below.

	Averse	Low	Medium	High
Description	Avoidance of risk and uncertainty is the highest priority.	Strong preference for a safe/positive outcome.	Willing to consider or accept a more adverse outcome.	Outcome is outside of the control of the Group or willing to accept the risk.
	Willing to accept a high cost of managing the risk.	Cost of managing the risk is balanced.	Cost of managing the risk is only to an accepted level.	Cost of managing the risk is prohibitive.
	Acceptable level of risk subject to passive monitoring.	Acceptable level of risk subject to regular monitoring.	Tolerable level of risk exposure but subject to regular active monitoring measures.	High level of risk exposure which requires constant active monitoring.
Other words	Defensive	Prudent/cautious	Motivated	Aggressive

The Board must balance risk appetite against the level of inherent risk that exists in the business, as construction will naturally have higher levels of inherent risk in certain areas than other industries. The level of risk that the Board is willing to accept is balanced in this context against the cost of mitigating the risk entirely.

Risk Management
CONTINUED

Risk	Risk description	Assessment	Mitigation
1 **Economic environment** **Residual risk** High **Change in year** Unchanged **Risk appetite** Medium **Strategic priorities** 1 3	An economic downturn or uncertainty in the housing and land markets could affect buyer confidence and the demand for new homes and consented land. This would have an adverse impact on Group revenue, profit, cash and carrying value of assets. Restrictions on mortgage funding could reduce demand for new homes and negatively impact on Group revenue and profit.	Inflation has reduced over the last year, but remains stubborn in certain sectors such as services. This may lead to interest rates remaining relatively high for a longer period, dampening demand. The change of government in July has helped to reduce uncertainty and the new government's focus on building and construction should stimulate growth. Mortgage availability has improved from the previous year but there remains a risk around buyer confidence as interest rates have not returned to the lower rates previously experienced.	Lead indicators of the economy and housing market are closely monitored. A cautious approach to funding is maintained and investment in new sites and spend are carefully controlled. Visitor and reservation rates are closely monitored and prices and incentives are reviewed and updated. Multi-unit investor deals and partnership deals with upfront funding have been added to our overall strategy. Gleeson Homes provides a range of customer assistance packages, including access to reduced interest mortgages.
2 **Land availability** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Medium **Strategic priorities** 1 3 4	An increase in land prices or decrease in land availability would reduce the viability of sites in Gleeson Homes given the high hurdle rates internally set, and would increase competition for promotional opportunities in Gleeson Land, driving down profitability and cash flow.	We continue to source land to purchase at prices that meet our hurdle rates but need to secure more sites in FY2025 and beyond to support the growth ambitions of Gleeson Homes. Gleeson Land also continues to source opportunities to promote high-quality land across the South of England but, similarly, needs to step up its rate of new sites secured in FY2025 and beyond to ensure stable profit growth.	We have a clearly defined land strategy and geographic focus, which are regularly reviewed by the Executive Directors. There is a formal land buying gateway process and rigorous adherence to margin requirements and rates of return. We work closely with local authorities to identify and purchase land at sensible prices. We have proactive land searching capabilities and strong relationships with land agents. Our planning strategy ensures that we progress sites with the best opportunities to obtain planning.
3 **Government policy, regulations and planning** **Residual risk** High **Change in year** Unchanged **Risk appetite** Medium **Strategic priorities** 1 4	Planning regulation changes due to changes in government policy or complexities within the system may affect the Group's ability to secure planning permissions on a timely basis. Other policy changes, including changes to building regulations, the Future Homes Standard, and Biodiversity Net Gain, may adversely impact revenue, profit and cash flow.	We monitor existing and emerging changes to building regulations and consider the technical, environmental and financial implications of these changes. Planning has been impacted by both political uncertainty in the year, under resourced planning departments and unhelpful changes in planning policy under the previous government. Additional requirements including Biodiversity Net Gain, nutrient neutrality and phosphate and nitrate mitigation are also creating challenges to pursuing planning permissions.	Our planning and technical experts closely monitor changes to legislation and building regulation. Changes to building regulations are built into site cost plans and forecasts. We consult with government, local authorities and industry bodies to understand proposed changes and highlight issues as early as possible.

Risk	Risk description	Assessment	Mitigation
4 **Build costs and availability** **Residual risk** High **Change in year** Unchanged **Risk appetite** Medium **Strategic priorities** 1 2 3	Shortages in or increased cost of materials or skilled labour, the failure of key suppliers or the inability to secure supplies on appropriate terms could increase costs and delay build. Delays in build programmes or the failure to anticipate all costs to be incurred can result in increased build costs and reduced margins.	Whilst underlying inflation and shortages have normalised this year, we have seen build cost increases in some areas as a result of unanticipated costs to complete, in particular on legacy sites that were nearing completion. Further measures have been implemented to improve cost control on sites and adequacy of costs to complete.	The Group procures supplies ahead of issues or stoppages on sites. Group purchasing arrangements are in place to ensure continuity of supply and pricing. We have strong, established relationships with key suppliers and subcontractors. Monthly valuation meetings provide regular oversight of build costs and costs to complete.
5 **Build quality and customer service** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Low **Strategic priorities** 2	A failure to build new homes to the standard and quality that our customers expect, to not treat our customers fairly, or not respond adequately to complaints or rectify defects in a timely and professional manner. Adverse publicity from perceived poor build quality would damage our reputation, lead to lower sales and impact future revenue and cash flows.	The customer and customer experience are at the heart of what we do. We will not hand over a new home where it does not meet our quality requirements and we have a strict inspection process in place. We commit to the New Homes Quality Code and have continued to invest in our customer care team and after sales support to ensure any defects or issues are rectified quickly.	We are registered with the New Homes Quality Code. A strict final inspection process identifies issues and allows us to remedy these before handover. Gleeson Quality Charter sets out what our customers can expect in terms of quality. Independent build inspections and buyer surveys ensure a high level of quality control. We continue to invest in our customer care team and systems.
6 **People** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Medium **Strategic priorities** 6	Failure to attract, develop and retain good-quality people with the right skills may result in overstretched and demotivated staff, decreased productivity or quality and stifled growth opportunities. Inadequate succession planning could result in inefficiency and a loss of key knowledge from the business.	Our continued focus on making Gleeson one of the best companies to work for will help to attract, develop and retain good-quality people. Full details are set out on pages 62 to 67.	We have a clear mission, vision and values that our people share. We have regular performance and development reviews. Action is taken from the feedback gained from our employee surveys. Our people have access to training throughout their career at Gleeson. Our remuneration policy is reviewed and benchmarked to ensure it remains attractive.

Key – Strategic priorities

1 Sustainable growth
2 Build quality
3 Affordability
4 Land sourcing
5 Climate change
6 People, wellbeing, health and safety

Risk Management
CONTINUED

Risk	Risk description	Assessment	Mitigation
7 **Cyber and IT systems** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Low **Strategic priorities** 1	Failure of the Group's IT systems or unauthorised access to systems due to inadequate protection, controls, processes or cyber attack could result in data loss, business disruption, reputational damage or financial loss.	We continue to invest significantly in our IT systems and networks so these remain secure and up-to-date.	Industry-standard systems are managed by a central IT team with additional outsourced support. Contingency plans are in place and regularly tested. The majority of data is held on secure external servers and backed up regularly. Regular testing is conducted on the security of our systems. Enhanced email, network and cyber controls have been implemented during the year.
8 **Health and safety** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Averse **Strategic priorities** 6	Health and safety failures can result in injuries to employees, subcontractors or site visitors, resulting in harm to people, delays in construction, additional cost, reputational damage, criminal prosecution or civil litigation.	The health and safety of our people and anyone associated with our developments is paramount to our business, and we continue to improve our training and awareness across the business. We implemented a new safety monitoring platform in the year which is now fully operational.	An experienced health and safety team in place to provide regional support and training. Our "HomeSafe – everyone, every day" campaign promotes health and safety awareness across the Group. Regular inspections take place on all development sites. We have specific actions to improve health and safety reporting and performance. Documented policies and procedures are updated to ensure continued focus and improvement.
9 **Financial environment and control** **Residual risk** Low **Change in year** Reduced **Risk appetite** Low **Strategic priorities** 1 3	The availability and cost of finance may limit the Group's ability to take advantage of business opportunities and be a possible impediment to future growth. An inability to meet obligations as they fall due or comply with banking covenants could result in insolvency. The Group could suffer losses from financial fraud or error, poor controls including over taxes, credit risk or through having inadequate insurance.	The Group maintains a strong relationship with its lenders, insurance providers and other stakeholders, and maintains a disciplined approach to managing working capital and compliance with bank facilities. The risk of financial fraud or error is closely monitored by management, the Audit Committee, and the Board. Although the financial, regulatory and tax environments continue to change for corporate entities, the Group has adequate knowledge and experience to maintain compliance, supported by third-party advisers.	The Group has committed bank facilities of £135m until October 2026, shared between two established lenders. The Group maintains security over the majority of land sold on deferred terms. External firms are used to provide "health checks" over systems and processes. External advisers are employed to support the production of tax and other returns. The Group has robust financial and tax controls designed to segregate duties and minimise opportunities for fraud or error.

Risk	Risk description	Assessment	Mitigation
10 **Climate risk** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Low **Strategic priorities** 5	The physical and transitional effects of climate change could result in reduced land availability, disrupted build programmes, increases in costs and shortages of materials due to more frequent extreme weather events or changes to policy and regulations related to climate.	Climate-related issues remain a key priority. We have modelled our forecast emissions to 2050 in order to determine an action plan to meet our Science Based Targets, which we submitted for validation during the year. The wider transitional impacts are seen across the business, such as building regulation changes as well as wider environmental considerations in respect of land and planning.	We undertake detailed flood, environmental, and biodiversity assessments as part of preparing planning applications. We set clear targets to reduce our carbon emissions and waste from sites. We track carbon emissions, waste and other initiatives to evaluate the success of our actions. We have submitted medium and long-term targets for validation by the SBTi. We report in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").
11 **Sustainability** **Residual risk** Medium **Change in year** Unchanged **Risk appetite** Low **Strategic priorities** 1 2 3 4 5 6	The Group could fail to meet the expectations of stakeholders relating to our sustainability responsibilities including climate change, health and safety, governance, build quality and customer service. Failure to ensure we remain a sustainable business could affect the Group's ability to secure sites, planning permissions, attract house buyers, recruit new employees, appeal to investors or raise finance when needed. By not having clear targets and effective communication of our sustainability strategy, this could result in damage to the Group's reputation.	Stakeholder expectations relating to corporate sustainability and associated regulations are continuing to evolve. We actively engage with stakeholders and advisers to understand their expectations, and monitor emerging best practice.	The Sustainability Committee oversees the development, implementation, and reporting of sustainability initiatives. The Group Sustainability Manager is responsible for embedding the sustainability strategy into operations. We publish and monitor clear targets to ensure our business operates in a sustainable and socially responsible way. We voluntarily report additional sustainability related information, for example, in our Sustainability Accounting Standards Board ("SASB") disclosures.

Key – Strategic priorities

1 Sustainable growth
2 Build quality
3 Affordability
4 Land sourcing
5 Climate change
6 People, wellbeing, health and safety

What's important to our stakeholders

Considering the needs of our stakeholders is key to our business model, strategy and approach, and we balance these needs in everything we do.

Customers

Our customers want attractive, high-quality affordable homes they can be proud to live in.

Our customers want a home that has all of the modern touches and gives them the opportunity to tailor it with their own choices.

Energy efficiency is increasingly important and our customers want a highly energy-efficient home that helps them to reduce their energy bills.

Top issues

- Affordability
- Build quality
- Energy efficiency

Our people

Our colleagues expect to be kept safe, treated fairly and rewarded appropriately for the work they do. They want to have career progression with opportunities for training and development.

Our colleagues value open and transparent communication about the business, its performance, and its future. They want to be part of its growth and feel valued for their contribution.

Top issues

- Health and safety
- Recognition and reward
- Career development

Communities

Residents in the areas we develop want attractive and well-designed spaces that create vibrant and safe communities in which to live. Residents want their views to be valued and want to be consulted.

Local communities want a wider positive benefit to come from new developments, with better quality housing, access to resources, and community services.

Top issues

- Land use
- Build quality and design
- Affordability

Local authorities

Local authorities want us to deliver high-quality affordable housing in the right places, creating sustainable communities that contribute positively to the local area.

Local authorities want us to ensure our activities minimise or mitigate the impact on biodiversity and the environment and leave a positive legacy for the area.

Top issues

- Land use
- Affordability
- Environment

Future generations

Future generations want us to reduce our impact on the environment, reducing carbon emissions and waste, protecting nature and reducing our use of resources, including water.

They want us to adopt efficient methods of building homes but also maintain our affordability to ensure that home ownership remains a realistic opportunity for future generations.

Top issues

- Carbon emissions
- Biodiversity
- Affordability

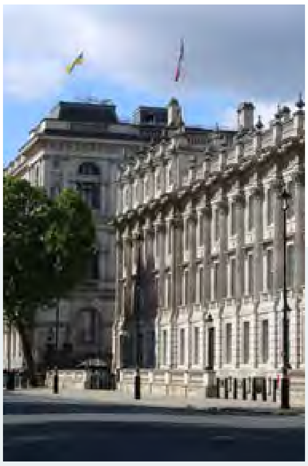
Shareholders and banks

Investors and banks expect to see consistent or improving returns, underpinned by a sustainable approach, compliance with regulations and strong governance.

Investors and banks want open and transparent communication from the Group to provide them with a balanced understanding of business performance, opportunities, and risks.

Top issues

- Profitability
- Strong balance sheet
- Sustainability



Government and regulators

Regulators and government want us to ensure that we operate our business safely and are compliant with all laws and regulations, including health and safety, building regulations, planning, tax and financial reporting.

Regulators and government want businesses to conduct their operations in a responsible way, including paying all relevant taxes fairly and transparently.

Top issues

- Health and safety
- Planning regulations
- Tax and compliance

Suppliers and subcontractors

Our suppliers and subcontractors expect to be kept safe when they are working with us and to be paid fairly and on time.

Our suppliers and subcontractors want us to deal with any queries quickly and efficiently, with clear lines of communication when issues arise.

Top issues

- Health and safety
- Timely payment
- Clear communication

Sustainability at a Glance

Our purpose

Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most.

Introduction

At Gleeson, our commitment to sustainability is central to our mission of transforming lives by building affordable, quality homes, where they are needed, for those who need them most. This section of our Annual Report is dedicated to providing comprehensive insights into our sustainability efforts and achievements. To ensure you can easily access the information you need, we have organised this section into several key reports. Use the navigation links provided to delve into each report and understand the depth of our commitment to building a sustainable future.

Our commitment to sustainability is central to our mission of transforming lives by building affordable, quality homes for those who need them most.

Our sustainable approach is built around our relationships with communities, people and the environment. We plan to achieve sustainable development by aligning our business to six of the seventeen UN SDGs.

- Gender equality
- Decent work and economic growth
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life on Land

We are proud to be participants of the UNGC and members of the Global Compact Network UK. We are committed to making its principles the foundation of our strategy, culture and operations. This translates to Gleeson operating responsibly in everything we do by engaging with communities and creating affordable, attractive and safe spaces where people want to live and where those earning the National Living Wage can afford to buy.

The Future Homes Hub works with the housebuilding industry to develop a long-term delivery plan to meet the Government's net zero and wider environmental targets. Gleeson Homes is an active member and a number of our senior colleagues participate in groups of industry experts brought together to address key issues on the journey to zero carbon homes.

We employ and develop staff in a pleasant, open and fair work culture where we pay colleagues and sub-contractors at least the real living wage. We ensure everyone who is involved with, or affected by, our business remains free from harm and returns home safe every day.

We are members of the Supply Chain Sustainability School, which allows us to upskill and work collaboratively with our business, subcontractors and suppliers to achieve common goals in delivering a sustainable future.

We pay our fair share of tax and are Fair Tax Mark accredited.

We are taking serious climate action by decarbonising the business across all scope emissions and have recently submitted carbon reduction targets for validation by the Science Based Targets initiative (SBTi), to ultimately become carbon net-zero, see page 68.

We are transparent in everything we do, and we undertake mandatory and voluntary environmental, social and governance reporting. We take part in voluntary reporting through the CDP and SASB and make disclosures in line with TCFD.

Sustainability pillars

Our approach to sustainability is built around three pillars of communities, people and environment.

Communities

We put our customers and their communities at the heart of everything we do.

See **pages 50 to 60**

People

Our people are key to our success and share our vision, mission and values.

See **pages 61 to 67**

Environment

We are committed to reducing CO_2 emissions and protecting biodiversity and resources.

See **pages 68 to 81**

Sustainability Targets (ST)

Learn about our ambitious sustainability targets and our progress on previous year's targets.

Read more about **Sustainability Targets** on **pages 82 to 85**

TCFD (Task Force on Climate-related Financial Disclosures)

Read our detailed Task Force on Climate-related Financial Disclosures (TCFD) report, outlining our approach to managing climate-related risks and opportunities.

Read more about **TCFD** on **pages 86 to 93**

SASB (Sustainability Accounting Standards Board)

Read our Sustainability Accounting Standards Board (SASB) report, which highlights industry-specific measures and our performance against these benchmarks.

Read more about **SASB** on **pages 94 to 99**


Hardwicke Place, Hartlepool

Sustainability Dashboard

Communities

Building safer communities

Helping to reduce crime

Case study – Parson Green, Sheffield

See **pages 50 to 51**

Building quality homes

Uncompromising quality

NHBC Pride in the Job Awards

Gleeson Quality Charter

Affordable homes for the people who need them most

See **pages 52 to 53**

Supporting our communities

Community engagement

Corporate charity

See **pages 54 to 55**

Customer experience

Case studies

- Shared ownership
- Trading up
- First time buyer
- New beginning
- Retiree

See **pages 56 to 60**

People

Health and safety

Health and safety culture

Site Environmental Awareness Training (SEATS)

JCB Livelink

See **page 61**

Values and culture

Our values

Monitoring our culture

Wellbeing and mental health

Diversity and inclusion

Promoting women in construction

Gender pay gap

See **pages 62 to 63**

Nurturing talent

Apprentices

Investors in People

Training and development

Sales excellence

Talent mapping and succession planning

Leadership and management development pathways at Gleeson

See **pages 64 to 66**

Recognition

Communication and engagement

Real living wage

Recognition

See **page 67**

Environment

Energy efficient homes

Science Based Targets submission

Introduction to scope 1, 2 and 3 emissions

Air source heat pumps

Concrete bricks

Supply Chain Sustainability School

Energy efficiency and EPC ratings

Hybrid generators and grid connection

HVO fuel

Supply chain and sustainable materials

See **pages 68 to 71**

Emissions and targets

Science Based Targets

Establishing our SBTi targets

Achieving our net zero targets

Our greenhouse gas emissions in detail

See **pages 72 to 74**

Biodiversity and resources

Biodiversity and ecology

Legislative requirements

Our biodiversity strategy

- Enhancements
- Engaging

Case study – Ecology expert

Other environmental considerations

- Waste
- Timber
- Water
- Land

See **pages 75 to 79**

Regenerating land

Case study – Regenerating land

See **page 80**

Customer satisfaction (5 star rating)

ACHIEVED

Customer recommendation score

95%

See **pages 82 to 85**

Customers contacted on a weekly basis

>98%

Improvement in post completion snags closed out

6%

All colleagues trained on Customer First programme

Digitised inspection system implemented

Health and safety incident rate ("AIIR") will be reduced to the industry standard or lower in the year AIIR 166 (HBF 183)

ACHIEVED

Our employee engagement will be maintained in the upper quartile of all companies during 2024

ACHIEVED

Employee engagement

85%

Glassdoor rating

4.3 star

Roles that are apprenticeships, trainees or graduates

10%

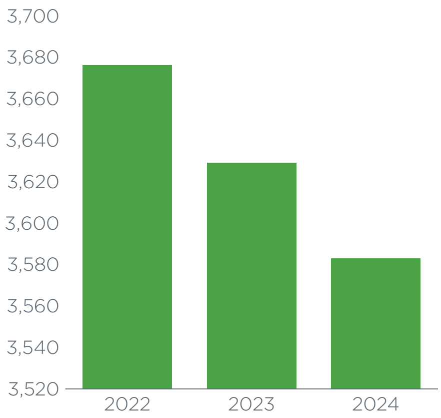
See **pages 82 to 85**

We will achieve Science Based Targets validation by 2025 for near term and net zero targets

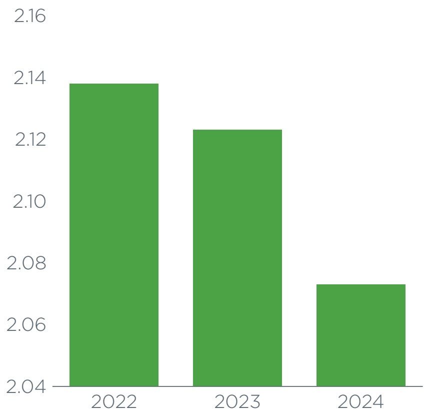
ON TRACK

Targets submitted to SBTi for validation

Scope 1 & 2 absolute (tCO_2e)



Scope 3 intensity (tCO_2e/m^2)



Rainsborough Park, Knottingley, West Yorkshire

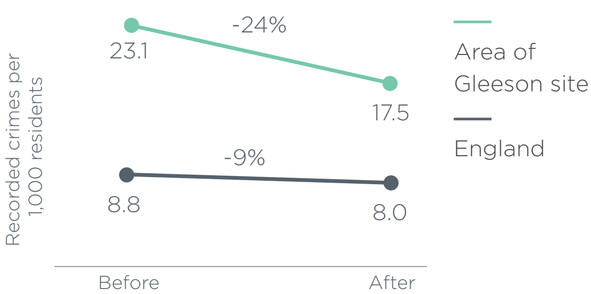
Building Safer Communities

Communities

Helping to reduce crime

In the high-crime areas in which Gleeson has built homes the crime rate has fallen by 24%. This is a fall of 15% more than the 9% average reduction in crime seen across England during the same periods[1]. We achieve this by building homes that local people can afford (other housebuilders prices are 50% higher than Gleeson) and designing security and community benefits into our developments.

Reduction in crime rate



Building Homes. Changing Lives – designed for safety and community

We consider the design and layout of our developments carefully, with safety and community a key aim.

Our developments are lower density, traditional 2-storey brick and block homes, with off street parking typically along the side of the house, open front gardens to encourage neighbourliness and a sense of community.

We don't build shared parking areas or blocks of garages. Every part of our developments is in view of the residents which discourages vandalism and antisocial behaviour. We don't build high fences or brick walls and we don't build tower blocks.

We ensure streets are wide, well lit and there are pavements on both sides. We create safe open spaces designed to enhance the environment and create community cohesion.

We develop a strong relationship with local community leaders and schools and will usually sponsor a local children's sports team.

The majority of people who occupy our homes are owners, with a significant proportion being first time buyers. They are from the local area around our developments and they care about their communities, their neighbours and their homes.

This stronger sense of ownership and community in Gleeson homeowners, along with the regeneration of previously derelict or unkempt land, and our engagement with the wider community, creates behavioural change in the wider streets surrounding our developments, and generates renewed pride and care in their communities.

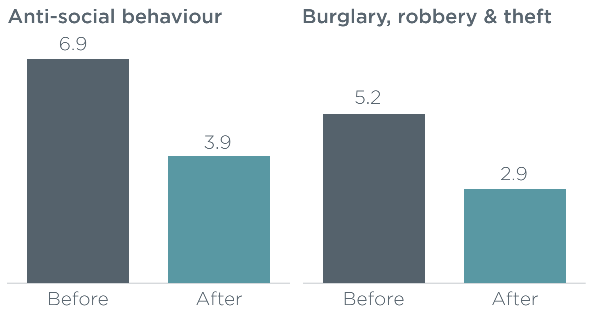
We don't gentrify, we regenerate!

Local residents should be able to buy a home in their communities. We only develop sites on which homes will be affordable to buy. When we purchase a site, we test this by ensuring a meaningful proportion of our homes can be bought by a couple earning the National Living Wage.

In the year to 30 June 2024 more than half of our homes were sold at a price that a couple on the National Living Wage could afford.

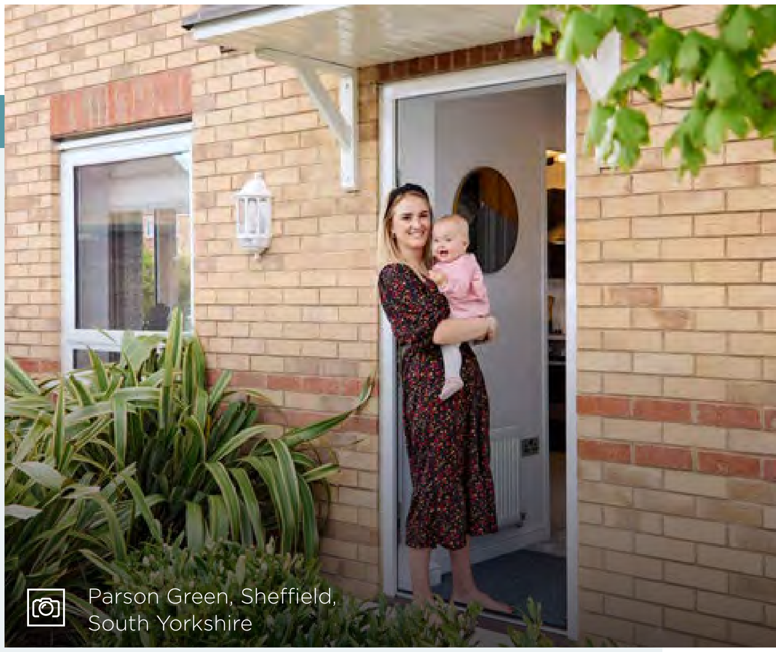
We don't gentrify by moving wealthier people into the area and forcing out local residents – we regenerate to ensure local residents have access to affordable, high-quality homes.

Crime rates in areas of high crime before and after Gleeson Homes develop



Source: Police.uk

Recorded crime per 1,000 residents



Parson Green, Sheffield, South Yorkshire

CASE STUDY – PARSON GREEN, SHEFFIELD

The Parson Cross area of Sheffield was blighted by high rates of crime. Following the completion of the site in 2021, the crime rate reduced by 50%.

Gleeson is renowned for repurposing challenging sites into thriving communities, as demonstrated by the Parson Green development in Sheffield.

This project not only provided 300 essential homes but also played a pivotal role in reducing local crime and fostering community spirit in an area previously plagued by anti-social activities. Despite challenges, such as criminal incidents during construction, Gleeson's strategic approach effectively addressed longstanding community safety concerns.

The strategy focused on three main pillars:

1. Community-centric design

- **Natural surveillance:** Enhancing visibility through open, well-lit spaces to enable resident monitoring and to deter crime.
- **Space utilisation:** Structuring homes and communal areas to promote ownership, and responsibility, and reduce opportunities for crime.

2. Engagement with local groups

- **Police partnerships:** Collaborating to analyse crime trends and deploy security measures like patrols and community policing. A direct line to the local PCSO facilitated swift crime reporting and response.
- **Business alliances:** Partnering with local businesses to address significant crimes, promote local shopping, and bolster business support.
- **Community programmes:** Working with councils and the local Parson Cross Forum on initiatives like neighbourhood watches to foster community spirit, trust, and safer spaces for interaction.

3. Investment in community spaces

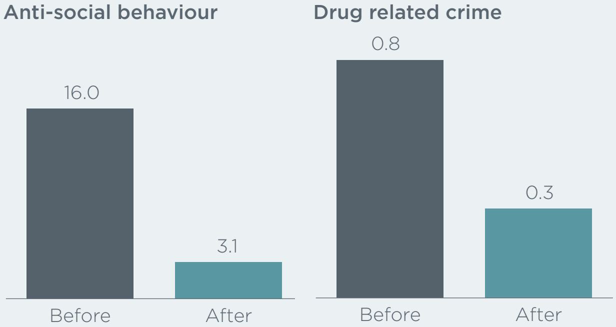
We invested in outdoor areas and established parks and green spaces to promote healthy lifestyles, and enhance the aesthetics of the area. These spaces serve as vital community assets that encourage social interaction, recreational activities, and environmental benefits, contributing to the overall well-being of the community.

Since Gleeson began work on this development in 2013, crime rates in the Lower layer Super Output Areas (LSOA) have halved from 34 to 17 per 1,000 residents by 2021, reflecting a 50% decrease. During this period the crime rate in England rose by 1%. This significant drop has enhanced community safety and cohesion, with active local authority engagement being key.

The Parson Green project exemplifies Gleeson's commitment to investing in high-crime areas through using strategic design and partnerships, fostering safer communities. Gleeson aims to continue to replicate this positive impact across high-crime areas.

The Details:

- 300 new affordable homes delivered
- Site duration 2013 – 2020
- Average selling price: £141,227
- 98% of buyers were previously living with their family
- 72% of purchasers were First Time Buyers
- S106 contribution of £1.5m on Parson Cross Project



Source: Police.uk

Recorded crime per 1,000 residents

Building quality homes

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Communities

Uncompromising quality in every brick

Customers often tell us, and statistics show, that older existing housing stock is frequently small, draughty and cold. Data on new EPCs registered in 2023 shows that only 15% were rated A or B*, whilst 96% of Gleeson homes sold in 2024 were rated A or B.

We ensure that our homes appeal to a wide variety of customers. A Gleeson home incorporates many of the same features and specifications as homes built by other housebuilders, but our price point makes a Gleeson home more affordable. We regularly refresh our house types and optional extras, keeping in mind the needs of our customers and their budget. Our range now includes the addition of bungalows and a range of new elevations which are sympathetic to local areas, market trends and planning requirements. We have also developed our product range to suit different requirements such as housing density, which helps us to secure a wider range of sites.

We design our homes to take into account the latest building standards, emerging trends and feedback from customers. This includes incorporating more space for storage, working from home, and energy-efficient design. We carefully select our suppliers and specify the products used in order to achieve the best value for our customers, without compromising on quality.

* For Gleeson style homes, excluding flats, bungalows and maisonettes.

Pride in the Job winner Paul Jackson

NHBC Pride in the Job Awards

Quality is a key area of focus for all of us and our people strive to achieve it.

This year, two of our site managers were honoured with the prestigious NHBC Pride in the Job Quality Award 2024, demonstrating their commitment to excellence. Pride in the Job, which is currently in its 44th year, is highly regarded in the construction industry and the awards are designed to inspire site managers in making their mark and leaving a legacy of homes built to the highest quality standards.

The winners of the 2024 award included Paul Jackson, Senior Site Manager at Gleeson's Rhodes Point in South & West Yorkshire and Richard Carr, Site Manager at Hardwicke Place, Tees Valley Tyne & Wear.

Gleeson Quality Charter

The Gleeson Quality Charter is our commitment to a quality home and quality service all the way through the buying journey and beyond.

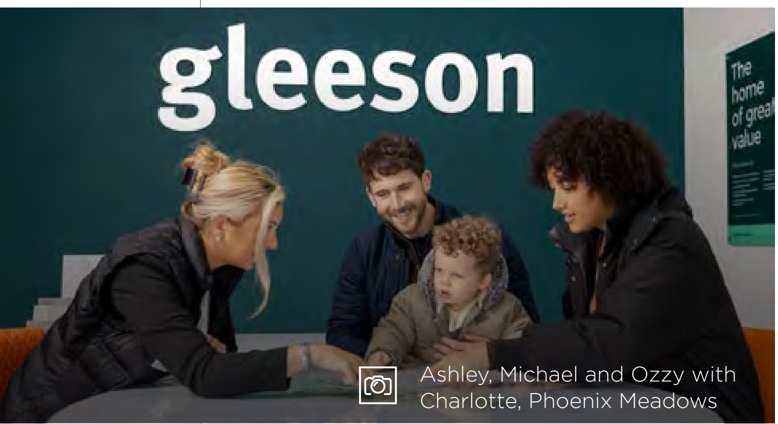
5-STAR BUILD AND SERVICE

1. We believe that low cost should not mean low quality or poor service.
2. We use third-party inspectors to undertake additional, independent quality checks throughout the build process.
3. We engage a third-party survey company to undertake independent surveys of all our customers. More than 90% of our customers recommended Gleeson, equivalent to a 5-star rating for housebuilders.
4. We provide all of our customers with access to MyGleeson, a customer care portal.

Building quality homes

Communities

Keeping our homes affordable

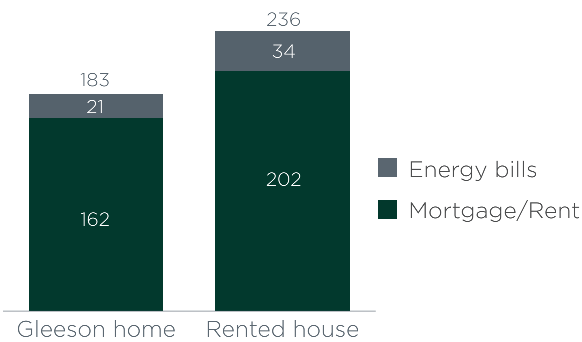


Ashley, Michael and Ozzy with Charlotte, Phoenix Meadows

Affordable homes for the people who need them most

A couple working full time on the National Living Wage can afford to buy a Gleeson home on any of our developments. We are committed to ensuring this remains the case and build this into our site purchase criteria. This benchmarks the open market sales prices of a two bedroom home.

Cost of owning versus renting a 2-bed home (£ per week)



In addition to this we offer a number of purchasing options including:

- First time buyer assist – extra help to first time buyers
- Shared ownership – buy a share of the home and pay a monthly rent at a lower overall cost than renting
- Own new – provides access to lower interest rates
- Deposit Unlock – helping to buy with a lower deposit
- 100% mortgages – buy with no deposit with selected lenders
- Cash incentives – up to 5% on selected plots
- Part exchange – part exchange through Property PX Group
- Smooth move – assistance with home sales and contribution towards estate agent fees
- Key worker and armed forces incentives

These products enable us to offer our affordable homes to a wider range of customers. We historically had a higher proportion of first-time buyers, and we expect this to increase again as interest rates fall and customer confidence returns. We are also well positioned to sell to home-movers, downsizers and retirees with our increased range, and equally our product appeals to investors and social housing providers.

It remains cheaper to buy than to rent, with an average 2 bed home costing £162 per week compared to the equivalent rental cost of £202. In addition, our homes are highly energy-efficient using 49% less energy than the average home, and costing £13 less per week to heat. Buying a new home means lower maintenance costs, with customers able to tailor their property to their needs.

All mortgage payments based on Mortgage payments on 85%/90% LTV, 5yr fixed, 35yr term at 4.5%/4.75% (best available mortgage from Rightmove) on Gleeson average OMS ASP on last 6 months net reservations to Jun-24. Rented house new lettings is based on new lettings in Jul-24 from OnTheMarket

Supporting our communities

8 DECENT WORK AND ECONOMIC GROWTH
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Communities

Supporting communities to build a better future

At Gleeson we value the importance of connecting with the communities in which we build. Alongside delivering new homes and sustainable developments, we are committed to developing healthy and positive communities.

Through local engagement activities, community grants, fundraising projects and sustainability initiatives, we aim to deliver meaningful social impact.

Lincolnshire

This year we supported the local town of Horncastle. We partnered with The Ashcourt Group to assist in the repair of Horncastle Community Squash Club; a vital community resource that was damaged by Storm Babet in October 2023. The Ashcourt Group, a renowned builder's merchant, provided materials for the repairs, and we donated £1,000 towards the club's restoration. The repairs to the Club will enhance the community spirit and facilities available in Horncastle.

Tees Valley

Staff members at our Gateshead and Billingham offices joined forces to support Megan's Rose of Hope, a charity dedicated to raising awareness and providing support for young people diagnosed with cancer. Through a series of innovative fundraising events, the team successfully raised over £1,200 for this important cause.

South Yorkshire

Several of our colleagues took part in a charity football match at Oakwell Stadium, home of Barnsley FC. The fundraising event raised over £1,300 for Weston Park Cancer Charity. The charity match was the start of a greater collaboration with Barnsley FC who we have officially now teamed up with, marking the beginning of an exciting journey.

Supporting our communities

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The Lighthouse Construction Charity

Gleeson became an official company supporter of The Lighthouse Construction Industry Charity in the year. The Lighthouse Charity is the only charity that provides emotional, physical, and financial wellbeing support to the construction community and families. By becoming a company supporter, we are excited to unlock even more fantastic resources that will be accessible to all colleagues, their families, and wider communities at Gleeson. The health and wellbeing of our colleagues is so important, making this a seamless partnership and a cause we are proud to support.

lighthouse The Construction Charity

CENTRE POINT ENDING YOUTH HOMELESSNESS

Gleeson Land

The team in Fleet undertook a range of different fundraising events over the year including a sponsored abseil, Santa run and a charity quiz night to raise over £7,700 for their chosen charity, Momentum Children's Charity. Momentum supports families across the South of England whose children are facing cancer or other life-challenging conditions. They offer family support workers, trips and experiences and respite breaks to families who are going through the hardest of times.

Corporate charity

In October 2023, the Company held a Charity Gala in support of Centrepoint, an outstanding charity dedicated to ending homelessness among young people. The event took place at the Queens Hotel in Leeds and was organised by our Land Graduate cohort. With approximately 400 guests in attendance including suppliers, subcontractors, land agents and others, the inaugural event showcased our commitment to making a positive difference in the community. The event's success was clear, and it raised an impressive £41,300 for Centrepoint.

Customer experience

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Communities

Your home

CASE STUDY – OLIVIA AND CAM

Shared ownership

First-time buyers Olivia and Cam initially thought it would take years before they could purchase their first home together. However, their dream of stepping onto the property ladder became a reality sooner than they thought when they discovered Shared Ownership with Gleeson.

"Cameron and I rented two homes before moving into our first home with Gleeson. We soon realised that renting was becoming more expensive than paying a mortgage and therefore made the decision to begin our journey to home ownership with Gleeson.

We'd heard amazing things about Gleeson and other people we know had also bought a Gleeson home, which made it an easy choice for us! Gleeson offers a variety of house types and styles across all developments, making it more appealing.

We thought it would be years until we could save for the deposit and buy, however after being made aware of Shared Ownership, we decided this would be an easy and affordable way to take our first step onto the property ladder. When living in rental property, we didn't realise there were so many schemes available to help first-time buyers.

Buyers: Olivia, 23 and Cam, 27

Occupations: Olivia is a Primary School Teacher and Cam is a Personal Trainer

Date of purchase: May 2024

Development: Crown Gardens, Mansfield

House type: 3-bedroom detached Liffey

Purchase price: £249,995

Mortgage cost: £653 plus £288 shared ownership rent

Previous rent per month: £1,050

Our previous home was similar in size, however, our Gleeson home is detached and also comes with a garage, which is fantastic! We used to pay £1,050 per month renting, but now we pay £941 and enjoy the benefits of owning our own home. Making the switch was an obvious choice!

All the Gleeson staff were so helpful when we were buying, and this is still the case after moving into our home. We were kept updated every step of the way, and nothing was 'hidden' from us that would surprise us later down the line.

Without a shadow of a doubt, we would recommend Gleeson. Nothing is too big or too small for them. From the beginning of our journey to moving in, Gleeson provided a seamless experience and I have full faith they will continue to be just as great in the future!

It feels like a weight has been lifted off our shoulders now that our money isn't wasted on rent and going into someone else's pocket. Lots of our friends and family have come and celebrated with us and we are excited to start this next chapter in our lives with our dog Nala.

Thank you Gleeson for making our dreams come true!"

Customer experience

Communities

Your experience

Buyer: Michelle Eyre, 45

Occupation: Mental Health Worker

Date of purchase: September 2023

Development: Firbeck Fields, Langold, Worksop

House type: 3-bedroom detached Brandon

Purchase price: £219,000

Mortgage cost: £575

CASE STUDY – MICHELLE

Trading up

After living in her two-bedroom semi-detached home for 21 years, Michelle was ready for a fresh start, so decided to sell up and buy a brand new home with Gleeson. Using part exchange through Property PX Group, Michelle was able to forego the typical stress of selling her existing home and enjoyed the seamless process of buying her Gleeson home.

"From the moment I stepped foot onto the Firbeck Fields development, it had such a tranquil and peaceful feel and I couldn't believe how much greenery there was! As soon as I met with the Gleeson team, they made me feel welcome. There was no pressure to buy and they suggested looking into the part exchange options as I wanted a quick sale.

I wanted a quality home at an affordable price and that's exactly what I have got. The quality of the build is amazing and I was able to buy a spacious, detached 3 bedroom home with a garage, that I can confidently say I never thought I would own by myself. I previously owned a 2 bedroom semi-detached house that I lived in for 21 years. Renting has never been an option for me and I had a great deposit to put down from the sale of my old home.

The process of buying from Gleeson was simple! From the point of reserving my new home the whole process took around three months. From the exchange of contracts to completion, it only took 10 days! Whilst I know part exchange is not always for everyone, I had a lot of equity in my old home and wanted to avoid the stress of selling it, so it was the right decision for me and I haven't looked back. I also received a 5% deposit contribution from Gleeson which was a big help!

I have never felt as content, safe and happy as I feel in my Gleeson home. Everything is brand new and I have only experienced the odd snags here and there, which have all been resolved quickly. Gradually I hope to put my own stamp on it – I would always opt for a new build. I'm also happy that, as the home is more energy efficient, the energy bills will be lower than I was previously paying in my old house.

I am one of Gleeson's biggest champions and would recommend to anyone wanting a new build at an affordable price to seriously consider a Gleeson home. The standard of build and support I've received is amazing and the aftercare service has also been exceptional. I know that friends and family who live in new builds that aren't Gleeson have not received the level of care which I have and I am proud of my beautiful home."

Customer experience

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Communities

New home

Buyer: Danyelle Singh, 33

Occupation: Purchasing Coordinator

Date of purchase: November 2023

Development: Middlestone Meadows, Spennymoor, County Durham

House type: 3-bedroom semi-detached Woodford

Purchase price: £172,995

Mortgage cost: £879

CASE STUDY – DANYELLE

First time buyer

Recognising the value for money offered by a Gleeson home compared to a city apartment, first-time buyer Danyelle decided to get onto the property ladder with Gleeson and, to her delight, her new home just happened to be across the street from her sister!

"My journey started after me and my sister, Chantelle, decided we wanted to move out of the family home and into our own houses. I was initially interested in buying an apartment somewhere central in Newcastle as I thought that would be better for me as a solo homeowner and I would enjoy the city life. Nothing was tying me to Spennymoor where my family home was, so I began my search for an apartment.

I soon discovered that there were a lot of additional costs with buying an apartment, such as the service charge and management fees. I also share a dog with my sister and found that the rules for owning a dog in an apartment were very blurred and it wasn't something I wanted to risk.

In the meantime, my dad suggested to my sister to view one of the show homes at Middlestone Meadows, so I went along with her to see what Gleeson offered. After discovering the price for a Gleeson home was similar, if not less than the apartments I'd been viewing in Newcastle, but I would get three bedrooms plus a garage and a garden – it was a no-brainer! Not only would I be getting a lot more for my money, but I would be a lot more relaxed living close to my sister, making life a lot easier with sharing our dog! Unlike apartments, there were also no hidden costs or charges and I would truly own my own home.

The Sales Executive, Jackie, was amazing with helping us on our journey, as a first-time buyer I felt comfortable asking her any questions, no question was a silly question! I've always been a bit nervous about buying a house as it felt such a daunting experience, but Jackie made me feel at ease throughout my journey and I am so grateful for her help! It was also very special going through the process at the same time as my sister. We both reserved and moved in within weeks of each other, so we could help each other throughout the journey and experience it together!

We now live across the road from each other, are often round at one another's houses! We had different tastes when it came to picking the options for our homes – Chantelle went for a darker, wooden interior whereas I went for a much brighter vibe.

I feel so settled and part of a community on my development, I'm so glad that I opted for a new build home over a city apartment and I can't wait to see what the future holds for me in my Gleeson home!"

Customer experience

Communities

Starting again

Buyers: Andrea, 42 and Chipo, 41 and their three children

Occupations: Accountant and Care Support Worker

Date of purchase: June 2024

Development: Greymoor Meadows, Carlisle, Cumbria

House type: 3-bedroom semi-detached Wicklow

Purchase price: £180,000

Mortgage cost: £924

Loan to value percentage: 90%

Previous monthly rent: £800

CASE STUDY – ANDREA AND CHIPO

New beginnings

After moving to the UK from Zimbabwe in June 2022, Andrea, Chipo and their three children started renting a 3-bed home in Stanwix, Carlisle. Eager to get onto the property ladder and start investing in themselves, the family were thrilled when they discovered Gleeson.

"We relocated to the UK from Zimbabwe in June 2022, and many people doubted our ability to own a house after only such a short time in the UK. However, with determination and by finding the right developer who understood our requirements to help guide us through the process, we achieved our dream of becoming homeowners in the UK.

Gleeson came highly recommended by friends who were renting from a Housing Association on one of their developments. After loving their rented home, our friends have now bought a house from Gleeson, which is set to be finished in July 2024 – we both heavily influenced each other on our purchases!

When we visited the sales office, the Gleeson team presented the various options to help us get onto the property ladder. The process of buying our new home was seamless. We received great support from the sales team, the mortgage broker, and our solicitors. Everyone worked tirelessly to make sure that we were kept updated and got access to the most competitive mortgage rates, home insurance and life insurance.

Our previous rental cost was £800 per month and now our mortgage is £924. Yes, the mortgage is higher than the rent that we paid previously, but we get so much more value from owning our own home. For instance, the energy efficiency – we have never felt so warm without switching on the heating! It feels homely and we can make it our own, rather than being someone else's tenant! What's more, we will benefit from any increases in value so it makes so much more sense than renting.

We absolutely love our new home, it is big enough to fit all the family, the garden is spacious, and the driveway can fit two cars. Above all, it suited our budget and offered fantastic value. We are so excited to be in our new home. We believe that if Gleeson made it happen for us, they can make it happen for anyone."

Customer experience

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Communities

Fresh start

Buyer: Pauline Williamson, 81

Occupation: Retired

Date of purchase: September 2023

House type: 2-bedroom detached Moy

Purchase price: £199,995

Mortgage cost: Cash purchaser

Development: The Green, Blidworth, Mansfield

CASE STUDY – PAULINE

Downsizing

After her husband sadly passed away, Pauline decided it was time to start fresh and sell their family home, and move into a smaller 2-bedroom detached bungalow which better suited her needs, including being closer to her family.

"After my husband's death, I thought that selling our family home would be a new start for me. After searching for a home for two years and experiencing issues with the purchase of a second-hand home, I saw Gleeson had bungalows for sale which offered everything I wanted, all on one level. No other developers seemed to be building bungalows in the area I was looking at, so choosing to downsize at The Green with Gleeson was an easy decision for me.

It was the property type and being a brand-new home that attracted me to the development over the area. I was excited to have a new property on a small development with the plot being located within a quiet cul-de-sac.

I upgraded the kitchen, added Karndean flooring, carpets, a shower over the bath, an outside light and tap, and wardrobes. I wanted to be able to move straight into a new home where I had nothing to do, and everything was brand new.

I wanted a fresh start after my husband, Bob, passed away, and I also wanted a smaller, more manageable garden. I now feel happier in my new home, and I am nearer to my family, so there is less travelling involved when I visit them. I have also made new friends with my lovely neighbours, there is a fantastic community feel to the development.

I would recommend buying a Gleeson home to anyone who is looking."

Health and safety

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

People

Safety is our highest priority

We have a "safety first, always" culture through our HomeSafe belief – HomeSafe everyone, every day. This belief underpins everything we do and covers everyone involved in any of our projects ensuring they remain unharmed or affected by any of our activities returning home safe every day.

HomeSafe Essentials training is given to all site management for an understanding of our site procedures and throughout the year refresher training has been delivered by our Safety Health and Environment (SHE) team. The team comprises of professionally qualified safety, health and environmental managers and during the year we have restructured the team to align with business growth plans, ensuring dedicated SHE support in all our regions. 751 HomeSafe site SHE inspections were completed across the year with a Group average score of 88% (85% minimum compliance).

In the next year we will recruit a defined Group Environmental Manager who will provide additional environmental support to the SHE Managers and the wider business. This means that our focus on environmental protection will be enhanced whilst maintaining a clear focus on Health and Safety performance and continual improvement of the systems, processes and procedures.

SafetyCulture Platform

We have implemented the SafetyCulture platform across the business with the initial introduction of digitalised site inspections by the SHE team. The platform has streamlined the inspection format allowing for easy data capture and action close out. The platform has allowed for improvements in SHE record keeping and data analysis.

Mental health & wellbeing

Led by our HR team we have engaged with the mental health charity Andy's Man Club to raise awareness of the support available with mental health and wellbeing issue for our employees and supply chain. A promotional campaign was completed across all of our sites and offices with a series of presentations undertaken by the charity on site. Further collaboration with the charity is planned over the coming year.

JCB Livelink

This year, we will provide JCB Livelink across the business. Livelink will provide real time reporting across all our site telehandlers giving instant data around safety compliance such as seatbelt misuse, excess speed alerts as well as operational data such as fuel consumption, idling etc. This will allow for accurate reporting and analysis as well as improve action response times.

Site Environmental Awareness Training (SEATS)

To help identify, control and minimise potential environmental issues on our developments all site management have received SEATS training with the course added to our suite of mandatory SHE training modules for continued refresher training.

HomeSafe everyone, every day

Jake and Jake,
The Rowans, Cumbria

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

People

Empowering our workforce for success

We are Passionate

We are passionate about building high-quality homes that are affordable for everyone.

We are passionate about our customers and ensuring they enjoy buying their home from us. Where we get things wrong, we aim to put it right quickly and fairly.

We are proud of the strong relationships we build with our suppliers and contractors who work alongside us.

We are Collaborative

We work together collaboratively, with shared goals, where information, knowledge and ideas can be discussed openly, honestly and free from judgement.

We listen to our customers and work with them throughout their buying journey.

We collaborate with our external partners and value their part in helping us achieve our goals.

We are Respectful

We respect the right to a safe working environment on all our sites and in all our offices and are fully committed to ensuring our colleagues and those who work on, or visit our sites and offices, return HomeSafe – everyone, every day.

We are respectful of our customers, colleagues and partners by listening to them and treating them equally and fairly.

We undertake our business in an ethical way, and we respect the environment.

Our HomeSafe brand is fundamental to taking care of our people, ensuring that everyone who is involved with, or affected by, our business remains free from harm and returns home safe every day.

Monitoring our culture

Our strategy relies on having the right people in the right roles who share our vision, mission and values. Our aim is to attract, retain and develop people by having a clear mission and vision with people at the heart of it, and promoting a vibrant, diverse and forward-thinking environment for people to flourish.

Our annual Your Voice survey provides an opportunity for all employees to provide anonymous feedback on a wide range of topics. This is our fifth year running the survey, and participation has increased every year. This year we achieved an incredibly strong participation rate of 91%, up from 77% last year. Although our overall engagement score decreased slightly from 87% to 85%, we remain in the top quartile of all companies surveyed. The significant increase in responses ensures that we are capturing the views from a wider range of our colleagues. Importantly, this year we heard from 87% of our Build colleagues who are predominantly site based, increasing representation across the business.

We saw a positive increase across the business in ‘belief in action’ as a result of sharing employee feedback through the survey. This demonstrates that we took action throughout the year to act on the results from the last survey and will do so again with the latest feedback. More details on the actions taken in the year are set out on page 83.

We are proud to have been awarded an “Outstanding Workplace” award for a third year, which reflects the strength of employee engagement at Gleeson and supports our intention to continue listening and working with colleagues to create the best working environment for people to thrive in.

KEY HIGHLIGHTS

Our employee engagement score

85%

Benchmark: 80%

Our people are proud to work for MJ Gleeson

83%

Benchmark: 79%

Values and culture

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

People

Wellbeing and mental health

The wellbeing of our colleagues continues to be an utmost priority and providing all individuals with access to the right tools for supporting their wellbeing is crucial. We continue to enhance our Wellbeing Toolkit which signposts individuals to a vast amount of support tools and resources towards the wider spectrum of wellbeing including mental health support, emotional, financial, social and physical wellbeing.

We have 18 Mental Health First Aiders across the business supporting colleagues and 21 colleagues due to attend Mental Health First Aid training in the coming months.

Last year we added the Lighthouse Club to our Wellbeing Toolkit. The Lighthouse Club is a charitable welfare and support service for the construction community, providing a vast amount of support, resources and tools to individuals and their families. We also launched a new Employee Assistance Programme (EAP) with Spectrum Life, which provides all employees with access to a range of wellbeing services.

We continue to communicate the benefits of our private healthcare policy and health cash plans which support employees with any healthcare requirements, and have hosted "Lunch and Learns" to enhance awareness and help people to access these benefits.

UN SDG	How we align to it
5 GENDER EQUALITY	We are committed to encouraging more women into the sector and promoting fair pay regardless of gender.
8 DECENT WORK AND ECONOMIC GROWTH	We provide employment in the areas we operate both directly and indirectly. All of our employees and subcontractors are paid the Real Living Wage.

Diversity and inclusion

We recognise the role we have in creating better opportunities for people of all backgrounds. We have taken further steps on our Fairness, Inclusion and Respect (FIR) roadmap this year and continue our aim to create a working environment that provides equal opportunities for all and celebrates differences. We are working with The Supply Chain Sustainability School to provide early indicators to this roadmap following the completion of the FIR Growth Assessment tool. The School opens up a wider source of tools and resources to share with colleagues across the business, enhancing the working environment. Some of the stages within our FIR roadmap this year relate to building stronger relationships with local colleges, schools and universities in a diverse range of areas by hosting workshops and careers fairs facilitated by our in-house Talent team. In addition to this we have conducted 'Early Talent Ambassador' training to colleagues in several regions, promoting the opportunities and potential future pathways for individuals to work in the construction industry.

We have made enhancements to our applicant tracking system to enable us to understand the diverse backgrounds of talent that we are attracting to the business through additional EDI related questions, and have increased access on our E-Learning platform, ihasco, to include training resources such as neurodiversity awareness, female health awareness and unconscious bias.

We continue to aim to create a working environment that provides equal opportunities for all. Promoting and embedding our values of being Passionate, Collaborative and Respectful forms the foundation for a diverse and inclusive work environment. Through our annual People Survey, we closely monitor the confidence of our employees to be their true self at work together with responses from people of all backgrounds being respected and valued at Gleeson.

We continue to roll out our mandatory diversity and inclusion training across the business.

Nurturing talent

People

Nurturing talent building futures

Abbie,
Marketing Co-ordinator

Promoting women in construction

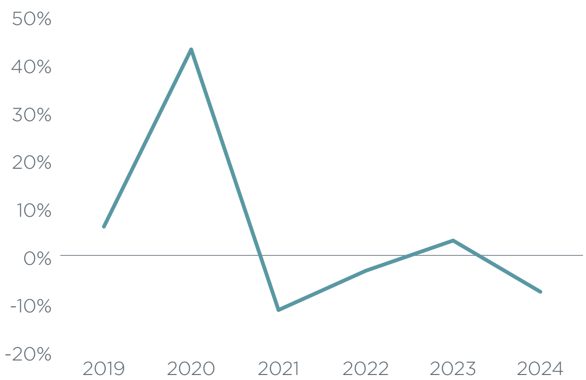
This year we were delighted to become a Gold member of Women into Construction for 2024. Women into Construction is an independent not-for-profit organisation that promotes gender equality in construction. We look forward to contributing to the organisation this year and going forward to create a more gender-equal workforce for the industry.

Gender pay gap

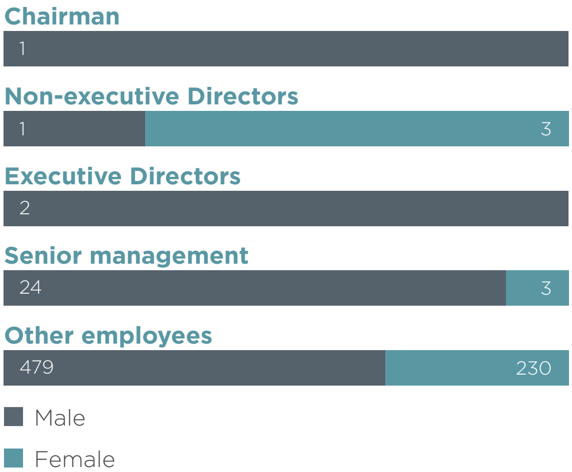
In 2024 our median gender pay gap was 7.6% in favour of men (2023: 3.1% in favour of women). Our gender pay gap fluctuates year on year depending on the number of women in senior positions – in three out of the last six years the pay gap has been in favour of women. 45% of women now occupy the upper two pay quartiles compared to 51% in 2023, which has caused the gap to move in favour of men this year. Whilst the legislation describes this as a 'gender pay gap', the Group has an equal pay policy and pays men and women who occupy the same role, the same. The gap arises as a result of men and women occupying different roles in the business, which leads to a gap between the median paid male versus the median paid female.

Further information about our gender pay gap, and what we are doing to address it, is included in our Gender Pay Gap Review, which is available at www.mjgleesonplc.com.

Median gender pay gap % in favour of women



Gender breakdown



Nurturing talent

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

People

Investing in skills

Apprentices

We have a long standing and active apprenticeship programme covering many areas of the business. We are committed to ensuring that over 5% of our employees are on 'earn and learn schemes' which includes apprenticeships, trainees and graduates. We exceeded our target for the year, with 10% of the workforce in earn and learn roles in the year. Our apprentices get an average of two years on-the-job training and an NVQ (or equivalent). In many cases, they stay on with us for further training or move into permanent roles. Gleeson is proud to work collaboratively with the NHBC on an ongoing basis across its business operations, with many of its apprentices utilising the NHBC training facilities.

We have also hosted Early Talent Celebration days in the year which included guest speakers and awards, and a cohort of our trainees visited the House of Commons as part of the HBF's call to address the skills gap in our industry.

Riley, Apprentice Joiner,
The Rowans, Cumbria

Investors in People

We are fully accredited by Investors in People. We are delighted that we achieved a 'We invest in People GOLD level' accreditation for demonstrating a consistent level of Developed, Established and Advanced dynamic according to the IIP framework. We continue to work in collaboration with IIP and with our colleagues to build our roadmap to making Gleeson an even better place to work.

Learning and development

Our aim towards learning and development at Gleeson is to continue providing spaces for colleagues to grow and truly maximise their potential for the benefit of individuals and business needs and requirements. We support our colleagues in tailored ways, some of which are set out below and overleaf.

Sales excellence training – response to challenges in the market

We launched our sales excellence programme in the year in response to the challenges in the market and our continuing commitment to quality.

Gleeson Sales Excellence consists of three core pillars:

1. New to sales onboarding programme
2. Leadership programme
3. On site Sales teams development programme

This equips our sales team with the knowledge, skills and behaviours to thrive in their roles at Gleeson.

Nurturing talent

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

People

Building careers

Mark, Site Manager, Crown Gardens, Nottinghamshire

Talent mapping and succession planning

We have continued to conduct regular talent mapping and succession planning across the business, to assess key strengths and target development needs to ensure that learning and development interventions are appropriately tailored to the needs of individuals and the business.

Leadership and management development pathways

We have significantly enhanced our learning and development pathways towards leadership and management development including:

1. Gleeson Skills Development Programme (GSDP) (Basic) – Introduction to Leadership & Management at Gleeson. This programme is a 2 day course targeted at Foundation level colleagues in accordance with the Gleeson Competency framework. It provides introductory training to the skills, knowledge and behaviours required for leadership and management roles.
2. GSDP (Intermediate) – Intermediate level training for Leadership & Management targeting colleagues who are at Operational level in accordance with the Gleeson Competency Framework, specifically middle management. This programme is built to enhance leadership and management knowledge, skills and behaviours.
3. Gleeson Leadership Development Programme (GLDP) (Advanced) – Advanced level training for Leadership & Management targeting colleagues who are at Tactical-Strategic level in accordance with the Gleeson Competency Framework, specifically senior leaders across the business. This programme has seen further enhancements this year with the reshaping of modules to align to business requirements along with the inclusion of MBTI assessments and workshops.

All programmes consist of classroom based training, professional qualifications and 360 degree feedback and 1:1 coaching. Our aim for learning and development at Gleeson is to continue providing spaces for colleagues to grow and maximise their potential.

Nurturing talent

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People

Recognising and valuing our people

Communication and engagement

We recognise the importance of keeping employees informed and do this in a number of ways, including a weekly newsletter, employee roadshows, our intranet ("The Hub") and "Lunch & Learns".

- Lunch & Learns – to enhance communication along with appreciation and understanding for what departments do across the business.
- Regional Board Meetings – this year we have changed the location of monthly board meetings to a regional location based on a rotation. This enables the Executive Board to attend these meetings within regions and has also increased presence on site visits to enhance contact with business leaders for all levels of the organisation.

Real living wage

We were the first listed housebuilder to be accredited by the Living Wage Foundation for paying our employees a "real" living wage, an independently calculated rate of pay that is based on the actual cost of living. We ask all of our subcontractors to pay their operatives in accordance with the Real Living Wage when working on Gleeson sites. The Real Living Wage covers all employees aged 18 and over, with the exception of apprentices.

Chloe and Debra,
Gleeson Sales Centre

Recognition

This year we launched a refreshed recognition scheme that we call 'Gleestar'. The new scheme was designed through consultation with a working group of colleagues to ensure that the peer to peer recognition tool was truly engaging with colleagues. In our first month of the rebrand we received a record number of 196 nominations for Gleestar of the month.

We appreciate that individuals have been impacted by the cost of living crisis across the country and we look for opportunities to continue supporting our colleagues with helping their money go further. We launched 'Gleesave' through the reward gateway platform opening up valuable discounts for all of our employees.

Energy efficient homes

Environment

Understanding our carbon footprint

We recognise the impact that housebuilding can have on the environment. There is a 'carbon cost' of building and running a home, as well as an impact on the land on which a home is built. House building generates waste, consumes water and can impact biodiversity. The occupants of homes consume water and send their waste water to the sewer system for treatment, and produce greenhouse gases through heating and power.

Our long-standing core alignment with the UN SDGs, alongside our established strategic approach to build predominantly on brownfield land or in areas of higher deprivation, means we have already made inroads in our sustainability strategy over many years. We have also increasingly utilised more innovative and sustainable solutions as they become available, both within and adjacent to our operations, to ensure we build and operate as responsibly as possible. This year, we have placed further emphasis on improving environmental management and we are currently in the process of recruiting an Environmental Manager.

KEY HIGHLIGHTS

CO_2e to build a Gleeson home

49 tonnes

An average Gleeson home takes 49 tonnes of CO_2e to build – without further action this will rise to 54 tonnes under the Future Homes Standard due to the increase in size of properties, thermal insulation and increased embodied carbon of alternative heating systems.

CO_2e to live in a Gleeson home

106 tonnes

The average Gleeson home adds 106 tonnes of CO_2e of in-use emissions over 60 years. However, the installation of air source heat pumps and the decarbonisation of the grid is expected to reduce in-use emissions to 40 tonnes of CO_2e over 60 years.

Science Based Targets submission

Last year we committed to set science based targets with the Science Based Targets initiative (SBTi) and, in June 2024, submitted our targets for validation for near-term and net zero targets across scopes 1, 2 & 3. The validation process with the SBTi will commence in October 2024, so we are on track to deliver on our commitment to gain validation by the SBTi within the two year timescale.

The submission of targets for validation is an important milestone for the Group, demonstrating our ongoing commitment to direct climate action through decarbonisation across our operations, supply chain and in-use emissions.

A significant element of this process has been to ensure accuracy and transparency and, as a result, we carried out a full review and refresh of our emissions inventory across scopes 1, 2 and 3 in the year. We also appointed an external assurance provider and have gained limited assurance over our GHG data for both the baseline and current year emissions.

Through our work over the past three years, we have developed a stronger understanding of the carbon emissions generated from building our homes and customers subsequently living in them, as well as how future regulations and initiatives may have an impact in the near term. Our submission to the SBTi is based on modelling of our projected emissions to 2050 along with proposed reduction initiatives to reach our targets. We will publish our targets and plans for decarbonisation to meet near-term and net-zero emissions targets in 2025 once we have received validation.

The SBTi is a partnership between the Carbon Disclosure Project, United Nations Global Compact, World Wildlife Fund and World Resources Initiative and the most widely recognised pathway to decarbonisation. It is aligned to the Paris Agreement's objective to work together worldwide to limit the global temperature increase to 1.5°C from pre-industrial levels.

Introduction to scope 1, 2 and 3 emissions

The scopes of carbon emissions were first introduced by the Greenhouse Gas (GHG) Protocol. They originated from the requirement to break down GHG emissions into different categories to enable the assessment and understanding of a carbon footprint.

Scope 1

Scope 1 emissions are 'direct emissions', generated directly from our own operations. These emissions are generally burnt fuels including diesel and LPG for plant and site activities, gas used in show homes, pre-completion plots and offices, and fuel for company vehicles.

Scope 2

Scope 2 emissions are 'indirect' emissions which arise from electricity generation. Essentially this is the electricity we purchase for lighting, heating and cooling other infrastructure and ancillaries which require electricity, both on site and in offices.

Scope 3

Scope 3 emissions are 'indirect' emissions which occur across our value chain and are split into upstream and downstream.

For a Gleeson home lifecycle, we measure this over a period of 60 years, which follows the Building Research Establishment (BRE) Green Guide.

Scope 3 emissions also include business travel, employee commuting and waste generated in operations as well as other more minor categories of emissions.

Top 10 CO_2e contributors in the build process

	Tonnes of CO_2e	% of total
Cement mortar	7.3	15%
Bricks	3.9	8%
Fuel used on site	3.1	6%
Tarmac/bitumen surfacing	2.9	6%
Concrete blocks	2.9	6%
Ready mix concrete	2.7	5%
Windows and doors	2.4	5%
Radiators	1.9	4%
Fibreglass roof materials	0.8	2%
Cavity wall insulation	0.7	1%
Top 10 contributors	28.6	58%
Other contributors	20.8	42%
Total	49.4	100%

Energy efficient homes

Environment

Sustainable living through efficient design

Concrete bricks, The Rowans, Cumbria

Air source heat pumps

The most significant carbon impact comes from scope 3 emissions in building our homes and from the emissions of our homes in use over their life. For in-use emissions the single biggest contributor is the heating system of the home, which has typically been from gas boilers.

The Future Homes Standard, which is due to be in force in 2025, means that new build homes must generate 75–80% less in-use carbon emissions when compared to pre-transitional regulations. This will effectively prohibit the use of fossil fuel heating in homes, for example from gas boilers.

We are committed to playing our part in providing a healthy planet for future generations and are embracing the Future Homes Standard. For all homes started after 15 June 2023, we have been installing Air Source Heat Pumps (ASHPs), which means that our homes will be net zero ready in preparation for the UK grid being fully decarbonised by 2035, or where our customers move to a verifiable ‘green tariff’ with their energy supplier. During the year, we have installed 44 ASHPs, an increase of 120% and a carbon saving of 3,487 tonnes CO_2e over the life of the homes built.

Concrete bricks

The transition to lower carbon materials will be pivotal in our plans to decarbonise. We are conscious of the efforts being undertaken across the clay brick industry to decarbonise and clay bricks remain a key construction material. However, we are also embracing lower carbon materials including concrete bricks and reconstituted stone. Over the past few years we have increased the use of concrete bricks, which provide a significant reduction in embodied carbon over a traditional clay brick. This year we have sold 338 homes built using concrete bricks or reconstituted stone. This will continue to increase and, as with any other material changes, we will ensure that these do not impact on the quality, longevity or aesthetics of the homes we build. There are a number of advances in bricks and brick/façade systems and this is something we are continuously monitoring.

Supply Chain Sustainability School

We continue to engage with the School by being involved with and contributing to various working groups across sustainable development themes.

- Reviewed supply chain engagement targets to focus on and set targets for those supply chain partners who have a direct impact on site efficiencies, for example groundworkers. See targets and actions on page 84
- Achieved Gold level of engagement
- Maximised the fairness, inclusion and respect (FIR) and ethnicity, diversity and inclusion (EDI) resources
- Achieved a partner value of £216,250
- Delivered 84 hours of training to staff and subcontractors

Next year, we will maintain our Gold level of engagement and increase the extent of learning opportunities across the business supply chain.

Energy efficient homes

Environment

Reducing build emissions

Energy efficiency and EPC ratings

Our homes are already designed to be highly energy efficient and 96% of our homes achieve an EPC rating of B or above. In assessing the 2025 building regulations and the introduction of air source heat pumps, we changed our insulation methods to make further improvements to energy efficiency. This will reduce both the carbon emissions and the heating costs of the home throughout its life.

Hybrid generators and grid connection

One of the largest opportunities within our scope 1 and 2 reduction initiatives is gaining early grid connections for our developments and limiting the use of diesel generators on site. Our electricity is purchased on REGO-backed green tariffs. Combined with the UK Government's commitment to decarbonise the grid by 2035, energy transition from burnt fuels using generators to 'mains' electricity provides significant carbon emissions savings. As part of our processes, we target getting sites connected to the grid at the earliest possible opportunity.

Where generators are required, we have implemented a policy to use hybrid generator technology (>30 kVA). Trials of the 30 kVA generators showed average fuel and emissions savings of 39% over a standard diesel generator. Unfortunately, we still had some legacy 'standard' generators on sites during the year which are being phased out. All new generators on hire from January 2024 now utilise hybrid technology.

HVO fuel

As part of our scope 1 emissions reduction initiatives, we previously identified the use of hydrotreated vegetable oil (HVO), which provides a significant carbon saving over regular 'white' diesel. However, the demand for HVO and the impact of the continued energy and fuel crisis has resulted in the cost of HVO soaring making it commercially unviable on certain sites. As a result, HVO accounted for less than 1 % (2023 7%) of total liquid fuels that we used on site during the year. We are continuing to monitor fuel costs and our fuel policy continues to favour HVO over white diesel where it is commercially viable.

Supply chain and sustainable materials

Since 2022 we have been partners of The Supply Chain Sustainability School ("the School"). This enables us to upskill colleagues and work collaboratively with other housebuilders, subcontractors and suppliers in the construction industry to achieve common goals in delivering a sustainable future. Throughout the year we engaged with the School to help develop our FIR and EDI strategies. We are pleased to have retained our Gold level of engagement with the School.

In order for us to decarbonise to meet a 1.5°C scenario, it is critical that our supply chain decarbonises its operations. Through direct liaison with suppliers and through the School, we are trying to influence and work with our supply chain partners to improve our understanding of how we can 'design out' carbon from the homes we build in transition to a lower carbon future.

Emissions and targets

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Environment

Towards a greener tomorrow

Science based targets

We have submitted targets for validation by the SBTi, which included setting a baseline year (2022), near-term target (2032) and a net-zero target (2050). Targets will be a combination of an absolute reduction target for scope 1 and 2 emissions, meaning we reduce our overall CO_2 equivalent emissions in total from the base year (regardless of build volumes), and an intensity reduction target for scope 3, meaning we will reduce the emissions per m^2 of floor area of homes sold. We will announce the specific targets once we have had these validated, and report against them in future reporting periods.

We have joined over 5,000 companies taking climate action whilst continuing with our mission of changing lives by building affordable, high-quality homes, for those who need them the most.

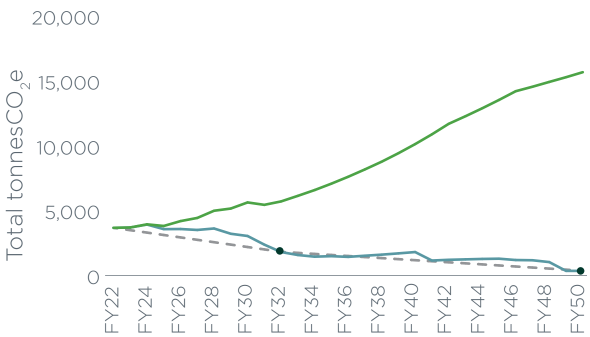
Establishing our targets

We have been working to enhance our understanding of the greenhouse gas emissions throughout our operations over the last three years and are constantly developing our models and assessments. Unlike many of our competitors who use a spend based approach, we have carried out detailed assessments of each of our house types using their bill of materials and relevant supplier EPDs, or closest available information using a life cycle assessment, to determine the emissions generated in building each house and its related infrastructure.

This more in-depth approach has allowed us to model the emissions we expect in future periods, taking into account growth in volumes anticipated and house type mix. In doing so, it allows us to more accurately identify the areas we want to target to reduce our overall emissions.

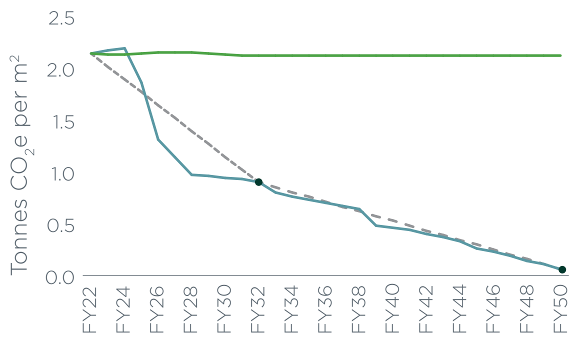
We intend to publish our targets following validation by the SBTi, but the chart below shows the shape of our planned trajectory.

Scope 1 & 2 reduction plan



- Baseline if no action taken
- Forecast after planned carbon saving initiatives
- Science Based Target assuming straight line trajectory
- Near term 50.4% absolute reduction and long term 90% absolute reduction

Scope 3 reduction plan



- Baseline if no action taken
- Forecast after planned carbon savings initiatives
- Science Based Target assuming straight line trajectory
- Near term 58.1% intensity reduction and long term 97% intensity reduction

Emissions and targets

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Environment

Committed to cutting our carbon footprints

Achieving our net zero targets

Scope 1 and 2 emissions

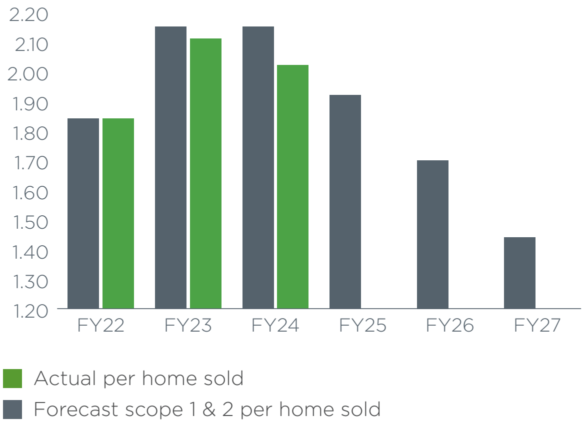
In previous years, to align with internal targets, we disclosed scope 1 and 2 emissions as an intensity measure per homes sold. However, to align with Science Based Targets requirements, we will now be disclosing this as an absolute measure. For the year, our absolute scope 1 and 2 emissions decreased to 3,575 tCO_2e (FY23: 3,629 tCO_2e). The decrease is due to a reduction in site fuel offset by an increase in both gas and electricity usage on sites and show homes as we held plots for longer due to reduced sales rates.

It remains a key priority to reduce our scope 1 and 2 emissions and our Science Based Targets validation will set out an absolute reduction target for scope 1 and 2 emissions for near-term and net zero targets. We have already implemented some of the measures to be taken as set out on pages 70 to 71.

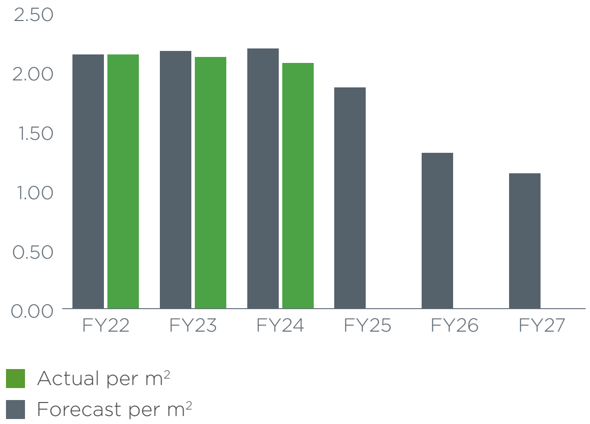
Scope 3

We are continually looking at ways to improve the efficiency of our homes in use, and reduce the embodied carbon of the materials we use to build them. We will continue to increase the proportion of homes incorporating existing initiatives, such as air source heat pumps, as well as putting in place new technologies and actively engaging with our supply chain to identify lower carbon alternatives.

Scope 1 & 2 actual versus forecast (tCO_2e per home sold)



Scope 3 actual versus forecast (tCO_2e per m^2)



Emissions and targets

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Our scope 1 and 2 emissions in detail

The table below shows the energy usage and carbon emissions for the Group in line with the Streamlined Energy and Carbon Reporting ("SECR") requirements. Energy efficiency actions taken in the year are set out on pages 70 to 71. All energy consumption and carbon emissions originate in the UK. Our carbon emissions are calculated in accordance with the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard.

Greenhouse gas emissions		2024[1]	2023[2]	2022 (baseline)[1, 2]
Scope 1 – combustion of fuel*	tCO_2e	**3,080**	3,274	3,165
Scope 2 – electricity purchased for own use (market method)*	tCO_2e	**256**	269	234
Scope 2 – electricity purchased for own use (location method)*	tCO_2e	**495**	355	511
Total Scope 1 and 2 GHG emissions (market method)*	tCO_2e	**3,336**	3,543	3,399
Total Scope 1 and 2 GHG emissions (location method)*	tCO_2e	**3,575**	3,629	3,676
GHG intensity per home sold (location method)	tCO_2e	**2.02**	2.11	1.84
GHG intensity per m² (location method)	tCO_2e	**0.027**	0.029	0.025
Scope 1 energy consumption	kWh	**13,817,027**	15,272,198	14,197,513
Scope 2 energy consumption	kWh	**2,387,771**	1,712,130	2,640,108
Scope 1 & 2 energy consumption*	kWh	**16,204,798**	16,984,327	16,837,621
Scope 3 (Category 1a: Purchased goods and services – product)	tCO_2e	**72,365**	70,323	79,333
Scope 3 (Category 1b: Purchased goods and services – non-product)	tCO_2e	**307**	598	489
Scope 3 (Category 2: Capital goods)	tCO_2e	**923**	1,618	1,346
Scope 3 (Category 4 Upstream transportation and distribution)	tCO_2e	**637**	529	685
Scope 3 (Category 5: Waste generated in operations)	tCO_2e	**7,518**	7,311	8,331
Scope 3 (Category 6: Business travel)	tCO_2e	**271**	129	195
Scope 3 (Category 7: Employee commuting)	tCO_2e	**113**	220	266
Scope 3 (Category 8: Employee remote working)	tCO_2e	**17**	11	18
Scope 3 (Category 11: Use of sold products)	tCO_2e	**187,474**	187,210	215,145
Scope 3 (Category 12: End-of-life treatment of sold products)	tCO_2e	**1,779**	1,729	2,660
Total Scope 3*	tCO_2e	**271,404**	269,678	308,468
Scope 3 – GHG intensity per m² of floor area	tCO_2e	**2.073**	2.123	2.138
Scope 3 – GHG intensity per home sold	tCO_2e	**153.16**	156.52	154.23
Total Scope 1, 2 and 3	tCO_2e	**274,979**	273,307	312,144
Total Scope 1, 2 and 3 per m²	tCO_2e	**2.100**	2.151	2.163
Total Scope 1, 2 and 3 per home sold	tCO_2e	**155.18**	158.62	156.07

1 We engaged Grant Thornton UK LLP to provide independent limited assurance over selected 2022 and 2024 data highlighted in the above table with a * symbol using the assurance standards ISAE 3000 (Revised) and ISAE 3410. The Group's full GHG Reporting Methodology can be found at www.mjgleesonplc.com/sustainability

2 2022 figures have been restated following methodology improvements achieved through improved information and as a result of the third party assurance process. These improvements have also been reflected in the 2023 restated numbers.

Biodiversity and resources

Environment

Homes in harmony with nature

Biodiversity and ecology

Our focus on building affordable, quality homes where they are needed, means that we are often building on brownfield land, which can be biologically diverse. We are mindful of the ecological impact that the clearance of land and use of natural resources in building new homes has, however, we also recognise the opportunity for nature. Nearly 5% of land use in England is for residential gardens. This provides a real, tangible opportunity to create mosaics of land to help biodiversity by planting and creating habitats for nature to thrive.

Last year we welcomed a Senior Ecologist, Sarah Rochelle, to our team, bringing ecology expertise in-house and enabling us to bring more focus to this key area. Our Senior Ecologist has been pivotal in advising on ecology matters, including biodiversity assessments on new sites, and shaping our biodiversity strategy.

Legislative requirements

Biodiversity Net Gain requirements came into force in February 2024. From this date, our developments are required, via the Environment Act 2021, to create a measurable 10% gain to biodiversity, either through habitat retention, enhancement or creation on site, or by the funding of habitat creation offsite, and safeguard it for at least 30 years. This is referred to as Biodiversity Net Gain (BNG).

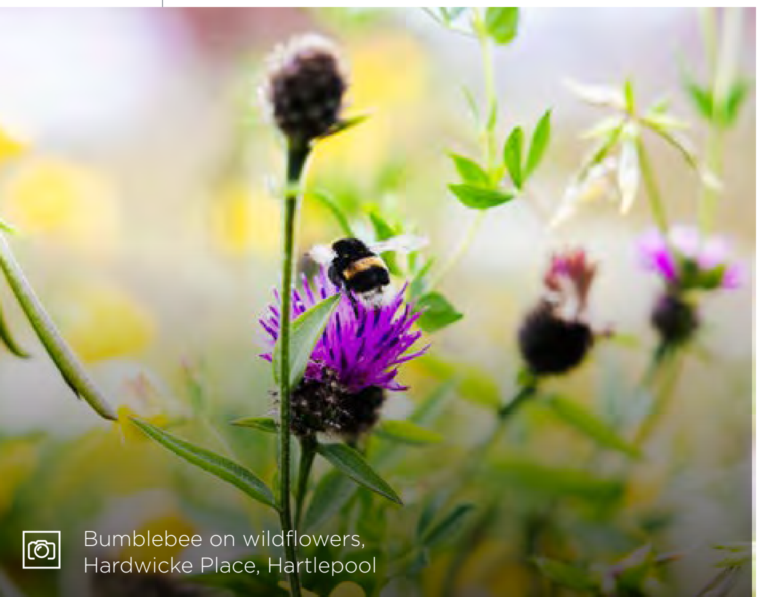
When we acquire land for development, these sites are often brownfield, including land contaminated with non-native, invasive plant species. The land has often been left for many years to naturally colonise and rewild, so it can sometimes have a high biodiversity baseline. Clearing land for remediation in readiness for construction can have an initial short-term detrimental impact on nature at the site but provide a long-term benefit and legacy. We consider biodiversity on our developments from the design stage, considering each site individually to try to retain valuable habitats as well as considering our impacts on protected species and habitats in the surrounding area. Through planning regulation and our own enhancements, we leave a net gain to biodiversity and manage any protected species, which have either been identified during ecological surveys at the pre-planning stage or during construction.

Rainsborough Park, Knottingley, West Yorkshire

Biodiversity and resources

Environment

Our biodiversity strategy


Bumblebee on wildflowers, Hardwicke Place, Hartlepool

Paul Hetherington, Director of Fundraising and Communications at Buglife, commented:

"Buglife is delighted to be partnering with Gleeson to help support and deliver on their forward-thinking strategy for biodiversity, we look forward to creating homes for pollinators and other bugs with them in the years to come."

Enhancements

Planting and landscape regime focused on invertebrates and pollinators. We plant trees, hedgerows and shrubs prioritising the use of native species. We only plant non-native species when they have a benefit to wildlife such as providing berries for birds or nectar for insects, or providing habitat for shelter, breeding or hibernation.

All developments incorporate hedgehog highways. To ensure hedgehogs do not lose valuable foraging resource, we will be incorporating hedgehog highways into all new developments. Hedgehog highways are holes or gaps in fences to allow hedgehogs to pass through otherwise enclosed gardens.

Minimum 30% of homes include a bird box or bat box. We try to retain features that are of value to bats such as hedgerows and large trees, and provide insect beneficial planting.

Engaging

We have partnered with Buglife to ensure the work we are doing is meaningful, consistent and beneficial to nature and biodiversity.

A bug hotel and wildflower seeds are provided to new homeowners with their welcome pack.

An electronic guide "Attracting Wildlife to Your Garden" is provided to all customers and the wider public via our website providing hints, tips and advice for attracting wildlife.

Biodiversity and resources

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Creating spaces where nature thrives

CASE STUDY – SARAH ROCHELLE, SENIOR ECOLOGIST

Ecology expert, hedgehog hero, and proud woman in construction

- Masters in Biodiversity and conservation from University of Leeds
- Specialist focus on biodiversity net gain and birds
- CIEEM Accredited (The Chartered Institute of Ecology and Environmental Management)
- Great Crested Newt License
- River conditioning Assessment certification
- Hedgehog Ambulance volunteer
- British Trust for Ornithology trainee bird ringer

After achieving her undergraduate degree in Zoology and a Masters in Biodiversity and Conservation, Sarah worked as an ecological consultant for ten years, across a multitude of projects. Sarah joined the Land and Planning Team at Gleeson in November 2022. Her role includes developing and implementing Gleeson's environmental and ecology strategy and assessing potential and existing land to identify the best biodiversity net gain strategies in a bid to better harmonize building homes and habitats together.

Day to day, Sarah's work spans cost projections, designing habitat retention into new schemes, habitat assessments, species surveys and advising on protected species, ensuring Gleeson's projects comply with environmental regulations. Working for an open-minded and forward-thinking developer like Gleeson has allowed Sarah to establish relationships and trust within the team, to ensure we incorporate her ideas and maximise the potential of the land. Over the past 18 months, she has taught us that early involvement in site planning leads to better-designed schemes that enhance biodiversity net gain and in turn reduce costs.

Alongside this, Sarah is keen to measure the success of our methods on existing and previous developments. One of many recent success stories involves one of our developments, Hays Park in Halifax, West Yorkshire. Sarah assessed the progress of habitat preservation for some rare palmate newts previously reported in the planning detail. We were delighted to find the newts had reproduced and were thriving in their newly enhanced home.

Sarah's passion and enthusiasm for wildlife and the environment is contagious. Internally, it has raised awareness within the business, and externally Gleeson has been able to share this enthusiasm and knowledge with customers. The company provides a 'Wildlife in Your Garden' booklet in the handover customer pack, introducing homeowners to local animals, bugs, and birds, along with tips on nurturing their habitats as well as bug hotels and wildflower seeds.

The role of ecology and the demand for biodiversity net gain in housebuilding is growing. Gleeson has embraced the change and is excited by the possibilities. Sarah's commitment to preserving natural ecosystems aligns with Gleeson's responsible development ethos, which aims to surpass regulatory requirements and actively contribute to thriving local ecology.

Biodiversity and resources

Environment

Other environmental considerations

Waste

In the year, we diverted 99.4% (2023: 99.0%) of waste generated away from landfill through recycling or conversion to energy. We continue with our target of zero waste to landfill and we will achieve this by engaging with specialist waste management providers and implementing initiatives such as pallet repatriation, re-use of waste materials on site and engaging with our upstream supply chain to minimise incoming waste such as packaging. During the year we transferred the majority of our waste services to one of the UK's largest waste service providers. This will improve waste service coverage across the Group, offer improved waste tracking and enable us to establish more detailed waste intensity targets, for example by type of waste. Whilst we feel that diversion rates are important and is something we will continue to track, reducing waste in the first instance is more important. For 2025, we have set an action to develop a waste optimisation programme to work with our waste service provider and supply chain partners to reduce incoming waste and maximise reuse and recycling opportunities.

During the year, our total waste amounted to 9,622 tonnes (2023: 11,391), a waste intensity of 5.4 tonnes (2023: 6.6) per home sold.

Absolute waste has decreased by 15.5%, and our waste intensity has decreased by 18.2%.

Hazardous waste is generally limited to packaging containing hazardous residues such as paint tins, aerosol canisters, sealant and adhesive cartridges.

Timber

We source 99.9% of the timber we use in construction from FSC or PEFC certified sources.

Water

Water stress

We typically acquire sites and build in areas of relatively low water stress, being located in the North of England and the Midlands. For the year to 30 June 2024, 45% of the homes sold were in areas of high water stress. In total, 37% of plots in the Gleeson Homes land pipeline are classified as being in an area of high water stress. We do not undertake any water abstraction from ground or surface waters.

Water usage

We recognise that water is a valuable resource. This year we developed our water strategy to address our water demand and aim to reduce our reliance on licenced water supply. For 2025, we will be undertaking a water efficiency campaign across the Group.

We are continuing to evaluate the feasibility of incorporating grey water usage into our operating activities including rainwater harvesting and the use of surface water during construction for site processes such as dust suppression. We are working to establish the tracking of water consumption across the business with actual usage data, rather than estimates which will aid in targeting areas of high water usage.

Water consumption	2024	2023
Cubic metres of water consumed	**71,991**	83,651
Cubic metres of water consumed per home sold	**41**	49
Cubic metres of water consumed per build site	**911**	984

Biodiversity and resources

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During the year we reviewed and commenced rollout of new water fittings and sanitaryware providing homes with dual flush toilets, low flow taps, water efficient showers and baths and water meters. As such we have managed to improve water efficiency further from an average of 104 litres per person per day to 94 litres per person per day. This is 25% lower than the maximum allowance of 125 litres per person per day specified by building regulations. All new homes from 1 July 2024 will utilise these highly water efficient fittings.

We have considered the consultation to Part G of the Building Regulations to align with Defra's 'Plan for Water' to reduce water consumption in new build dwellings. The proposal is a staged reduction towards 2025, 2030 & 2035 to reduce water consumption to 105, 100 & 90 litres per person per day respectively with a further reduction to 80 litres per person per day in water stressed areas. This means that we already satisfy the 2030 water efficiency proposals and are well on the way to satisfying the 2035 efficiency proposals.

Hardwicke Place SUDS basin, County Durham

Hillcrest Gardens, Gainsborough, Lincolnshire

Regenerating land

Our developments are typically located in areas where there is a need for regeneration including areas of higher deprivation or brownfield sites that would otherwise remain unused. Four out of five of our homes sold are in the most deprived areas of the country or on brownfield land.

Our developments are sympathetic to the surrounding community, regenerating the area and providing open space for nature, amenity and wellbeing and our biodiversity strategy and BNG commitments help to ensure that the built environment does not leave a negative impact on biodiversity and nature. The use of Sustainable urban Drainage Systems (SuDS) helps to alleviate flooding by reducing the burden on traditional drainage infrastructure whilst naturally removing pollutants (in vegetated SuDS) and providing a habitat for nature.

Regenerating land

Environment

CASE STUDY

Northbeck Grange, Northside Road, Bradford

Unearthing the past

Northbeck Grange is located on the outskirts of Bradford and stands on the remnants of an old sandstone quarry that was hidden beneath a former textiles factory. Freeman Grattan Holdings (formerly known as Otto UK) built the factory and headquarters in 1963 and retained it until it was demolished in 2012.

This was one of the biggest brownfield sites in the area and contamination from both the quarry and factory posed significant challenges for the development of the site.

Overcoming obstacles

Gleeson undertook extensive earthworks and land remediation as the site was contaminated with asbestos fibres, heavy metals such as arsenic, lead, copper, mercury and zinc, and polyaromatic hydrocarbon species of benzo(b)fluoranthene, benzo(a)pyrene and dibenzo(ah)anthracene.

Gleeson constructed reinforced retaining walls to create stable development platforms to combat the site's steep gradient. This was essential in the engineering for the development and to create sensitively designed areas for new homes and a thriving community as the site was brought back to life.

From ruins to homes

In late 2019, Bradford Council granted planning permission for the new development, seven years after Grattan's Otto House headquarters had been demolished and the site left unused. Our beautiful stone-finished rural elevation houses blend the benefits of modern homes amidst the echoes of the past.

Construction on the development is expected to be completed in 2025, approximately four years after work commenced.

Leaving a lasting legacy

The development delivers 167 high-quality affordable 2, 3, and 4-bedroom homes. It has seen strong demand, with excellent travel links being only three miles from the M606 and easy access to Bradford's thriving city centre.

Northbeck Grange's legacy extends beyond bricks and mortar. Alongside Gleeson's goal of providing homes for people who need them most, the site has also provided homes to a number of Ukrainian refugees, in collaboration with Bradford Council. The council delivered seven homes to families searching for peace from the ongoing war in Ukraine.

"At Gleeson, we prioritise the use of Sustainable urban Drainage Systems (SuDS) on all developments. SuDS mimic natural drainage, which provides a number of benefits including slowing water discharge and reducing the burden on 'downstream' drainage infrastructure, removal of pollutants, water cleansing and provision of additional biodiversity."

Rainsborough Park, Knottingley, West Yorkshire

Sustainability targets:
Progress against our 2024 improvement targets

In our annual report last year, we set out a number of ambitious sustainability targets. Our progress against these targets and actions is set out below.

Health and safety incident rate (“AIIR”) will be reduced to the industry standard or lower in the year

MET

Our AIIR for the year to 30 June 2024 was 166 (2023: 303) which is below the last reported industry average of 183 over the same period.

2024 actions	Update	Result
All site management will receive HomeSafe Essentials training, if not already completed within the last six months.	All site management undertook refreshed HomeSafe Essentials training during the year. This is included in site management mandatory training.	✓
New Safety Health and Environment (“SHE”) software platform to be introduced with phased implementation plan. Platform allowing for the completion of site inspections and capture of SHE data.	Our new ‘SafetyCulture’ platform was introduced in early 2024 and is now fully embedded across the business.	✓
We will deliver a targeted, themed campaign every quarter to further embed the health, safety and environmental culture across the business.	We have undertaken four campaigns throughout the year focusing on Traffic Management, Services Avoidance, Occupational Health and Biodiversity Awareness.	✓
We will deliver enhanced site environmental training across the business focused around our most significant environmental impacts.	CITB SEATS (Site Environmental Awareness Training Scheme) course was delivered to all Site Managers, Assistant Site Managers and SHE Managers during the year.	✓
Monthly site safety tours to be undertaken by Senior Management (Regional Directors).	Monthly site safety tours have been undertaken by Regional Managing Directors or Regional Construction Directors in conjunction with Regional SHE Managers.	✓

We will maintain our 5-star status with a 90% or above customer recommendation score

MET

We achieved an independently assessed customer recommendation score of 95% (2023: 89%). This equates to the Home Builders Federation (“HBF”) 5-star rating.

2024 actions	Update	Result
More than 95% of reserved customers will be contacted on a weekly basis.	We have consistently achieved contact with >98% of customers on a weekly basis.	✓
Post completion snags closed out within 30 days to be improved by 5%.	We have improved the close-out of post completions snags by >6%.	✓
Retrain all colleagues on phase 2 of our enhanced Customer First programme and provide additional training to support programme delivery.	In the year, all colleagues have been retrained on our enhanced Customer First Programme.	✓
Review and redesign all incentive programmes to increase the focus on customer service targets.	The incentive programmes were revised with greater proportionality placed on the KPI’s which drive customer satisfaction and overall recommend scores.	✓
Complete and implement a digitised quality inspection and monitoring system for key build stages within the year.	The rollout of the digitised quality inspection programmed commenced during quarter four of the financial year.	✓

Our employee engagement will be maintained in the upper quartile of all companies during 2024

MET

Our independently assessed employee engagement score decreased slightly to 85% this year (2023: 87%) and 83% of colleagues (2023: 84%) are proud to say that they work for Gleeson. This places Gleeson in the upper quartile of all UK companies surveyed.

2024 actions	Update	Result
We will maintain four stars on Glassdoor employer ratings.	Our Glassdoor rating has remained consistently above 4 star throughout the year and we finished the year at 4.3 star.	✓
We will establish a colleague representative forum to deliver an effective two-way communication channel with the Executive Directors twice per year.	We created an employee forum which acts as a mechanism to communicate key business updates and seek feedback on a range of issues and opportunities. The forum meets quarterly with business leaders.	✓
We will further develop our culture of inclusion, including the establishment of an Equality Diversity and Inclusion (EDI) working group to help shape and guide our roadmap and approaches for embedding equality, diversity and inclusion in everything we do.	We have developed an EDI strategy and People Forum. Our strategy sets out the implementation of new policies and training to support our EDI culture and improve data collection on employee demographics. The People Forum will be used to discuss EDI opportunities with our employee body and seek feedback on proposals. The Nomination Committee will monitor progress at a Board level.	✓
We will strengthen and enhance our health and wellbeing focus and agenda.	In March we became Company Supporters of The Construction Lighthouse Charity, who specifically support wellbeing for Construction Workers. We have delivered support across the business on mental, physical and financial wellbeing as well as providing tools strengthening general health and wellbeing for all colleagues, including a virtual gym and promoting healthy eating.	✓
More than 5% of roles in the workforce will be apprenticeships, trainees or graduates.	Gleeson currently have 10% of the workforce on 'earn and learn' schemes consisting of apprentices and sponsorships.	✓
We will achieve ILM recognition for each of our "In-House Leadership and Management" development programmes.	Gleeson have gained ILM recognition for the Gleeson Skills Development Programme (GSDP) which is currently on its fourth cohort.	✓
We will maintain our Investors in People accreditation and work towards Gold Star Investors In People accreditation.	Following a robust audit process, we are pleased to confirm that we have been accredited to Gold Star Status, see page 65 for further detail.	✓

Sustainability targets:
Progress against our 2024 improvement targets

CONTINUED

We will achieve Science Based Targets validation by 2025 for near-term and net-zero targets

ON TRACK TO BE MET

In June 2024, we submitted our near-term and net zero targets for validation by the SBTi. The validation process will commence in the first half of the financial year to June 2025 (FY2025). We have continued to undertake extensive work to refine our carbon emissions inventory across scopes 1, 2 & 3 and model how we achieve these targets.

2024 actions	Update	Result
Deliver a complete decarbonisation roadmap for near-term and net zero targets.	Decarbonisation plan completed with near-term and net-zero targets submitted for validation by the SBTi. Following validation, we will publish our roadmap to meet these targets.	✓
Review company car policy, infrastructure and processes to reduce carbon emissions and air pollutants.	Our company car policy was reviewed with greater emphasis on energy transition. This action will be enhanced and form part of FY2025 actions to develop a full transition plan towards electric and hybrid vehicles. See page 85 for FY2025 targets.	✓
Generators on all new sites to be hybrid models to achieve circa 35% reduction in generator emissions.	We have not fully achieved the rollout of hybrid generators. We have reiterated this target and applicable generators on hire since January 2024 utilise hybrid technology.	✗
Maintain Gold level of engagement through the Supply Chain Sustainability School.	We have maintained our Gold level of engagement with the School and continue to maximise the use of their learning resources.	✓
Work with our supply chain partners to increase engagement across the Supply Chain Sustainability School (top 200 suppliers – 15% to achieve Gold status; 10% Silver; and 25% Bronze).	This action has not been met. From our top 200 suppliers (by spend) we achieved 10% Gold, 3% Silver and 1.5% Bronze. This action will be refined for FY2025 focusing on subcontractors and groundworkers.	✗
Increase sustainability training to deliver 250 hours of learning across all colleagues within the year.	This action has not been met. We delivered approximately 84 hours of learning through Supply Chain Sustainability School resources and 'Lunch and Learn' sessions. Greater emphasis will be placed on this for FY2025. See page 85.	✗
Develop and implement a holistic water strategy addressing consumption, water stress, mitigation and resilience.	During the year, our water strategy was approved by the Sustainability Committee which focuses on improving data collection, reducing our consumption, minimising homeowner consumption (per person per home), and implementing mitigation for FY2025 targets.	✓
Maintain zero waste to landfill.	We achieved 99.4% diversion from landfill, predominantly through recycling and energy recovery with a small amount being sent to anaerobic digestion. We will develop a waste optimisation plan, see page 85 for FY2025 targets.	✓
Deliver a project to measure the waste generated per home to identify waste reduction and circular economy opportunities.	During the year we moved to a sole waste service provider. Whilst this will improve waste data and reduce risk, it meant the original project could not be delivered. We will deliver a revised waste optimisation strategy; see page 85 for FY2025 targets.	✗

Sustainability targets: Our sustainability targets for 2025

Health and safety incident rate ("AIIR") will be lower than 220 (HBF average last three years)

Actions:

- We will achieve an average SHE Site Inspection score of at least 85%.
- We will launch a digital Contracts Manager site SHE audit tool to focus on emerging risks, using our SafetyCulture Platform and implement across all regions.
- Each regional office will deliver trade specific supply chain H&S seminar every three months covering; Groundwork; Scaffold; Joinery; Roofing.
- Spill response refresher training will be undertaken by all Gleeson site management and site telehandler operators.
- We will implement JCB Livelink across all sites, to provide real-time health, safety and energy efficiency monitoring across the forklift truck fleet.

Our employee engagement will be maintained in the upper quartile of all companies

Actions:

- We will maintain 4 stars or above on Glassdoor employer ratings.
- We will achieve voluntary staff turnover rate of less than 22%.
- We will undertake a full review of gender and ethnic diversity across the Group and deliver a strategy to ensure a greater representation of the communities in which we operate.
- More than 10% of roles in the workforce will be apprenticeships, trainees or graduates.
- All employees will receive an average of 3 training days per annum.

We will maintain +90% "Recommend" score which is equivalent to five-star status

Actions:

- We will improve defects closed within 30 days to above 80%.
- We will improve CML to Legal Compliance (21 days) by 10% to support final finish quality.
- We will implement digital Quality Control Plot Book to all sites and regions during the year to drive quality control improvements.
- In order to drive improved quality and service, we will deliver a focused incentive scheme.
- We will implement a tracker, focused on build quality KPIs, to collate, monitor and share performance across the regions.

We will achieve Science Based Targets validation by 2025 for near term and net zero targets

Actions:

- We will finalise and publish our science based roadmap to achieve near-term and net-zero targets.
- We will deliver an energy and water efficiency awareness campaign across Group and investigate and maximise efficiency opportunities.
- We will deliver 250 hours of sustainability themed training during the year.
- We will engage with and provide learning pathways for ten of our largest groundworkers covering all regions to upskill and become Bronze members of the Supply Chain Sustainability School.
- Working with our waste partner and supply chain we will develop a waste optimisation programme across operations and establish waste intensity reduction targets.
- We will develop a transition plan for company cars to phase out ICE vehicles by 2032.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (“TCFD”) to improve and increase reporting of climate-related financial information.

Responding to the TCFD requirements, we aim to continually enhance our disclosures in line with its recommendations and market practice. We also disclose climate-related governance, strategy, risk management and metrics as part of the Carbon Disclosure Project (“CDP”).

The Company is consistent with paragraph 8(a) of Listing Rule 9.8.6R, which requires that listed companies must include in their annual financial report a statement setting out whether the listed company has included climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures in that financial report.

Timeline on climate progress

2014 – First included Waste management, Timber policy and Greenhouse gas reporting in the Corporate Social Responsibility section of the annual report

2021 – First public disclosure of TCFD. First disclosure of scope 3 emissions. Implemented first trials of air-source heat pumps and 100% of electricity used in show homes, sales offices and site cabins was sourced from zero carbon sources

2022 – Appointed Group Sustainability Manager and created a Sustainability Action Team and Climate Action Team. First public disclosure of detailed analysis on Climate Scenarios

2023 – Submitted our letter of commitment to the Science Based Targets initiative. Appointed a Senior Ecologist to further develop our biodiversity and ecology strategies

2024 – Obtained assurance over our GHG baseline year. Submitted our near term and net zero targets to the SBTi for validation

2025 –

Validation of SBTi targets. Future Homes Standard

2032 – SBTi near term target.

2050 –

SBTi net zero target. Paris agreement and UK target for net zero

Governance

The organisation’s governance around climate-related risks and opportunities.

Board	The Board has ultimate responsibility for climate-related risks and opportunities, with day-to-day control over responding to climate-related risks and wider sustainability targets managed by the Executive Directors. Any amendments to business strategy, or significant changes to day-to-day operations of the business, require approval from the Board. In addition, long-term targets and external commitments require Board approval before announcement and becoming part of the ordinary course of business. The Board receives information on a regular basis covering business performance, health and safety, customer satisfaction and sustainability. Updates also include any technical specification changes, including changes to house designs to comply with building regulations and/or improve environmental performance. The Executive Directors, and the Board above certain set limits, has responsibility for the approval of all land purchases. As part of the investment appraisal process, climate-related considerations are presented as part of the approval process and included in the cost plan for the development. These include factors such as land remediation, flood mitigation, biodiversity requirements, landscaping and other environmental impacts.

Governance

The organisation's governance around climate-related risks and opportunities.

Audit Committee	The Audit Committee is responsible for reviewing and approving the content of the annual report including the TCFD, SASB and GHG disclosures. In addition, the Audit Committee reviews and approves the Group's CDP climate submission, which outlines what we are doing as a Company to address climate-related risks and opportunities. The Audit Committee are regularly updated with amendments to disclosure requirements on financial reporting and disclosure considerations in respect of climate change. The Group's sustainability disclosures, including TCFD and SASB, are reviewed as part of the external audit, the results of which are reported to the Audit Committee. Additional assurance over GHG disclosures has been obtained over the 2022 baseline year and our 2024 GHG emissions.
Sustainability Committee	The Sustainability Committee is responsible for assessing the sustainability aspects of the business strategy and ensuring that the Group's sustainability targets align. The Sustainability Committee also makes recommendations to the main Board on strategic developments that address sustainability risks and opportunities in particular those relating to climate change. The Sustainability Committee meets regularly throughout the year to ensure that sustainability risks and opportunities are reviewed regularly, emerging risks and opportunities are identified, and mitigation plans are developed where needed. The Group Sustainability Manager is responsible for maintaining the environmental risk register and reports any updates to the Sustainability Committee as part of the Group's risk management framework. The Sustainability Committee monitors performance against sustainability targets and approves the targets and actions used for measuring performance on an annual basis.
Remuneration Committee	The Remuneration Committee is responsible for determining remuneration policy and targets including how sustainability metrics are taken into consideration when determining incentive decisions. The Committee contribute to setting the targets of the Executive and operational directors throughout the business and, where appropriate, these are linked to performance against sustainability targets. ESG performance indicators are used to measure performance against these targets and subsequently remuneration is awarded in relation to performance against these targets. For more information on how sustainability factors are considered in Executive remuneration, refer to the Annual Report on Remuneration on pages 142 to 153.
Nomination Committee	The Nomination Committee is responsible for ensuring that the Board structure, size and composition (including the skills, knowledge and experience of Board members) is adequate to support the Group in its growth and sustainability ambitions. The Committee considers the risks and opportunities facing the Group, and the skills and expertise that are therefore needed on the Board. There were no new appointments to the Board or changes to Board roles during the financial year to 30 June 2024. For more information on the Board of Directors, refer to pages 112 to 113.

Task Force on Climate-Related Financial Disclosures (TCFD) CONTINUED

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Climate change has the potential to significantly impact our business strategy through changes in regulation, government policy, stakeholder expectations (transition impacts) and the direct effects of climate change such as more frequent adverse weather events, loss of developable land and the impact on biodiversity and the wider natural environment (physical impacts).

Our commitment to align our carbon reduction targets with the SBTi and a 1.5°C climate scenario is reflected in our review of the resilience of the Company's strategy towards climate-related risks. Included within our carbon reduction modelling, we have considered the reliance on emerging technologies, engagement with supply chain and market expectations whilst balancing the risks of emerging regulations and failure to adapt to a low carbon economy. Despite the transitional challenges associated with committing to a carbon reduction target aligned to a 1.5°C scenario, these are likely to be lesser than the potential impact of the physical effects of climate change in a 4°C scenario.

During the year, we have used the process of scenario planning to aid our assessment of climate-related risks and opportunities and the potential impact on the Group, its strategy and any financial impacts. Details of the scenarios analysed can be found on pages 90 to 91.

Risk definitions

When assessing climate-related risks and opportunities we use the following criteria to ensure that the assessment is reflective of the operating activities of the Group.

Risk term	Impact
Short term: 0–3 years	Low impact: £0.5m
Medium term: 4–10 years	Moderate impact: £1.5m
Long term: 10+ years	High impact: £10m
	Catastrophic: £30m

The risk term is aligned to the majority of climate-related frameworks, in particular the Science Based Targets initiative (SBTi).

The impact is aligned to the risk assessment methodology used by the Group for all principal and emerging risks as set out in Risk Management on pages 38 to 43.

The Board adopts a low appetite to climate-related risks. This means that the Group seeks to maintain a low level of impact on the environment as a result of its operations balanced against the cost of doing so. The Group also invests to ensure there is a robust control framework to maintain a high level of compliance with environmental regulations.

Impact on financial statements

Costs associated with the transition to the latest building regulations including Part L (Conservation of heat and power) have been recorded in the valuation of inventory and subsequently reported within cost of sales. Similarly, the cost of Biodiversity Net Gain is built in to initial site budgets and subsequent valuations. Where a site margin forecast is affected by a change in estimated costs to complete, the impact is recognised across all plots remaining. See note 1 – accounting policy for Inventories on page 179 for further details.

A flood risk assessment is performed on all potential sites that are considered for development. The associated costs to mitigate flood risk, where relevant, are included within the site valuation and costs to complete. This is recognised in the forecast site margin and reported within cost of sales as completions are recorded over the life of the site. As the owned land bank within Gleeson Homes covers a period of four years, we have assessed that it is unlikely that the flood risk of these sites will change in this timeframe and therefore no impairment of owned land has been identified.

Within the Gleeson Land division, the land portfolio is more strategic and therefore flood risk can change over a longer period of time as regional flood models are updated including from the effects of climate change. Each site is individually reviewed at a period end based on its planning prospects and viability. Where these have been adversely impacted by a change in flood risk or any other impact, then a provision is recorded to write down the value of inventory in line with the Group's accounting policy.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Going concern and viability statements

In preparing the Annual Report, the Group is required to assess whether there are any material uncertainties over its ability to operate as a going concern (see note 1 – Going concern on page 177 for further details). In addition to this, the Group is required to assess the potential impact on the operations of Group over the longer term for disclosure in its viability statement on page 119. To meet these requirements, the Group has sensitised its financial forecast to incorporate the potential impacts of a severe but plausible downturn over the three years to June 2027.

The costs of transition to meet government policy for Future Homes Standards, Biodiversity Net Gain and cost of known lower carbon technologies as set out in the scenario analysis are all incorporated into the Group's forecast that is used for the going concern and viability assessments. The impact of the climate-related risks identified have been considered, but would not have a material impact over the viability period on the Group's ability to continue in operation.

Risk Management

How the organisation identifies, assesses, and manages climate-related risks.

The Board has overall responsibility for the Group's management and assessment of risks, supported by the Audit Committee. The Group risk register is formally reviewed by the Audit Committee at the majority of its meetings, including consideration of emerging risk areas or changes to existing risks. Climate change and sustainability have been identified as principal risks for the Group. Find out more on page 43.

The Group's risk management framework includes a separate environmental risk register, which includes key climate-related and other environmental risks for the business. The environmental risk register identifies both principal and emerging risks and informs a formal risk assessment process that considers the likelihood and impact of the identified risks together with any mitigating controls that are already in place or planned. This position is reviewed by the Sustainability Committee as part of its review of the environmental risk register.

Any changes to risk scores on the environmental risk register are considered in the context of the Group risk register in respect of the principal risks of climate change and sustainability. Proposed changes are reported to the Audit Committee and Board as part of its monitoring of principal and emerging risks at a Group level.

We determine climate-related risks using our risk management framework outlined on page 38. The risk assessment reflects the estimated impact of a risk or opportunity taking into account both quantitative and qualitative characteristics. Quantitative materiality is set in line with the range set by our external auditors and our internal risk management process. Risks and impact are considered according to the expected timeframe of the risk or opportunity.

Sustainability Committee

The Sustainability Committee met four times in the year and the review of the environmental risk register is a standing agenda item for each meeting.

The Committee members are responsible for reviewing the risks and opportunities identified, along with their inherent risk scores, any mitigating actions and the mitigated risk scores. The Group Sustainability Manager is responsible for the day-to-day maintenance of the environmental risk register, which identifies risks covering key climate-related and other environment risks for the business.

Task Force on Climate-Related Financial Disclosures (TCFD) CONTINUED

Key climate-related risks

Risk	Scenario analysis
Changes to government policies Changes to the specifications of our homes as a result of new building regulations or planning policies can result in higher technical, design and/or build costs.	**Potential impact: £5m – £10m cost of sales over life of developments** The scenario modelled has taken the increase in cost of recent changes in building regulations (including Part F, L, O,S and Z) and extrapolated over forecast unit sales.
Emerging technologies Our long-term carbon reduction strategy relies on the development of new technologies and modern methods of construction. In order for these to be viable for our business model, they must be readily available, affordable and have appropriately skilled resources within the industry.	**Potential impact: £15m – £30m cost of sales over life of developments** The scenario modelled has taken the increase in cost of identified low carbon alternatives to traditional building materials and applied this to forecast unit sales.
Supply chain As we develop our carbon reduction strategy there is a reliance on our supply chain to reduce the embodied carbon of materials and emissions generated from build activities. Failure of our supply chain to decarbonise could potentially result in us not achieving our scope 3 carbon reduction targets. There is also likely to be an increase in cost for using lower carbon alternatives.	**Potential impact: £15m – £25m cost of sales over life of developments** The scenario modelled has taken our current supplier spend split between materials and subcontractors and uplifted this to incorporate the increase in costs for lower carbon materials, fuels and more efficient plant and machinery.
Carbon pricing Government legislation designed to encourage industries to take climate action and reduce their carbon footprint can, directly or indirectly, increase material costs and our cost base.	**Potential impact: £10m – £15m cost of sales over life of developments** The scenario modelled has used a carbon price between £50–100 per tonne and applied this to projected scope 1 & 2 emissions and embodied scope 3 emissions.
Stricter planning requirements Government and local authorities are more stringent in their planning and site infrastructure requirements. This includes requirements around biodiversity net gain, which could impact on land opportunities, in particular brownfield sites which have rewilded, becoming unviable to develop.	**Potential impact: £10m – £15m cost of sales over life of developments** The scenario modelled was performed by reviewing our current pipeline of sites for their estimated biodiversity credit requirements, combined with an average cost per biodiversity credit for forecast site acquisitions.
More frequent adverse weather events Disruption to build activities on our sites as a result of more frequent adverse weather events including heat, cold, rain and storm damage has the potential to become unsafe, cause damage to construction sites and slow our growth plans.	**Potential impact: £15m – £30m cost of sales over life of developments** The scenario modelled assumes adverse weather events to become more frequent, the cost of build disruption to increase as a result of more storm damage and considers the delay in house sales and other associated costs.

Key – Risk rating

L Low | M Medium | H High

Mitigating actions	Risk rating	Transition risk: Short	Medium	Long
Our Group Technical Director sits on the Home Builders Federation ("HBF") Technical Committee and the Future Homes Hub, and attends NHBC Building for Tomorrow events to ensure that we are informed about potential amendments to regulations as well as providing feedback on the challenges these may pose to the industry.	H **1.5°C – 2°C scenario**	Short – Long term		
We continuously review the materials used in the design of our homes by engaging with our supply chain and attending conferences specific to the housebuilding industry to identify low carbon alternatives. We review our on-site operations to identify high emitting activities and develop action plans that target emission reductions in these areas. We often trial carbon-saving initiatives on our sites to analyse results before rolling these out as "best practice" across the Group.	M **1.5°C – 2°C scenario**		Medium–Long term	
We communicate our carbon reduction plans with our supply chain to identify lower carbon alternatives, fuel conservation methodologies and waste reduction strategies. As part of new supplier onboarding, we request sustainability reports and carbon reduction strategies to be presented so that we can collaborate on sourcing more sustainable solutions. Our partnership with the Supply Chain Sustainability School provides us with additional tools to engage with our supply chain and raise awareness of sustainable practices in the industry.	M **1.5°C – 2°C scenario**		Medium–Long term	
By committing to targets validated by the SBTi and aligned to the 1.5°C scenario we are able to demonstrate our carbon reduction commitments and mitigate the impacts of carbon pricing.	M **1.5°C – 2°C scenario**		Medium–Long term	
The process of acquiring land for development includes thorough due diligence to ensure that sites comply with relevant regulations and government policies as well as meeting our internal rates of return. Financial forecasts include the costs associated with complying with planning requirements such as biodiversity net gain, mitigating flood risk and planning specific requirements such as electric vehicle charging points and lower water usage technologies particularly in areas of high water stress.	H **1.5°C – 2°C scenario**	Short–Long term		
During periods of severe weather, reminders are issued warning of potential risks and to follow company procedures for adverse weather events. Equipment and temporary structures are checked to ensure they are secure and stored to prevent any damage. Where weather is extreme, sites may be closed until the site returns to suitable working conditions. In instances of extreme rainfall, mitigation procedures are followed to ensure compliance with environmental regulation such as water run-off and its impact on the local environment.	M **4°C scenario**		Medium–Long term	

Key climate-related opportunities

Opportunity	Category	Timeframe	Actions
Energy-efficient homes Due to the high thermal efficiency of our homes we ensure that the running costs of our homes remain affordable for our customers. The energy performance of our homes also enables customers to qualify for green mortgages, which may offer lower interest rates.	Transition opportunity	Short-term	We communicate with our customers the benefits of buying an energy-efficient new build home. We are able to compare the typical energy usage of our homes based on actual energy consumption data and compare this against the typical usage for existing housing stock to show potential energy savings. We communicate with our customers to explain how their new home can support them living a sustainable lifestyle.
New technologies We regularly review the specification of our homes to ensure that our offering meets the needs of our customers. Where possible, we ensure that the latest technologies are built into our homes so that our customers benefit from living in a stylish, modern home.	Transition opportunity	Short-medium-long term	We continuously review the materials used within the design of our homes by engaging with our supply chain and attending conferences specific to the housebuilding industry to identify new technologies that can support our customers in living a sustainable lifestyle. We review the specification of our homes and optional extras on a regular basis so that customers can tailor their home to their needs.
Supply chain By engaging with our supply chain to align sustainability strategies there is the opportunity to unlock benefits for both us and our supply chain in reducing operational costs as well as carbon emissions.	Transition opportunity	Short–medium–long term	We communicate our carbon reduction plans with our supply chain to identify lower carbon alternatives, fuel conservation methodologies and waste reduction strategies. As part of new supplier onboarding, we request sustainability reports and carbon reduction strategies to be presented so we can collaborate on sourcing more sustainable solutions. Our partnership with the Supply Chain Sustainability School provides us with additional tools to engage with our supply chain and raise awareness of sustainable practices in the industry.
Stakeholder engagement Our commitment to setting carbon reduction targets, supports our relationships and reputation with stakeholders as a responsible housebuilder. There may be an opportunity to benefit from cheaper finance based on our sustainability performance through sustainability linked finance.	Transition opportunity	Short-medium term	As we develop our long-term carbon reduction targets and have these validated by the Science Based Target initiative, it will support our reputation as a sustainable business. This is important to our customers, staff, communities and with government and regulators, suppliers and contractors. There may also be an opportunity to obtain more competitive loans linked to sustainability covenants.

Firbeck Fields,
Worksop, Nottinghamshire

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Climate-related metrics and targets

Our climate related metrics and targets are set out in our Environment report on pages 68 to 80, which includes full disclosure of the relevant scope 1, 2 and 3 emissions under the Greenhouse gas protocol, and additional metrics related to waste, water use, energy performance certificates, biodiversity and land use.

These are the key metrics used to assess the risks related to government policies, emerging technologies, supply chain and carbon pricing. These are monitored alongside new building regulations, including through our participation in the Future Homes Hub and work with the Supply Chain Sustainability School.

Metrics around stricter planning requirements are monitored on a site by site basis, with biodiversity assessments carried out on each site. Whilst we don't monitor specific weather events, build programmes are constantly monitored, and we track data related to water stress, energy performance certificates, flood zones and site design through our SASB reporting as set out on pages 94 to 99.

We set climate related targets, and have submitted near-term and net-zero targets to the SBTi which we will report against in future periods. Progress against our climate related targets are set out on page 84 and targets for the coming year are set out on page 85.

Sustainability Accounting Standards Board (SASB)

Land use and ecological impacts

SASB code/criteria	Our approach
IF-HB-160a.1 Number of (1) lots and (2) homes delivered on redevelopment sites	In the year to 30 June 2024, we added 1,450 (2023: 1,953) brownfield land plots to our land pipeline. This accounted for 32% (2023: 48%) of plots acquired in the year. The total number of brownfield plots held at 30 June 2024 was 6,518 (34%) (2023: 6,931, 40%). In the year to 30 June 2024, we had 793 (2023: 858) home sales on brownfield sites. This accounted for 45% (2023: 50%) of our total annual completions. Notes: We consider brownfield land to include sites upon previously developed land, below ground disturbance (including mining or waste disposal) or land that contains contamination from previous use.
IF-HB-160a.2 Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	In the year to 30 June 2024, we acquired 1,287 plots in regions of serious water stress. This accounted for 28% of plots acquired in the year (2023: 1,346 plots, 33%). The total number of plots in areas of serious water stress at 30 June 2024 was 7,160, 37% of the pipeline (2023: 6,455, 37%). In the year to 30 June 2024, we had 795 (2023: 625) home sales in areas of serious water stress. This accounted for 45% (2023: 36%) of our total annual completions. To report the figures above, we use reports produced by the Environment Agency ("EA") who present the classification of areas of water stress on a "Serious" or "Not Serious" scale. Notes: Serious water stress is defined as "the current household demand for water is a high proportion of the current effective rainfall which is available to meet that demand; or, the future household demand for water is likely to be a high proportion of the effective rainfall which is likely to be available to meet that demand". The water stress method takes a long-term view of the availability and demand for public water supply, rather than a snapshot of shorter or peak periods. It accounts for future population growth, climate change, environmental needs and increased resilience. It reflects and supports the commitments that water companies have made to reduce leakage and water consumption.
IF-HB-160a.3 Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	We incurred no monetary losses in relation to environmental matters in the year.
IF-HB-160a.4 Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	**Site selection** We operate a "gateway" procedure in our site acquisition process to ensure that each site meets our hurdles at various stages throughout the purchase. At the earliest step, gateway 1, a site will be reviewed at a high level to ensure that it meets our guiding core principles and requirements; of particular importance at this stage is our objective to bring forward development of affordable homes on mostly brownfield sites or sites in areas of deprivation, in a manner which safely and sustainably returns sites back into meaningful use, whilst simultaneously alleviating any environmental issues which may have been left behind by previous landowners. On clearing this hurdle, further due diligence is carried out by our in-house teams including the production of an appraisal document, which carries a checklist to prompt consideration of all factors affecting sustainable development including matters of contamination, noise, odour, impact on ecology and biodiversity, proximity to transport links and local facilities.

SASB code/criteria	Our approach
IF-HB-160a.4 CONTINUED	**Site design** We work with a panel of partner architects to ensure that our designs accord with National and Local Planning Policy and Guidance, whilst providing a development where our customers want to live and, which is sympathetic to existing constraints including existing local infrastructure. Through the planning process we will procure the expertise of third-party consultants in various technical disciplines including all aspects of environmental assessment to ensure that any constraints are appropriately integrated into our designs, or appropriate mitigation measures are identified in order to bring forward appropriate and sustainable development. When designing the layout for our sites we undertake an initial assessment of development schemes using the generic Dwelling Emission Rates in order to improve energy efficiency of each type through orientation and plotting. This assessment considers landform, layout, building orientation, landscaping and other surrounding features of each home. All of our homes have driveways for off-street parking and outdoor garden space for customers to enjoy. An ecology assessment is performed at the design stage, with our in-house ecologist feeding into designs and making recommendations for areas to be retained, protected and enhanced to integrate biodiversity into the development. **Site development and construction** Material selection is carefully considered during the construction of our homes as the specification and quality of build materials can directly influence the projected CO_2e emissions. All of our properties are currently built with traditional cavity wall construction, thermally-efficient light aggregate blocks and high-performance insulation within the cavity. We are working with our suppliers to identify low carbon alternatives to the traditional construction materials in our commitment to reducing the embodied carbon emissions of our homes. As we develop our long-term carbon reduction strategy we are reliant on modern construction materials that can support our sustainable growth ambitions whilst reducing our carbon footprint. Where contractors are required to source materials for key building elements, we stipulate that they use suppliers capable of demonstrating certification to high tier levels in the Chain of Custody certification process and have been independently certified by the BRE Framework Standard for Responsible Sourcing (BES 6001) or ISO 14001. We engage with our supply chain using the tools from the Supply Chain Sustainability School to raise awareness of environmental and climate-related issues and how we can collectively achieve best practice. We take waste management very seriously and the segregation of all waste materials is paramount in reducing the amount of waste taken to landfill. This is managed by having the following procedures in place: • Target benchmarks for resource efficiency set in accordance with best practice. • Procedures and commitments to minimise non-hazardous construction waste at design stage. • Procedures for minimising hazardous waste. • Monitoring, measuring and reporting of hazardous and non-hazardous site waste production according to the defined waste groups. • Diversion of waste from landfill should adhere strictly to the principles of the waste hierarchy of reduce; reuse; recycle; recover.

Sustainability Accounting Standards Board (SASB) CONTINUED

SASB code/criteria	Our approach
IF-HB-160a.4 CONTINUED	Our site operations report their fuel consumption by type of plant and machinery on a monthly basis so we can identify and target any inefficiencies within our construction activities. In response to capturing this data we replaced our entire fleet of forklift trucks with newer, more efficient models, which incorporate start-stop technology and telematics reporting for further data capture. We have also begun using hybrid generators, which store excess power within batteries that can be used once sufficient charge has been reached. This aims to eliminate waste power and reduce our site fuel consumption. We also have a number of initiatives ongoing in order to reduce the environmental impact of our sites, with further details on pages 70 to 71.

Workforce health and safety

Code/SASB criteria	Our approach
IF-HB-320a.1 (1) Total recordable incident rate ("TRIR"); and (2) fatality rate for (a) direct employees and (b) contract employees	We measure health and safety performance using an Annual Injury Incidence Rate ("AIIR") metric. Our AIIR for reportable injuries per 100,000 employees and contractors was 166 in 2024 (2023: 303). The industry average for the house building sector was 183 (2023: 239) (Source: Home Builders Federation). In the year we reported three RIDDOR incidents (2023: six RIDDOR incidents). Further details set out on page 82. There were no fatalities. Notes: Reportable injuries are aligned to the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR"). The figure reported is the consolidated figure for all direct employees and contractors. AIIR measures RIDDORs per 100,000 employees and is the UK equivalent to TRIR.

Design for resource efficiency

Code/SASB criteria	Our approach
IF-HB-410a.1 (1) Number of homes that obtained a certified HERS® Index Score and (2) average score	The Energy Performance Certificate ("EPC") is the UK equivalent to the HERS Index. Of our homes, 96.1% achieve an EPC rating of B or higher due to efficient design and build characteristics in each of our standardised house types (2023: 95.0%).
IF-HB-410a.2 Percentage of installed water fixtures certified to WaterSense® specifications	WaterSense is not applicable in the UK. All our homes are fitted with dual-flush toilets, low-flow taps and showers and water meters. They are designed to achieve an internal water use of less than 110 litres per person per day; the specification for sanitary ware and fittings to be used throughout the homes has been modified to suit this requirement. This is 12% lower than the maximum allowance specified by building regulations, saving both natural resources and our customers money on their water bills. From July 2023, we have replaced our existing shower specification with an enhanced product generating savings of 10 litres per person per day. We continue to collaborate with our supply chain to identify innovative products that reduce the water consumption of our homes.

SASB code/criteria	Our approach
IF-HB-410a.3 Number of homes delivered certified to a third-party multi-attribute green building standard	All of our homes are subject to UK building regulations, which include standards for energy and water efficiency as detailed in criteria IF-HB-410a.1 and IF-HB-410a.2. There are no widely-adopted green building standards that outline specification or sustainability credentials of homes in the UK. The historic Code for Sustainable Homes was withdrawn by the Government with the view that these requirements would be embedded into the latest building regulations.
IF-HB-410a.4 Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Throughout the design stage of our homes, we apply a 'fabric first' approach to energy efficiency by bringing together a house type range and specification designed to reduce the consumption of energy by the homeowner. An energy consultant is appointed on every site to provide site and plot-specific energy ratings. Testing regimes and certification is issued to assist in the control of the quality of construction, which in turn reduces the carbon emissions of each home by ensuring we build a thermally-efficient, well-insulated building with low heat losses. In order to further improve on building regulation compliance, the following are also incorporated into the design of our homes: • energy-efficient boiler or air source heat pump with efficient cylinder (thermal store); • time and temperature zone control for boiler systems; • air permeability rating of five or better; and • natural/positive input ventilation. Reviews are carried out to monitor forthcoming changes to building regulations and consider optional extras that can be offered to customers in line with trends and expectations. These often lead to updates in specification and design, allowing improvements to be made where practicable. Any proposed changes are carefully considered as we balance the impact of changes with the need to keep our homes affordable, which is fundamental to our sustainable business strategy. As part of our shift to ASHP, we have also changed other gas appliances such as ovens and hobs to fully electrify our homes. This transition to a fully electrified home ensures that our homes are net-zero ready. During the year, we sold 44 homes heated using an ASHP. We have engaged with customers and external consultants to complete trials on the in-use performance of the heating system to ensure it works efficiently and effectively in our homes. Smart meters are provided as standard where available, so that our customers can easily keep track of their energy usage and efficiencies. We use sustainable materials where possible, such as introducing concrete bricks to our build material specification. Concrete bricks have significantly lower embodied carbon emissions compared to a traditional kiln-fired clay brick allowing us to reduce our scope 3 emissions. More details can be found on page 70. These benefits are communicated to customers as part of the handover process, in our new home handbooks and our Gleeson first-time buyer podcast. This explains to customers what to expect when they become homeowners, how to get the most out of their new home and minimise their running costs.

Sustainability Accounting Standards Board (SASB) CONTINUED

Community impact of new developments

SASB code/criteria	Our approach
IF-HB-410b.1 Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	We always consider matters such as access and proximity to existing infrastructure and services, as well as economic and employment centres when selecting our sites. We aim to bring forward developments which are in close proximity to existing services, with good access to services and facilities. This often comes hand-in-hand with our objective to develop brownfield sites, in areas of deprivation which often have a high provision of surrounding rental properties, as these target site typologies are already well served. Where access to facilities is more limited, we work with consultants and the local authority to identify mitigation measures that might be taken to improve services and access. Often this will form part of a Transport Assessment and Travel Plan which might identify improvements to local public transport infrastructure to improve the sustainability of the site, or ways in which other sustainable (non-car) transport methods can be promoted. Notes: The UK Government's National Planning Policy Framework ("NPPF") also requires consideration of the opportunities presented by existing or planned investment in infrastructure.
IF-HB-410b.2 Number of (1) lots and (2) homes delivered on infill sites	At 30 June 2024, 88% of our developments were infill sites (2023: 88%). In the year to 30 June 2024, we completed the sale of 1,621 (2023: 1,556) homes on infill sites representing 91% (2023: 90%) of total homes sold. Notes: Infill sites are sites served by existing infrastructure such as roads, power lines, sewerage and water, and other necessary facilities.
IF-HB-410b.3 (1) Number of homes delivered in compact developments and (2) average density	We consider all of our sites to be cluster developments, which meet the definition of a "compact development". As a result, we delivered 1,772 homes on such developments in the year to 30 June 2024 (2023: 1,723 homes). Gleeson Homes typically builds low-density developments delivering on average 100–150 homes per site. The average density of our developments is 14 homes per net acre with some developments having a density as low as 11 homes per net acre. Notes: A cluster development is defined as a development that "produces very attractive and marketable communities and makes it easier for developers to preserve environmentally sensitive lands such as wetlands and forests by allowing lots to be grouped on certain portions of a site, rather than spread uniformly across a site, so that other areas of the site may remain undisturbed as open space".

Climate change adaptation

SASB code/criteria	Our approach
IF-HB-420a.1 Number of lots located in 100-year flood zones	In the year to 30 June 2024, we acquired 919 plots in regions within flood zone 3. This accounted for 20% of plots acquired in the year (2023: 640 plots acquired, 16% of plots acquired). The total number of pipeline plots within areas of flood zone 3 at 30 June 2024 was 3,041 (16%) (2023: 2,499 pipeline plots, 14% of total pipeline). In the year to 30 June 2024, we had 249 home sales within areas of flood zone 3. This accounted for 14% of our total annual completions (2023: 182 home sales, 11% of total completions). Notes: As per the Environment Agency, flood zone definitions are set out below: • Flood Zone 1 – land assessed as having a less than 1 in 1,000 annual probability of river or sea flooding (<0.1%) • Flood Zone 2 – land assessed as having between a 1 in 100 and 1 in 1,000 annual probability of river flooding (1–0.1%), or between a 1 in 200 and 1 in 1,000 annual probability of sea flooding (0.5–0.1%) in any year • Flood Zone 3 – land assessed as having a 1 in 100 or greater annual probability of river flooding (>1%), or a 1 in 200 or greater annual probability of flooding from the sea (>0.5%) in any year These flood zones refer to the probability of river and sea flooding, ignoring the presence of defences.
IF-HB-420a.2 Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate risk has been identified as a principal external risk for the Group as set out on page 43. The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including any changes to risk ratings and any mitigations. The Group has identified climate risk as having a medium level of residual risk. This is assessed based on the physical aspects of climate change and the impact on our business strategy as well as the transition risks associated with climate-related advancements such as emerging technologies, government policy and regulation. An environmental risk register is maintained to identify the key risks associated with our sustainability themes "Communities, Environment and People" and managed by the Group Sustainability Manager. The risk register review is a standing item on the agenda of the Sustainability Committee to ensure focus is applied to developing mitigating actions of these risks. Climate-related risks are identified and reported to the Committee and considered for further analysis, which forms part of our TCFD reporting. Further analysis of the climate risks we have identified are reported within our disclosures in accordance to TCFD on pages 86 to 93.

Activity metrics

SASB code/criteria	Our approach
IF-HB-000.A Number of controlled lots	At 30 June 2024, our owned land pipeline stood at 7,420 plots (2023: 7,674 plots).
IF-HB-000.B Number of homes delivered	In the year to 30 June 2024, we completed 1,772 homes (2023: 1,723 homes). Notes: Completions mean all legally completed sales to customers during the year.
IF-HB-000.C Number of active selling communities	In the year to 30 June 2024, we were actively selling from an average of 65 sales sites (2023: 68 active sales sites). Notes: Active sales sites are sites which are actively selling homes.

Section 172 Statement

Debra, Systems Trainer, Gleeson Homes

In accordance with the requirements of section 172 (1) (a) to (f) of the Companies Act 2006 a director of a company must act in the way they consider, in good faith, most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard, amongst other matters, to:

a. the likely consequences of any decision in the long term;
b. the interests of the company's employees;
c. the need to foster the company's business relationships with suppliers, customers and others;
d. the impact of the company's operations on the community and the environment;
e. the desirability of the company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly between the members of the company.

The Board of Directors can confirm that for the year ended 30 June 2024 it has acted in good faith to promote the Company's long-term success for the benefit of its members as a whole whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Board decision making

To make informed decisions, and support the long-term sustainable success of the business, the Board considers the differing needs and priorities of all relevant stakeholders understanding that these will evolve over time. Effective communication and interaction is therefore critical to ensure that the business is both "doing the right thing" and aligned to stakeholder values.

The Board undertakes significant levels of engagement with relevant stakeholders and has considered feedback and responses from this as well as the need to maintain a reputation for high standards of business conduct and to act fairly between the members of the Company. Details of our engagement with respective stakeholders and key examples of principal decisions, which we define as those that are both material to the Group and are significant to any of our stakeholder groups, made by the Board during the year are disclosed below and in the Strategic Report.

Our key stakeholders include:

- Shareholders
- Employees
- Customers
- Suppliers and subcontractors
- Banks
- Local authorities
- Government and regulators

Decision	Discussion topics with, and feedback from, stakeholders	Action taken by the Board as a result of stakeholder feedback
Ensure compliance with the Department for Levelling Up, Housing and Communities' self-remediation terms	Engagement with government departments, landlords, management companies and residents in fulfilling our contractual obligations under the self-remediation terms, which commit developers to remediating mid-rise and high-rise buildings with life-critical fire-safety defects.	The Board received and reviewed regular reports on progress of actions to comply with the self-remediation terms, approving a Board policy that sets out its commitment and responsibilities. The Board is committed to remediating life-critical fire-safety issues as quickly as possible for all buildings in which the Group had some involvement in developing over the last 30 years.
Development of Partnerships	Directors considered the implications of this strategic decision on current and future customers as well as employees and shareholders, and considered key input from legal and financial advisers given both the size and nature of the strategy.	The Board approved the partnership strategy and subsequently agreed the terms of the first partnership agreement entered into in the period.
Setting our transition plan to net zero and submission of targets to the SBTi	Engagement with relevant employees across the business, external consultants and suppliers were all considered in setting out our transition plan and ensuring robust targets were submitted to the Science Based Targets initiative (SBTi) for validation.	The Board reviewed and approved the transition plan and submission to the SBTi. This marks an important milestone for the Group, demonstrating our commitment to direct climate action.

Alex, Petersmiths Park, Ollerton, Nottinghamshire

Section 172 Statement
CONTINUED

Key examples as to how the Board has regard for the s172 factors can be found in the table below:

Factor considered	How this factor has been considered in the year	Actions taken by the Board as a result
Long-term consequences of any decisions	• The Group undertakes future planning up to seven years in critical areas and develops a strategy which will enable it to deliver its long-term objectives. • The Group invests in information technology and cyber security, which will ensure it is able to meet new technological demands and protect the business against cyber incidents. • The Group considers Board, Executive and management succession planning and the development of its pool of talent throughout the business. • The Group undertakes projections of our greenhouse gas emissions in order to set out a pathway to near term and net zero emissions targets.	• Extensive analysis and forecasts were reviewed and presentations from key professional advisors received by the Board to support the Group's strategic plans and development. • Continued investment in and development of information technology to improve the customer journey, increase productivity, streamline processes and mitigate the risk of cyber incidents. • Development of succession planning strategies and early talent pathways to grow future talent for the long-term benefit of the business. • Review and approval of targets for submission to the Science Based Targets initiative.
Interests of our employees	• The Group commissions an independent annual employee engagement survey called Your Voice. • The Group conducts an annual pay and benefits benchmarking exercise. • Directors carry out regular site and office visits and undertake roadshows to communicate with all employees, including interactive question and answer sessions. • An open-door culture is reinforced.	• Review and response to the findings and actions arising from the Your Voice surveys. • Investment in recruitment, training and development including the Gleeson Leadership Programme, and graduate and apprenticeship schemes. • Gleesave platform giving colleagues access to savings and discounts from third parties. • Provision of a Share Incentive Plan using an online platform to enable employees to actively manage their shareholding within the business. • Introduced a new personal development structure involving enhanced career discussions. • Operation of "Gleestar", a monthly employee recognition scheme. • Achievement of the Investors in People Gold accreditation.

Factor considered	How this factor has been considered in the year	Actions taken by the Board as a result
Interests of our suppliers, customers and others	• Attention is focused on our customers and prioritising the customer journey. • The Group conducts supplier and subcontractor roadshows. • The Group holds open discussions with our supply chain about productivity, quality and health and safety. • Customer feedback is obtained through surveys conducted by a third party. • Target to be a five-star builder across all divisions.	• Became an early signatory to the New Homes Quality Code. • Accelerated payment runs and made improvements to our purchase-to-pay process. • Signed-up to the Government's First Homes scheme. • Set ambitious targets for people, environment and communities as part of our sustainability goals. This included actions for improving customer satisfaction and restoring our five-star customer recommendation score.
Impact on our community and environment	• Tracking progress against sustainability targets set in the year. • Preparing the business for building regulation changes. • Striving to reduce the Group's impact on the environment. • Organising Gleeson's inaugural charity gala.	• Developed new sustainability policies and procedures. • Set ambitious sustainability targets for the short and medium term, including the reduction of carbon emissions. • Committed to setting Science Based Targets for both near-term and long-term carbon emissions. • Installation of air source heat pumps and EV charging points in new homes. • Delegated sustainability targets to senior management and linked to Executive reward.
Maintaining a reputation for high standards of business conduct	• The Group ensures adherence to the highest standards of conduct. • Our employees are paid at least the Real Living Wage and we ask our subcontractors to do the same. • The Group achieved accreditation from the Fair Tax Foundation for paying its fair share of taxes, for the fourth year running. • Zero tolerance on violations of human rights, slavery, bullying and harassment. • Responsibility for overseeing compliance is delegated to senior management.	• Compulsory online compliance training modules undertaken across the business, including Whistleblowing, Bullying and Harassment, Modern Slavery and Anti-Bribery and Corruption. • Group Human Rights policy. • Due diligence checks are completed on our supply chain to ensure they uphold our standards. • Regular reporting on governance and compliance matters to the Audit Committee.
Need to act fairly between members of the Company	• The Company has one class of shares in issue so all shareholders benefit from the same rights as set out in the Company's Articles of Association.	• Regular engagement with major shareholders by Executive Directors through combination of personal contact, formal presentations and roadshows. • Chair and SID undertake an annual engagement programme. • Availability of all Directors to shareholders at the AGM.

Non-financial and Sustainability Information Statement

The following table summarises our approach to internal and external stakeholder engagement to comply with the Companies Act 2006 requirements regarding non-financial reporting:

Statement	Ways we engage	Read more
Employees We are committed to ensuring that all of our colleagues and stakeholders are treated fairly and equitably. We have a culture that values passion, collaboration and respect.	• Employee policies on diversity, recruitment, equality and all significant life events	Page 121
	• Anti-Harassment and Bullying Policy, Health and Safety Policy, Equal Opportunities Policy	www.mjgleesonplc.com
	• Approach to employee relations and the involvement of our Workforce Representative	Page 137
	• Health and safety reporting and improving the safety and welfare of colleagues and visitors to our sites and offices	Pages 61 and 82
	• Commitment to employing local people, training and developing all of our colleagues, especially apprentices, raising awareness about mental health and promoting women in construction	Pages 62 to 67
	• Gender pay reporting	Pages 64 and 137; and www.mjgleesonplc.com
Anti-bribery and corruption We are committed to the highest standards of ethics, honesty and integrity and expect the same from all parties we engage with.	• Whistleblowing Policy and monitoring of malpractice reporting	Page 129; and www.mjgleesonplc.com
	• Approach to anti-bribery and corruption	Page 130
	• Anti-Bribery Policy, Anti-Money Laundering Policy, Corporate Criminal Offence Policy	www.mjgleesonplc.com
	• Reporting of registers of gifts and hospitality given or received by Directors and employees of the Group	Page 130
Human rights and social matters We are committed to upholding human rights across our business and with all our stakeholders. Our employee policies cover all aspects of human rights and our grievance and fair treatment at work policies ensure anyone connected with our business can speak up about concerns without fear of retribution.	• Human Rights Policy, Anti-Slavery and Human Trafficking Policy	Page 130; and www.mjgleesonplc.com
	• Payment terms and performance in relation to payment practices	gov.uk; and www.mjgleesonplc.com
	• Accredited by the Real Living Wage Foundation, paying employees the real Living Wage or higher and expecting our subcontractors to do the same	Page 67
	• Data Protection Policy	www.mjgleesonplc.com

Statement	Ways we engage	Read more
Environmental matters and community We are committed to creating more sustainable ways of undertaking our operations to conserve energy, reduce waste and minimise our impact on the environment. We also invest in the communities, local areas and the supply chain around our development sites.	• Monitoring and reporting of carbon emissions (scope 1, 2 and 3) related to our homes	Pages 68 to 74
	• Submission of Science Based Targets for validation	Pages 68 and 72
	• Focus on more efficient and more sustainable materials	Pages 70 to 71
	• Sustainable Procurement Policy, Timber Sourcing Policy Climate and Environmental Policy, Waste Policy, Packaging Policy	www.mjgleesonplc.com
	• Investment in the communities, schools and areas in which we operate	Pages 54 to 55
	• Biodiversity Policy	Pages 75 to 76
Other information Additional non-financial information required under the Companies Act.	• Our Business Model	Pages 26 to 27
	• Principal risks affecting the Group and mitigating actions undertaken	Pages 38 to 43
	• Sustainability and operational key performance indicators	Pages 32 to 33
Climate and sustainability We are committed to monitoring our climate-related risks and opportunities. Our Sustainability Committee assesses and manages climate-related risks and opportunities. Our approach to climate and sustainability is set out in our TCFD statement.	• Our Business Strategy	Pages 28 to 31
	• Risk Management	Pages 38 to 43
	• Task Force on Climate-related Financial Disclosures statement (TCFD)	Pages 86 to 93
	• Sustainability Committee Report	Pages 132 to 134

Strategic Report approval statement

The Strategic Report, contained in pages 02 to 105 has been approved by the Board of Directors and is signed on its behalf by:

Graham Prothero
Chief Executive Officer

17 September 2024

Corporate Governance

"Renmore", Springfield Meadows, Bolsover, Derbyshire

Corporate Governance

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Chairman's Introduction

“Effective governance requires a culture of open and honest communication, together with mutual trust and respect between colleagues, which I am pleased to confirm underpins our Board discussions and interaction, with all Directors providing constructive challenge and debate.”

James Thomson
Chairman

I am pleased to introduce our Governance Report for the year ended 30 June 2024 which sets out the Group's governance framework and how the Board, and its Committees, have discharged their duties and applied the principles of good corporate governance in support of the Group's strategy and deliver long-term sustainable success for the benefit of all our stakeholders.

It remains central to the delivery of our strategy that the culture and values running throughout the business are maintained as these underpin our focus on delivering low-cost, quality homes, where they are needed for the people who need them most. I am therefore extremely proud of all colleagues throughout the Group for their hard work in what has continued to be a challenging market backdrop.

We remain committed to addressing environmental, social and governance matters, recognising the strategic benefits of doing this, with sustainability a core focus for the Board and wider business. Our commitment to Science Based Targets is a clear demonstration of our intention to deliver positive action on decarbonisation of our operations, supply chain and the homes that we build. Details of our progress on delivering against this commitment are found in the Strategic Report and Sustainability Committee Report on pages 132 to 134.

Effective governance requires a culture of open and honest communication, together with mutual trust and respect between colleagues, which I am pleased to confirm underpins our Board discussions and interaction, with all Directors providing constructive challenge and debate. Furthermore, the Board's composition provides an appropriate balance of skills, experience, independence, and knowledge required to take the business forward and deliver sustainable value.

An externally facilitated review of the Board and its Committees, supported by an internal self-assessment, was completed during the year. The conclusions from this evaluation were both positive and constructive. We have evaluated and acted as appropriate on all recommendations. This is discussed later in the Nomination Committee Report.

Finally, I would like to thank the Board and management colleagues for their contributions to the governance of the Company and look forward to welcoming shareholders to the AGM in November.

Culture and people

The Board continues to promote and implement our Vision, Mission and Values, which are more fully described on pages 03 and 62. The results of our latest employee engagement survey, Your Voice, confirmed that employee engagement remains extremely positive with continuing high levels of overall satisfaction.

The Board has, collectively and individually, participated in a number of site visits this year and received presentations from, and engaged with, colleagues at all levels throughout the business. We recognise the hard work and commitment of our colleagues to support the strategic growth of the business.

The Board is also supportive of the work that has been, and is being, undertaken to recognise, nurture and develop talent within the business, with our leadership training programmes and development pathways in place to grow future talent for the long-term success of the business.

Diversity

The Board promotes diversity. The proportion of women on the Board is 43%, and the position of Senior Independent Director is held by Fiona Goldsmith. Current Board female representation satisfies two of the three diversity targets set by the Financial Conduct Authority. The third target, to have at least one Board member from an ethnic minority background, will form part of the Board's recruitment and succession planning for future years.

The Board is also committed to ensuring that the Group provides a diverse and inclusive working environment with details of our initiatives and activities more fully set out in the Strategic Report and Nomination Committee Report. As at 30 June 2024, the proportion of women in employment was 32%.

Our commitment to engaging with stakeholders

The Board embraces the ethos behind the requirements of Section 172 of the Companies Act and information on how we engage with our stakeholders is set out in our Section 172 Statement on pages 100 to 103.

Strategy

The Board held a strategy meeting in June 2024 to consider and build upon strategic priorities for the short, medium and long term against the current challenges faced in the sector, receiving presentations from, and discussions with, professional advisers. Throughout the year we have also held deep dive sessions on key strategic and operational topics with senior management to deepen the Board's understanding of these areas.

Code compliance

Implementation of the 2018 UK Corporate Governance Code

During the period under review, the Company was subject to the 2018 edition of the UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council ("FRC"). The Board and its Committees are responsible for ensuring that, wherever possible, compliance with the Code is achieved. This is demonstrated throughout this Governance Report with details of how the Code principles and provisions have been applied disclosed on page 111.

James Thomson
Chairman

17 September 2024

Corporate Governance Framework

The Board

The Board is responsible to shareholders for the direction, management, performance, and long-term success of the Group.

It sets the Group's strategy and objectives and oversees and monitors internal controls (in conjunction with the Audit Committee), risk management, principal opportunities and risks, governance and viability of the Group.

Committee terms of reference can be found on the Company's website at www.mjgleesonplc.com

Board Committee

Nomination Committee

James Thomson
Committee Chair

Key responsibilities

Board and Committee structure, size and composition.

Board, Committee and senior management appointments.

Board and senior management succession and development plans.

Oversight of Equality, Diversity and Inclusion.

Review the independence of Non-Executive Directors.

Review of employee engagement.

Read more on **pages 120 to 123**

Audit Committee

Fiona Goldsmith
Committee Chair

Key responsibilities

Monitor integrity of the financial statements.

Financial and narrative reporting.

Review significant accounting judgements.

Oversight of the relationship with the external auditor.

Monitor effectiveness of the Group's internal controls and risk management systems.

Monitor effectiveness of the internal audit function.

Review procedures for detecting fraud, preventing bribery and ensuring appropriate whistleblowing procedures are in place.

Read more on **pages 124 to 131**

Sustainability Committee

Elaine Bailey
Committee Chair

Key responsibilities

Determine and monitor performance against appropriate short, medium and long-term sustainability targets.

Ensure that the Group's sustainability policy remains fit for purpose and aligns with the Group's approach to sustainability.

Advise the Audit Committee on sustainability risks.

Assist the Board to ensure that existing and emerging environmental and sustainability regulatory requirements are met.

Read more on **pages 132 to 134**

Remuneration Committee

Nicola Bruce
Committee Chair

Key responsibilities

Ensure that remuneration policy and practices align to the Group's long-term sustainable success.

Set the remuneration of the Chair, Executive Directors, Company Secretary and senior management.

Make recommendations to the Board on the design and application of share incentive schemes.

Read more on **pages 136 to 138**

Executive Leadership Team

The Executive Leadership Team, led by the Chief Executive Officer, is responsible for the day-to-day execution of business strategy, the management of the Group's two core business units, management of HR matters including people, culture, talent and development, and the oversight of legal and regulatory matters. They discuss and consider all important matters that are raised to the Board, or respective Committee of the Board.

The Executive Leadership Team comprises the Executive Directors, the Chief Executive of Gleeson Homes, the Managing Director of Gleeson Land, the Company Secretary and the Group HR Director.

Section of the Code	How we have applied the Code
Board leadership and Company purpose See **pages 112 to 113**	The Group is led by an effective and entrepreneurial Board, which promotes the long-term success of the Group and engages with its shareholders and other stakeholders. The Board has established the Group's purpose and strategy and is satisfied that these are aligned with the Group's culture and values. The Board has established and oversees an effective governance and risk framework. The Board promotes effective engagement with the workforce, with open lines of communication where employees can raise matters of both concern and opportunity.
Division of responsibilities See **page 114**	The Chairman leads the Board, which includes an appropriate combination of Executive Directors and Non-Executive Directors. Board relations are constructive and Board members are able to demonstrate objective judgement. There is a clear division of responsibility between the leadership of the Board (the Chair of the Board) and the Executive leadership of the Group's business (the Chief Executive Officer and the Chief Financial Officer). The Non-Executive Directors provide constructive challenge, strategic guidance and advice, and have sufficient time to meet their Board responsibilities. There are relevant policies and processes in place for the Board to receive timely and clear information, and function effectively and efficiently.
Composition, succession and evaluation See **pages 120 to 123**	Board appointments are subject to a formal, rigorous and transparent procedure, based on objective criteria that promotes diversity. A comprehensive and tailored induction programme is in place for new Directors joining the Board, led by the Chairman, Company Secretary and Executive Directors. The Nomination Committee oversees an effective succession plan, which takes into consideration a desired combination of skills, experience, knowledge and diversity of the Board. The Board is subject to an annual evaluation that considers Group and individual Director performance.
Audit, risk and internal control See **pages 124 to 131**	The Board has established formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions, and satisfies itself on the integrity of financial and narrative statements. The Board presents a fair, balanced and understandable assessment of the Group's position and prospects. The Board has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks of the Group to achieve its strategic objectives.
Remuneration See **pages 136 to 153**	The Group has designed the remuneration policies and practices to support the Group's strategy and promote long-term sustainable success. Executive remuneration is aligned to the Group's purpose and values and is clearly linked to the successful delivery of our sustainable strategy. There is a formal and transparent procedure for developing the Executive remuneration policy and determining Director and senior management remuneration. The Remuneration Committee is able to exercise independent judgement and discretion when authorising remuneration outcomes, taking into account Group and individual performance.

Board of Directors

James Thomson

MA, ACA

Chairman

Committee membership

N

Appointment to the Board
James was appointed to the Board in June 2019 as Chief Executive Officer, and in January 2023 as Chairman.

Background and experience
James was previously Chief Executive of Keepmoat Homes and Group Finance Director and Chief Operating Officer of DTZ (now part of Cushman & Wakefield). He qualified as a Chartered Accountant with PricewaterhouseCoopers LLP and spent ten years in investment banking.

Key strengths
Housebuilding and construction. Public limited companies. Health and safety. Strategy development. Organisational and cultural change. Acquisitions and mergers.

External appointments
A local authority councillor for the City of London, Deputy Chair of the City of London Police Authority Board, Non-Executive Director of the Association of Police and Crime Commissioners, Non-Executive Board member of the Serious Fraud Office, Board Member of the City Bridge Foundation, Governor of the City of London School.

Graham Prothero

MA, FCA

Chief Executive Officer

Committee membership

S

Appointment to the Board
Graham was appointed to the Board in January 2023.

Background and experience
Graham has extensive industry experience and was previously Chief Operating Officer at Vistry Group plc and Chief Executive of Galliford Try plc. Graham is a Fellow of the Institute of Chartered Accountants and was previously a partner at Ernst and Young LLP.

Key strengths
Housebuilding and construction. Acquisitions and mergers. Strategy development. Business growth. Risk management. Business continuity. Operations.

External appointments
Graham is currently the Senior Independent Director and Chair of the Audit Committee of Marshalls plc, and on the Board of The Jigsaw Trust.

Stefan Allanson

ACMA, FCT

Chief Financial Officer

Committee membership

S

Appointment to the Board
Stefan was appointed to the Board in July 2015.

Background and experience
Stefan was previously Deputy Chief Financial Officer of Keepmoat Homes. He qualified as an accountant in 1994, following which he held senior finance roles at Honda Motor Co Limited, BTP plc, The Skills Market Limited, The Vita Company Limited and Tianhe Chemicals.

Key strengths
Housebuilding and construction. Public limited companies. Accounting and finance. IT. Business continuity. Risk management. Strategy development. Commercial.

External appointments
Stefan is currently a Non-Executive Director and Chair of the Audit & Risk Committee of Norcros plc.

Fiona Goldsmith

FCA

Non-Executive Director, Senior Independent Director and Workforce Representative

Committee membership

A N R

Appointment to the Board
Fiona was appointed to the Board in October 2019.

Background and experience
Fiona previously held Executive finance roles at First Choice Holidays plc and Land Securities Group plc. Fiona was also Non-Executive Director at Walker Greenbank. She qualified as an accountant with KPMG.

Key strengths
Accounting, finance and audit. Risk management. Corporate governance. Acquisitions and mergers. Compliance and regulation. Business turnaround. Strategic Development.

External appointments
Non-Executive Director and Chair of the Audit and Risk Committee of KCOM Group Limited.

Key:

A Audit Committee
N Nomination Committee
R Remuneration Committee
S Sustainability Committee
Committee Chair

Christopher Mills

Non-Executive Director (non-independent as a significant shareholder representative)

Committee membership

Appointment to the Board
Christopher was appointed to the Board in January 2009.

Background and experience
Christopher is the founder of Harwood Capital Management Group and, previously, Chief Investment Officer of J O Hambro Capital Management Limited with an extensive background in investment management.

Key strengths
Public limited companies. Accounting, finance and audit. Acquisitions and mergers. Strategy development. Risk management. Business development.

External appointments
Managing Director of Harwood Capital Management Group, Chief Executive Officer of North Atlantic Smaller Companies Investment Trust plc, and a Non-Executive Director of several publicly quoted and private companies.

Elaine Bailey

Independent Non-Executive Director

Committee membership

S A N R

Appointment to the Board
Elaine was appointed to the Board in March 2021.

Background and experience
Elaine was previously Chief Executive Officer of the Hyde Group housing association and held a number of senior roles at Serco. Elaine has extensive experience in housing, engineering, construction and government services. Elaine is a chartered member of the Institution of Structural Engineers.

Key strengths
Housebuilding and construction. Strategy development. Health and safety. Risk management. Business development. Commercial.

External appointments
Non-Executive roles at Residential Secure Income plc, McCarthy & Stone (Shared Ownership) Limited, Andium Homes, and Trustee for The Greenslade Family Foundation.

Nicola Bruce

MA, FCMA

Independent Non-Executive Director

Committee membership

R A N

Appointment to the Board
Nicola was appointed to the Board in March 2023.

Background and experience
Nicola has extensive experience in strategy and business development and has previously held senior appointments in a range of private and listed companies. Nicola is an experienced Remuneration Committee Chair, including in the building materials and social housing sectors.

Key strengths
Strategy development. Business development. Corporate governance. Acquisitions and mergers. Public limited companies.

External appointments
Senior Independent Director and Remuneration Committee Chair of Anchor Hanover Group. Non-Executive Director and Remuneration Committee Chair of Stelrad Group plc and Ibstock plc. Non-Executive Director at OFWAT.

Leanne Johnson

LLB

Head of Legal and Company Secretary*

Appointed as Company Secretary in March 2020, Leanne is a qualified solicitor and is Head of Legal for the Company. Leanne trained at Irwin Mitchell and was Legal Counsel for Keepmoat Homes before joining MJ Gleeson plc.

Leanne is also a graduate Chartered Governance Professional.

Key strengths
Housebuilding and construction. Corporate governance. Legal. Regulatory and compliance. IT.

* Interim cover was in place during part of the year.

Corporate Governance Report

Division of responsibilities

There is a clear and effective division of responsibilities between Board members. The Chair is responsible for the overall effectiveness of the Board and, in doing so, promotes the highest standards of integrity and corporate governance. The Chair is responsible for setting the Board's agenda, ensuring that there is adequate and appropriate time for each item, and for promoting effective discussion, challenge and debate to facilitate the contribution of all Board members in the decision-making process. The Chief Executive Officer leads the business in delivering the Group's overall strategy and works closely with the Chair and the Chief Financial Officer. The Non-Executive Directors provide constructive challenge and strategic guidance and hold management to account. To ensure that the Directors maintain control over strategic, financial, operational and compliance matters, the Board meets regularly during the year and has formally adopted a schedule of matters that are reserved to it for decision.

Board balance and composition

The Board considers that it has a suitable balance of skills, knowledge and experience in order to discharge its duties effectively. This includes a combination of backgrounds and experiences, which enable it to function effectively and to have a dialogue that is both constructive and challenging.

Board meetings

There were six scheduled Board meetings held during the year, together with a review of the Group's strategy. Detailed papers are circulated in advance of meetings and provide reports on the Group's current trading performance, its financial position and achievement against its budget and forecasts, and against prior year. Agenda items include updates on health and safety, operational performance, risk management, governance, and corporate strategy. Members of the senior management team are invited to update the Board on their responsibilities both at formal Board meetings and at separate 'deep dive' meetings on key strategic and operational matters. Information, including the latest financial and trading performance, is circulated to all Directors between meetings. Minutes of all meetings of the Board, and its Committees, are taken by the Company Secretary, who records decisions taken and any queries and unresolved concerns raised.

Matters reserved for the Board

Certain matters are reserved for the Board, or its Committees, including:

- To determine the Board's structure and composition, including Board appointments, removals and succession planning.
- Agree the Group's strategy, business plan and financial policy.
- Approve banking and financing arrangements.
- Approve the interim and annual financial statements and circulars.
- Agree and oversee risk management and internal control policy.
- Agree major capital expenditure, material investments or the acquisition or disposal of land.
- Entering into, and amending, pension arrangements.
- Approve contractual arrangements that fall outside the authority delegated to Executive Directors.
- Approve dividend policy and annual dividend payments.
- Pledging security over assets and providing Parent Company guarantees.

In addition, the Board receives updates on sustainability, governance, regulatory and legal matters to assist it in maintaining compliance with existing and emerging legislative requirements and best practice. The Board has established the following Board Committees to assist it in meeting its responsibilities, which meet regularly and have formal written terms of reference:

Nomination Committee	**Page 120**
Audit Committee	**Page 124**
Sustainability Committee	**Page 132**
Remuneration Committee	**Page 136**

These Committees play an important governance role through the work they carry out to fulfil the responsibilities delegated by the Board.

Board independence

The Group recognises the importance of having a well-functioning Board that can exercise objective judgement and hold management to account. The independence of Non-Executive Directors is kept under review and the Board is satisfied that three Non-Executive Directors are considered independent, which represents at least half of the Board, excluding the Chair, in compliance with the requirements of the Code.

Board activities

Topic	Key activities in financial year ended 30 June 2024
Financial and risk	• Approved the Annual Report and Accounts and interim financial statements. • Considered the Group's long-term viability and approved the going concern assessment. • Reviewed monthly business updates and trading performance. • Approved the budget and plan for financial year ending 30 June 2025 and the medium-term targets for financial years ending 30 June 2026 to 30 June 2031. • Recommended the payment of a final dividend in November 2023 and approved the payment of the interim dividend in April 2024. • Monitored the impact of legislative changes to the Defective Premises Act, and the financial implications of remedial works to buildings pursuant to the DLUHC's self-remediation terms. • Approved the Group's tax strategy for financial year ended 30 June 2024. • Approved Group insurance policies for financial year ended 30 June 2025.
Controls and governance	• Development of the Group's risk management maturity and control environment. • Appointment of an external provider to undertake the Board performance evaluation. • Reviewed and approved an updated Modern Slavery Statement. • Reviewed cyber risk across the Group. • Reviewed legal and regulatory updates.
Strategy	• Monitored progress against the Group's strategic priorities. • Reviewed and approved the Group's sustainability targets. • Undertook a strategy meeting to review the business plans for Gleeson Homes and Gleeson Land. • Approved Gleeson Homes strategic development of partnerships and other multi-unit sales opportunities.
People and employee engagement	• Undertook regular workforce engagement via the Executive Directors and senior management. • Review of results from, and plan to address matters raised in, the employee engagement survey 'Your Voice'. • Oversight, via the Nomination Committee, of development of policies on equality, equity and inclusion. • Attended employee roadshows, hosted by the Executive Directors, giving employees an insight into the Group's performance and strategy. • Workforce Representative engaged with the Group HR Director. • Board members undertook site and office visits to engage with our colleagues.
Sustainability	• Approved submission of a robust and verifiable carbon reduction plan that meets the Science Based Target initiative criteria and recommendations. • Oversight of sustainability-led Group policies. • Reviewed progress against sustainability targets and actions undertaken. • Reviewed the Group's sustainable business strategy. • Implementation of the sustainability targets that are linked to Executive remuneration.

Topic	Key activities in financial year ended 30 June 2024
Shareholder engagement	• Engaged with major shareholders via the Chair and Senior Independent Shareholder. • Presented full and half-year results to investors and analysts. • Reviewed monthly investor relations reports and annual shareholder body reports. • Released regular business updates via the RNS. • Invited and responded to questions received ahead of the 2023 AGM.

Attendance at scheduled Board and Committee meetings:

	Board	Audit	Remuneration	Nomination	Sustainability
Scheduled:	6	4	5	1	3
James Thomson	6	n/a	n/a	1	n/a
Graham Prothero	6	n/a	n/a	n/a	3
Stefan Allanson	6	n/a	n/a	n/a	3
Fiona Goldsmith	6	4	5	1	n/a
Christopher Mills	6	n/a	n/a	n/a	n/a
Elaine Bailey	6	4	5	1	3
Nicola Bruce	6	4	5	1	n/a

Key responsibilities	
Chairman	• Ensuring the effective running of the Board. • Promoting the highest standards of integrity and corporate governance throughout the Group. • Chairing Board meetings and setting agendas. • Ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives. • Ensuring that the Board receives accurate, timely and clear information on: a. the Group's performance; b. the issues, challenges and opportunities facing the Group; and c. matters reserved to it for decision. • Ensuring compliance with the Board's approved procedures, including the schedule of matters reserved to the Board and each Committee's terms of reference. • Engaging with the Board outside of formal meetings on a group or individual basis, as required. • Initiating change and succession planning in Board appointments to build and maintain a highly effective Board. • Ensuring effective communication between the Group and its shareholders and ensuring that members of the Board develop an understanding of the views of the major stakeholders. • Ensuring that there is a properly constructed induction programme for new Directors. • Ensuring that the performance of the Board as a whole, its Committees, and individual Directors is formally, and rigorously, evaluated at least once a year.

Key responsibilities

Chief Executive Officer	• Diligently performing such duties and exercising such powers as may, from time to time, be assigned by the Board for the successful running of the Group's business. • Proposing and developing the Group's strategy and overall commercial objectives in close consultation with the Chairman and the Board. • Maintaining relationships with major stakeholders. • Ensuring effective dialogue with the Chairman on the important and strategic issues facing the Group. • Ensuring that the Executive Directors give appropriate priority to providing reports to the Board, which contain accurate, timely and clear information. • Ensuring that the Executive Directors comply with the Board's approved procedures, including the schedule of matters reserved to the Board and each Committee's terms of reference, and providing input on appropriate changes to the same. • Keeping the Board alerted to forthcoming complex, contentious or sensitive issues affecting the Group. • Providing information and advice on succession planning to the Chairman, the Nomination Committee, and to members of the Board, particularly in respect of Executive Directors and senior management. • Setting the Group's culture and values from the top.
Chief Financial Officer	• Devising and implementing the Group's financial strategy and policies. • Managing the finance, tax, IT, legal, internal audit, and treasury functions. • Monitoring the Group's investor relations activities. • Developing budgets and financial plans. • Principal owner of the Group's risk register. • Managing the Group's insurance strategy and policies. • Managing the Group's relationship with the external auditors. • Devising and implementing the Group's sustainability strategy, policies and actions.
Senior Independent Director	• Chairing Board and Nomination Committee meetings in the absence of the Chairman. • Leading the annual evaluation of the Chairman's performance. • Leading the succession planning process for the Chairman. • Acting as a sounding board for the Chairman on Board and Nomination Committee matters. • Being available to shareholders, or other stakeholders, if they have concerns about the Chairman, Chief Executive Officer or Chief Financial Officer, and to intervene in any circumstances arising from such concerns. • Intervening in, and leading on, settlement discussions relating to any disagreements between the Chief Executive Officer and the Chairman. • Calling a meeting of the Non-Executive Directors if, in their reasonable opinion, it is necessary in relation to any of the matters above or otherwise.

Corporate Governance Report
CONTINUED

Key responsibilities

Non-Executive Directors	• Effectively scrutinising and holding to account the performance of the Executive Directors. • Evaluating and appraising the performance of the Executive Directors and senior management against agreed targets, and agreeing remuneration in line with the remuneration policy. • Monitoring the financial information, risk management and control processes of the Group to make sure that they are sufficiently robust. • Ensuring a rigorous process for the appointment and removal of Executive Directors.
Company Secretary	• Supporting the Chairman and Chief Executive Officer in fulfilling their duties, especially in respect of Board agendas, induction, training and the evaluation of Board and Committee effectiveness. • Available to all Directors for advice and support. • Keeping the Board regularly updated on governance matters and best practice. • Ensuring Group policies and procedures, including those related to conflicts of interest, are maintained and updated on a regular basis. • Attending and maintaining a record of the matters discussed and approved at Board and Committee meetings.

Code compliance statement

The Company has complied with all principles of the Code for the year ended 30 June 2024 and, except for Provision 9 as explained opposite, all its provisions.

The Code recognises that good governance can be achieved by other means and the Board believes the approach taken is the most appropriate for the Group and its shareholders, whilst remaining consistent with the spirit of the Code.

Provision 9

The Chairman of the Board, James Thomson, was previously the Chief Executive Officer, and, therefore, is not considered to have been independent on appointment. The Senior Independent Director undertook a series of consultation meetings with major shareholders prior to James' appointment and gained overwhelming support. The Board's reasons for appointing James to the role of Chairman were published on 12 October 2022 and made available via the Regulatory News Service and on the Company's website and it continues to support his appointment.

Risk management and internal control

The Directors acknowledge their responsibility for the Group's risk management procedures and systems of internal controls and for reviewing their effectiveness. Further details on the Group's risk management procedures and systems of internal controls, and how the Board and Audit Committee review their effectiveness, are included in the Audit Committee Report on pages 124 to 131 and in the Strategic Report on pages 02 to 105.

It should be recognised that all such systems and procedures are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, rather than absolute, assurance against material misstatement or loss. Risk management and internal control within the Group's operating functions is delegated to senior management, with the Board retaining ultimate responsibility.

During the year being reported, and in making this statement, the Board carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten the Group's business model, future performance, solvency or liquidity. The Board is of the view that there are adequate processes for identifying, evaluating and managing the Group's principal risks. These processes take the form of a formal risk management policy supported by financial and management controls, which are operated Group-wide and are subject to both internal review by the Chief Financial Officer and Group Internal Audit, and external review as part of the statutory audit carried out by the external auditors.

Viability statement

In accordance with the Code, the Directors have assessed the viability of the Company and the Group over a period longer than the 12 months required by the going concern principle. This takes account of the current position and circumstances of the Group, and the potential impact of its principal risks.

The Directors conducted their assessment for a period of three years to 30 June 2027, which is in line with the Group's financial budget and plan approved by the Board in July 2024. It is also aligned to the operational period of a number of Gleeson Homes' developments. This has enabled a meaningful assessment of viability to be undertaken, utilising detailed Board-approved financial budgets that incorporate individual site cash flow forecasts.

The Directors have considered sensitivities from the impact of a severe, but plausible, downturn in the housing and land markets. For Gleeson Homes, this included the impact of a downturn in both volumes and selling prices. For Gleeson Land, the Directors have considered the impact of delays to the completion of land sales combined with a reduction in land values. Further details can be found in note 1 of the financial statements on page 177.

Additionally, the Directors have considered the measures that would need to be taken to mitigate the impact of these sensitivities, including the ability of the Group to curtail expenditure on new land purchases, new site starts, reduce overheads and cut discretionary spend. This would include reducing future dividend payments in response to a severe, but plausible, downturn.

A core principle of the Group is to maintain a cautious approach to debt funding. Following the refinancing undertaken last year, the Group has a committed bank facility of £135m available until October 2026, with two further uncommitted one-year extension options provided by two banks. The facility was undrawn at the year end and the Group had a cash balance of £12.9m (30 June 2023: £5.2m net cash).

Based on these facilities, the Group continues to have a high level of liquidity including under the severe, but plausible, scenario, to continue in operation, meet its liabilities as they fall due and remain in compliance with its financial covenants over the assessed period. The mitigating actions required do not disrupt the Group's ability to grow over the long term.

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

Assessing the Group's prospects beyond the assessed period, the Directors consider that the demand for affordable, quality new homes will remain strong fundamentally due to market under-supply. The Group maintains a well-capitalised balance sheet and operates a sustainable business model that will continue to deliver long-term growth.

Nomination Committee Report

Committee members
James Thomson (Chair)
Fiona Goldsmith
Elaine Bailey
Nicola Bruce

KEY ACHIEVEMENTS FOR 2024

- External Board and Committee evaluation undertaken by a third party assessor.
- Executive and senior management development and succession planning.
- Oversight of the Company's developing Equality, Diversity, and Inclusion strategy.

AREAS OF FOCUS FOR 2025

- Continued focus on, and monitoring of, the Company's strategy on Equality, Diversity, and Inclusion.
- Executive and senior management development and succession planning to meet medium and long-term requirements.

"During the year the Board undertook an external evaluation of both Board and Committee performance. The findings are outlined in this report and we will monitor progress against all of its recommendations over the coming year."

James Thomson
Chairman

Dear shareholder,

I am pleased to present the Nomination Committee Report for the year ended 30 June 2024.

Operation of the Committee

The Committee comprises the Chairman and three independent Non-Executive Directors. There were no changes to the Committee during the year. The Chief Executive Officer, Chief Financial Officer, Group HR Director and Company Secretary attend meetings at the invitation of the Committee.

During the year, the Committee, formally, met once to consider a range of matters.

Activities during the year

The Committee's main activities included:

- Board and senior management development and succession planning.
- Oversight of the Company's talent development programme.
- Development of the Company's Equality, Diversity, and Inclusion agenda.
- An annual review of the Committee's terms of reference.
- The appointment of an external assessor to undertake a Board evaluation, supplemented by an internal evaluation, and review of findings.

Re-election of Directors

In accordance with the requirements of the 2018 UK Corporate Governance Code all Directors will retire and offer themselves for re-election at the AGM in November 2024.

Diversity and inclusion

The Board Diversity Policy, which was reviewed during the year, sets the framework to ensure that candidates for Board appointments are considered on merit against objective criteria, with due regard to the benefits that can arise from diversity of background, gender, ethnicity, skills and knowledge which does not place any candidate at a disadvantage.

We believe that the composition and quality of the Board should be in keeping with the size and geographical spread of the Group, its sector, culture, and status as a listed company. We understand that a diverse Board with a range of views enhances decision making, which is beneficial to the Group's long-term success and in the interests of the Company's stakeholders.

While the Board does not currently set specific targets for boardroom diversity, it is compliant with two of the three targets set out in the Listing Rules with the number of women on the Board representing over 40% and Fiona Goldsmith being the Senior Independent Director.

The Board is aware that it does not currently meet the target that at least one member of the Board is from a minority ethnic background and will keep its composition under review ensuring that all future appointments, which will continue to be made on merit, have due regard to this target.

Numerical diversity data as at 30 June 2024 in the format required by the Listing Rules is set out on page 122.

Length of service on Board

James Thomson	5 years
Graham Prothero	1 year
Stefan Allanson	9 years
Fiona Goldsmith	5 years
Christopher Mills	15 years
Elaine Bailey	3 years
Nicola Bruce	1 year

Board attendance

100%

Gender representation

Board independence

Nomination Committee Report
CONTINUED

Gender diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Executive management[1]	Percentage of Executive management[1]
Men	4	57%	3	4	67%
Women	3	43%	1	2	33%
Not specified/prefer not to say	–	0%	–	–	0%

1 The Company is treating the Executive Leadership Team as 'executive management' for the purpose of this data set. The Executive Leadership Team consists of the Executive Directors, the Chief Executive of Gleeson Homes, Managing Director of Gleeson Land, Company Secretary and Group HR Director.

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Executive management[1]	Percentage of Executive management[1]
White British or other white	7	100%	4	6	100%
Minority ethnic background	–	0%	–	–	0%
Not specified/prefer not to say	–	0%	–	–	0%

1 The Company is treating the Executive Leadership Team as 'Executive management' for the purpose of this data set. The Executive Leadership Team consists of the Executive Directors, the Chief Executive of Gleeson Homes, Managing Director of Gleeson Land, Company Secretary and Group HR Director.

The Group also implements an equality and diversity policy in respect of its wider workforce, with further details set out on page 63.

Nomination Committee priorities in 2024

Priorities	Work carried out	Outcome
Priority 1 Embark upon a Board Evaluation undertaken by a third-party assessor	Bvalco was appointed to undertake an external Board evaluation process, which was completed by the end of the 2023 calendar year.	The report and its findings were reviewed by the Board, which has taken action to address its findings and recommendations.
Priority 2 Consider diversity initiatives for both gender and ethnicity	The Committee received and reviewed details of the Company's developing programme on equality, diversity, and inclusion.	Continued development and implementation of the programme by the Company and oversight from the Committee.

Board appointment process

1. Information obtained through Board evaluation and succession planning is used to identify gaps in skills, experience, independence, and knowledge.
2. The recruitment process is commenced, assisted by external consultants who help determine the desired objective criteria. A longlist of candidates is prepared for the Nomination Committee to review, and, from this, a shortlist of candidates is selected for interview.
3. Interviews with the Chairman, Non-Executive Directors, Executive Directors, and Company Secretary (all held separately).
4. Nomination Committee recommends a candidate to the Board for approval.

Succession planning

We recognise that succession planning is an important contributor to the Group's long-term sustainable success. For the Board, this is monitored regularly and considered in detail during the Board's annual performance evaluation.

Board inductions

Following appointment to the Board, new Directors receive a comprehensive and tailored induction programme. The induction programme facilitates their understanding of the Group and the key drivers of business performance and provides an opportunity for new Directors to meet key members of the senior management team and undertake site visits.

How this supports a diverse pipeline

The Board appointment process, details of which are set out above, identifies a recruitment need by looking at the tenure of each individual Director, the background, knowledge and skills of each Director, and Board composition, including its gender and ethnicity, as a whole.

This process enables the Nomination Committee to develop and implement plans for the short, medium, and long term, which supports a diverse pipeline of potential candidates.

External advisers

The Nomination Committee uses external advisers, where required, to assist with the recruitment process.

Board performance evaluation

Process

Last year we announced that we had appointed Bvalco, an independent specialist providing bespoke, independent and objective board reviews, to undertake an external Board evaluation, with the process commencing in September 2023. Following agreement of the scope with the Chairman, who was supported by the Company Secretary, the evaluation included one to one meetings with Board members and members of the management team, a review of Board and Committee papers, and observation of Board and Committee meetings. The findings and recommendations were presented to the Board for its review and consideration. In addition, and to supplement the external evaluation, the Board undertook an internal review of its own effectiveness and that of its Committees. This involved the completion of detailed questionnaires for the Board and each of its Committees and individual discussions between the Chairman and the Directors.

Fiona Goldsmith, in her role as Senior Independent Director, conducted an evaluation of the Chairman's performance in conjunction with the other Non-Executive Directors and with input from the Executive Directors.

Outcome

The findings and recommendations from these evaluations were reviewed and discussed by the Board and it was concluded that the Board, its Committees, and the Chairman continue to perform effectively, with there being no significant issues of concern and all Directors providing constructive contribution and challenge. Action has been, and continues to be, taken to address the findings and recommendations including:

- scheduling of deep dive sessions on key strategic and operational issues to deepen the Board's understanding;
- continued development of papers and its annual agenda to ensure that the Board balances its time appropriately between strategy and oversight of strategy implementation and operational matters;
- recognition of diversity and inclusion as a key issue with it being on the Nomination Committee's agenda and as part of Board and senior management succession; and
- holding more Board meetings at regional offices, which enables the Board to engage with colleagues throughout the business.

Progress against all observations and recommendations will be monitored during 2025 as an item on the Board agenda.

James Thomson
Chair of the Nomination Committee

17 September 2024

Audit Committee Report

Committee members
Fiona Goldsmith (Chair)
Elaine Bailey
Nicola Bruce

"The Committee fulfils a key role in supporting the Board to ensure that effective systems of risk management and control continue to be maintained and developed in readiness for the changes under the 2024 Corporate Governance Code."

Fiona Goldsmith
Chair of the Audit Committee

KEY ACHIEVEMENTS FOR 2024

- Close monitoring of costs to complete in order to assess the integrity of profit and margin recognition and valuation of work in progress.
- Monitoring of the revision to the Corporate Governance Code.
- Recommending to the Board the approval of the Group's Risk Management Policy and Internal Audit Policy.
- Review of initial findings of the risk and control assessments carried out and remediating actions to be taken.
- Approval of the Group Internal Audit plan and review of internal audit findings and implementation of actions arising.
- Monitoring the Group's exposure to the Building Safety Act, progress to date, and adequacy of provisions, including consideration of legacy issues arising in the year.
- Review of the Group's cyber risk and IT risk and controls.

AREAS OF FOCUS FOR 2025

- Further work to enhance the Group's risk management and controls including embedding a strong 'controls culture' within the business.
- Further development of the Group Internal Audit plan and resources.
- Continued focus on commercial processes, cost management, profit and margin recognition.
- Ongoing assurance over the financial controls, tax compliance and risk management processes of the Group.
- Resilience and security of key business systems against cyber risks and other threats.

Dear shareholder,

I am pleased to introduce the Audit Committee Report for the financial year ended 30 June 2024.

Operation of the Committee

All members of the Committee are independent Non-Executive Directors. The Board is satisfied that the membership of the Audit Committee meets the requirement for relevant and recent financial experience. The biographies and professional qualifications of the members are shown on pages 112 to 113.

The Chief Executive Officer, Chief Financial Officer, Company Secretary and other senior management are invited to attend meetings, along with the Group's internal and external auditors, when required. The Committee also met with the Group's internal and external auditors without the presence of Executive Directors or senior management on several occasions throughout the year.

Committee meetings

The Committee is required, in accordance with its terms of reference, to meet at least three times a year. During the year, the Committee formally met four times to discharge its duties.

Audit Committee activities in 2024:

Activity	Work carried out	Outcome
Financial reporting – fair, balanced and understandable	The committee reviewed the integrity of this Annual Report and Accounts and formal announcements made during the year relating to the Group's financial performance. At the request of the Board, the Committee considered whether the 2024 Annual Report and Accounts taken as a whole is fair, balanced and understandable and whether it provides the necessary information for shareholders to assess the Company's performance, business model and strategy.	The Committee was satisfied that, taken as a whole, the 2024 Annual Report and Accounts is fair, balanced and understandable and provides sufficient information for shareholders to assess the Company's and Group's performance, business model and strategy.
Risk management and internal controls	The Committee reviewed and approved the Risk Management Policy and Internal Audit Policy. The focus in the year has been on improving the maturity of our risk management framework and mitigating controls. Management presented the functional risk registers, which identify the operational and compliance risks and controls for each functional area of the business, together with the risk and controls matrices, which set out the financial reporting controls. These have been developed in conjunction with third-party review and support. A summary of principal Group risks and any changes during the year is set out in Risk Management on pages 38 to 43.	The Committee and the Board fully understand and manage the balance of risks in the business. The Committee supports the Group in moving to an enhanced risk management and control framework in readiness for changes to the Corporate Governance Code.

Audit Committee Report
CONTINUED

Activity	Work carried out	Outcome
Group taxes	The Committee received regular updates on Group tax matters. These cover all aspects of compliance, including VAT, Corporation Tax, Residential Property Developers Tax, Construction Industry Scheme, and employment taxes, including off-payroll working arrangements. The Committee oversaw the Group's submission of an unqualified Senior Accounting Officer certificate. The Committee reviewed the Group's Tax Strategy statement for the year to 30 June 2024 and recommended its approval to the Board. A copy of the Tax Strategy statement can be found on the Company's website www.mjgleesonplc.com	The Committee satisfied itself that the processes and controls associated with Group taxes remain robust.
Legacy matters and Building Safety	The Committee received updates on progress to date with works to remediate buildings directly identified in respect of the DLUHC Self-Remediation Terms and the Responsible Actors Scheme. The Committee received and reviewed reports on claims associated with the Legacy businesses, being the contracting and engineering businesses sold more than ten years ago. This includes those buildings indirectly impacted by the changes brought about by the enactment of the Building Safety Act 2022 and the Government's Self-Remediation Terms.	The Committee remains satisfied that the Group is complying with its obligations under the Self-Remediation Terms, and, in conjunction with the Chief Financial Officer, continues to monitor the status of claims and any remaining liabilities.
Cyber security	The Committee received reports in the year on the Group's cyber risk management, including key risks and mitigating actions.	The Committee remains satisfied that the Group is managing cyber security risk in a proportionate and effective manner.
Internal audit	The Committee set the internal audit plan for the financial year ended 30 June 2025 at its meeting in September 2024. As covered under "Internal audit", the Committee received and reviewed reports from the internal auditor throughout the year on internal audits conducted across the business.	The Committee remains satisfied with the effectiveness of the internal audit function.
External audit	The Committee received and reviewed the external auditors' Group audit plan at its meeting in February 2024. Following completion of the audit of the Group, the external auditors presented their findings to the Committee in September 2024.	The Committee remains satisfied with the effectiveness of the external auditors and the audit process.

Other activities

During the year, the Committee also reviewed reports on IT and systems, corporate disclosures and MAR, GDPR, credit risk, Corporate Criminal Offence, anti-bribery, and malpractice monitoring.

Financial reporting and significant judgements

The significant financial reporting matters and areas of significant judgement considered by the Committee during the year are those that present a risk of material misstatement to the Group's financial statements, being:

Area	Work carried out	Outcome
Margin recognition	The allocation of inventories to cost of sales on the sale of individual homes is dependent on estimates of total build costs and future selling prices for each site as a whole. These estimates, therefore, impact on the timing and amount of profit margin recognised on sales of individual homes. The Committee monitors the effectiveness of internal controls exercised over the key processes employed by the Group in site development activities and the forecasting of future costs, revenue and profit. The Committee receives regular reports regarding sales of homes and the costs, and possible future costs, relating to individual sites. The Committee reviewed the assumptions applied by management, supporting the profit margin recognised on the sale of individual homes, and concluded that they remain appropriate.	The Committee satisfied itself that the associated processes and controls have continued to operate effectively across the Group and the assumptions applied by management in relation to profit margin recognition are appropriate.
Carrying value of land and work in progress	The most significant asset carried by the Group is inventory, which includes land and work in progress. The Group carries inventories at the lower of cost and net realisable value, which is dependent on estimates of total build or land promotion costs and future selling prices. There is, therefore, a risk that land and work in progress is held at a value in excess of the lower of cost and net realisable value. The Committee monitors the effectiveness of internal controls exercised over the key processes employed by the Group in site development activities and the forecasting of future costs, revenue and profit. The Committee also receives regular reports on the carrying value of land and work in progress in Gleeson Homes and Gleeson Land. The Committee reviewed these reports and debated them with the internal auditor and with management.	The Committee satisfied itself that the carrying value of land and work in progress remains appropriate. The Committee satisfied itself that the associated processes and controls have continued to operate effectively across the Group and the assumptions applied by management in relation to profit recognition are appropriate.
Building safety	The Committee reviewed, challenged and agreed the basis on which the Group's review and assessment of buildings over 11 metres, in which the Group played a part in developing, was carried out. The Committee considered the assessment of costs associated with life-critical fire-safety remediation in respect of any such buildings and the findings from independent experts. More details can be found in note 18 to the financial statements.	The Committee satisfied itself that the processes undertaken by the Group in respect of the identification, assessment and estimation of life-critical fire-safety remediation costs were robust, and the provisions recognised were appropriate.

Audit Committee Report
CONTINUED

Area	Work carried out	Outcome
Climate change and environmental risk	The Committee reviewed the risk of climate change impacting the Group as part of the risk register review during its regular meetings. Climate change has the potential to impact the Group through restricted land availability, disrupted build programmes, material and labour shortages and increased costs. This could impact the carrying value of assets, including land held in inventory, or require specific provisions to be made.	The Committee satisfied itself that no provisions or impairment of assets should have been recognised in these financial statements as a result of climate change or environmental risks, and that this remains appropriate.
Going concern and viability reporting	The Committee examined the financial forecasts for the Group including the impact of a severe, but plausible, downturn in the housing and land markets. These were examined by the Committee in conjunction with its review of this Annual Report and Accounts. The Committee satisfied itself and, subsequently, the Board, that the going concern basis of preparation continues to be appropriate in the context of the Group's banking and liquidity position. Further details can be found in note 1 of the financial statements on page 177. In accordance with the provisions of the Code, the Committee considered the time period over which it could reasonably assess the Group's ability to continue to trade, taking into account the Group's financial budget period and operational forecasts. It concluded that this should remain a three-year period, as explained in the viability statement on page 119. The Committee received detailed financial analysis based on the Group's latest budget and plan with a severe, but plausible, scenario applied over the three-year period and determined there was a reasonable expectation that the Group will be able to continue in operation, meet its liabilities as they fall due and maintain compliance with its banking covenants.	The Committee satisfied itself that, based on the financial modelling undertaken, the Company and Group have adequate resources to continue in operation for the foreseeable future and operate in compliance with the Group's bank facilities. The Committee recommended statements to this effect to the Board to approve for inclusion in this Annual Report and Accounts.

Effectiveness of internal controls and risk management systems

The Committee is responsible for reviewing and monitoring the effectiveness of internal controls and risk management systems on behalf of the Board. The Group's system of internal control includes the following processes:

- The Board has established defined lines of authority to ensure that significant decisions are taken at an appropriate level.
- The Board and management meet regularly to monitor performance against key performance indicators, which include cash management and financial and operational measures. A variety of financial and non-financial reports are produced to facilitate this review process.
- The Group employs individuals of appropriate calibre and provides any training that is necessary to enable them to perform their role effectively. Key objectives and opportunities for improvement are identified through performance and development reviews.
- Each division has defined procedures and controls to identify and minimise business, operational and financial risks. These procedures include segregation of duties, provision of regular performance information and reports, approval procedures for transactions and the maintenance of proper records. The Group's programme of insurance covers the major risks to the Group's assets and business and is reviewed annually.
- Authorities are in place that require divisional management to refer all significant decisions that exceed prescribed limits to either the Executive Directors or the Board for approval.

Regular reviews are undertaken in order to identify any changes in procedure or controls that may be required in the light of changing circumstances.

The effectiveness of the overall internal control framework and risk management process is monitored by both the Audit Committee and the Board. The Risk Management section on pages 38 to 43 sets out details of the principal risks that the business faces and how it manages these risks.

The Committee has satisfied itself that an appropriate system of internal controls and risk management processes have been maintained throughout the year to safeguard shareholder interests as well as the Group's assets in accordance with the requirements of the Code.

Whistleblowing arrangements

The Group has in place a formal whistleblowing policy, an internal whistleblowing mailbox monitored by the Head of Legal and Company Secretary, and an independent external whistleblowing helpline. These enable all employees of the Group to, confidentially, report any malpractice or matters of concern they have regarding the actions of employees, management or Directors, and any unlawful behaviour or breaches of the Group's policies or practices, without fear of recrimination. The policy includes a process for proportionate and independent investigation of any reports received. This may involve an informal review, an internal inquiry, or a more formal investigation. Whenever possible, feedback is given to the whistleblower on the outcome of any investigation.

The Head of Legal and Company Secretary maintains a register of reports received through both internal and external processes, which is reviewed by the Committee at least every six months.

Employee awareness of the Group's whistleblowing policy is maintained through the induction process, newsletters, posters and reminders that "if you see something, say something". Employees also undertake a mandatory online course, which is designed to raise awareness of reportable issues or incidents upon joining, which is repeated every 12 months.

Audit Committee Report
CONTINUED

Anti-bribery and corruption policy

The Group values its long-standing reputation for ethical behaviour and integrity. Conducting its business with the highest ethical standards and a zero-tolerance approach to all forms of corruption is central to these values, the Group's image and reputation. The Group policy sets out the standards expected of all employees in relation to anti-bribery and corruption and the Board has overall responsibility for ensuring this policy complies with the Group's legal and ethical obligations and that everyone in the organisation complies with it. This policy is also relevant for third parties who supply goods or perform services for, or on behalf of, the Group. We require those parties to adhere to this policy or have in place equivalent policies and procedures to combat bribery and corruption.

All employees also undertake a mandatory online training course, which is designed to raise awareness of bribery and corruption offences and penalties for both individuals and the Group.

The Committee reviews a report on the registers of gifts and hospitality given or received by Directors and employees of the Group at least every six months. No incidents of bribery or corruption involving the Group or its employees were reported to the Committee during the year.

Human rights and modern slavery

In accordance with section 54(1) of the Modern Slavery Act 2015, the Board reviews, approves and publishes the Group's Modern Slavery Statement on an annual basis. Modern slavery risk is overseen by the modern slavery focus group, led by the Chief Financial Officer and Head of Legal and Company Secretary. Risks are regularly assessed, with the Group's highest-risk area, being its supply chain, regularly audited. To ensure there is a full understanding of modern slavery risk throughout the business, all employees receive online training on spotting the signs of slavery within the workplace and are actively encouraged to raise concerns through the whistleblowing lines.

Internal audit

The Committee is responsible for reviewing and approving the annual internal audit plan. This continues to cover a broad scope of activities across the Group focused on areas of risk and management judgement.

During the year, the Committee received reports from the internal auditor on the findings of internal audits conducted throughout the business, together with proposed recommendations to rectify any issues identified. These reports covered a range of areas including:

- costs to complete on selected Gleeson Homes sites;
- the carrying value of land and work in progress in Gleeson Homes and Gleeson Land;
- operational and compliance controls including the onboarding of new suppliers and subcontractors.

The findings of these reports were actively debated by the Committee with the internal auditor and with management. The Committee monitored the follow up on actions identified.

The Committee reviewed the effectiveness of the internal audit function and concluded that it has operated effectively and provided a suitable level of independent scrutiny across the operations of the Group.

External audit

PricewaterhouseCoopers LLP were first appointed as auditors to the Group in December 2016 following a competitive audit tender, and were most recently reappointed following approval by shareholders at the AGM on 16 November 2023.

In February 2024, the auditors presented their Group audit plan to the Committee, identifying their assessment of key risks in the Group's financial reporting. For the 2024 financial year, as in prior years, the primary risks identified were in relation to the carrying value of land and work in progress in Gleeson Homes, work in progress in Gleeson Land and the building safety provision. Consistent with the prior year, the carrying value of investments in subsidiaries was also identified as a primary risk in relation to the Company only.

The Committee formulates and oversees the Group's policy on monitoring external auditors' objectivity and independence in relation to non-audit services and is responsible for the approval of all audit and non-audit fees for services provided by the Company's auditors. As a result of the EU Audit Reforms Regulations (as amended 11 June 2016), and the FRC's revised ethical standard (as revised December 2019), the auditors are excluded from undertaking a range of work on behalf of the Group to ensure that the nature of non-audit services performed, or fee income earned relative to the audit fees, do not compromise, and are not seen to compromise, the auditors' independence, objectivity or integrity.

For the year to 30 June 2024, there were no non-audit fees paid to the external auditors. Details of the audit fees incurred are disclosed in note 4 to the financial statements.

The Committee assesses the performance and effectiveness of the external auditors on an annual basis. When making their assessment, the Committee considers feedback from the Chief Financial Officer and other senior finance management, the auditors' fulfilment of the agreed audit plan, and the auditors' objectivity and independence during the process. The Committee also holds private meetings with the auditors on an annual basis. Matters discussed include the auditors' assessment of business risks and management activity thereon, the transparency and openness of interactions with management and confirmation that there has been no restriction in scope placed on them by management.

The Committee concluded that the audit process had been conducted robustly and PricewaterhouseCoopers LLP's performance, as auditors to the Company, was considered to be satisfactory. As the auditors have indicated their willingness to continue in office, a resolution that they be reappointed will be proposed at the next AGM of the Company on 15 November 2024. Under the mandatory rotation of engagement partner rules a new partner will be appointed at this time.

Under current regulations, the Company is not due to re-tender its audit until 2026; however, the Committee will continue to monitor the performance of the external auditors during this time and make recommendations accordingly.

Fiona Goldsmith
Chair of the Audit Committee

17 September 2024

Sustainability Committee Report

Committee members
Elaine Bailey (Chair)
Graham Prothero
Stefan Allanson

KEY ACHIEVEMENTS FOR 2024

- Approval of the submission of near-term and net zero targets to the SBTi following the development of a robust and verifiable carbon reduction plan in line with SBTi criteria.
- Review of progress against 2024 sustainability targets and setting of 2025 targets.
- Approval of the Group's water strategy.
- Oversight and review of the Group's climate-related reporting and disclosures, and climate risk scenario modelling for TCFD.
- Review of the Group's environmental risks and mitigating actions.

AREAS OF FOCUS FOR 2025

- Monitor progress against 2025 sustainability targets and actions.
- Monitor the validation of targets submitted to the SBTi and support the delivery of carbon reduction initiatives.
- Review the need for a revised materiality assessment.
- Determine the impact of implementing ISO management systems.

"The Group has undertaken a significant body of work in refining its carbon emissions strategy and submitting its targets to the Science Based Targets initiative. We look forward to having these targets ratified in the coming year."

Elaine Bailey
Chair of the Sustainability Committee

Dear shareholder,

I am pleased to introduce our Sustainability Committee Report for the financial year ended 30 June 2024 which sets out the progress that we have made against our sustainability objectives.

Operation of the Committee

The Committee comprises the Chair, the Chief Executive Officer and the Chief Financial Officer. Other members of the Board, senior management and external advisers are invited to attend for all, or part of, any meeting as and when required.

Committee meetings

The Committee is required, in accordance with its terms of reference, to meet at least three times per year. During the year, the Committee met on four occasions, of which three were scheduled meetings.

Activities during the year

During the year, the Committee dealt with the following key matters:

- Reviewing and recommending to the Board approval of the submission of a robust and verifiable carbon reduction plan that meets the SBTi criteria and recommendations.
- Reviewing progress against 2024 sustainability targets and actions.
- Agreeing new sustainability targets and actions for 2025.
- Reviewing the Group's environmental risk register.
- Conducting a sustainability deep dive for the Board.
- Reviewing sustainability related policies.
- Agreeing further steps for the Group in respect of:
  - submitting near-term and net-zero targets across scopes 1, 2 & 3 for validation by the SBTi;
  - enhancing employee engagement;
  - enhancing the customer experience;
  - reviewing the Group's new water strategy;
  - agreeing a range of climate-related scenarios and reviewing their impact on the Group; and
  - reviewing climate-related disclosures in accordance with the Task Force on Climate-related Financial Disclosures ("TCFD") and the Sustainability Accounting Standards Board ("SASB").

Our aims

Our aim is to ensure that the Group continues to meet its obligations and targets for sustainability, ensuring that all material issues are identified, monitored and reported on. The Group's approach to sustainability is centred around communities, people and the environment. The Committee reviews all aspects of these areas, with a particular focus on the environmental impact of the Group's activities.

The potential impacts of climate change affect not only our business, but also the communities in which we build. These impacts include both 'transitional' risks such as changes to government policy and regulations, and the physical impacts arising from changing weather, flooding and water stress.

For these reasons we committed to setting Science Based Targets, which sets our intention to reduce near-term emissions by 2032, and to achieve net zero by 2050. These are supported by a plan to achieve these reductions for scope 1, 2 and 3 emissions. Further details on our carbon emissions and carbon reduction plans can be found on pages 68 to 74.

We set sustainability targets and actions that can be quantified and that are, ideally, within the tenure of those who are measured against them. This enables sustainability targets to be linked to performance and remuneration effectively and drives purposeful outcomes, which help to drive the business towards achieving its sustainable business strategy.

We also consider wider environmental issues and monitor environmental risks, both current and emerging, and these are set out in our reporting under TCFD. We seek to provide clarity and leadership in our reporting on sustainability, sharing the Group's targets and performance, including where we have not achieved targets and any areas for improvement. We believe that our stakeholders value this honesty in our reporting.

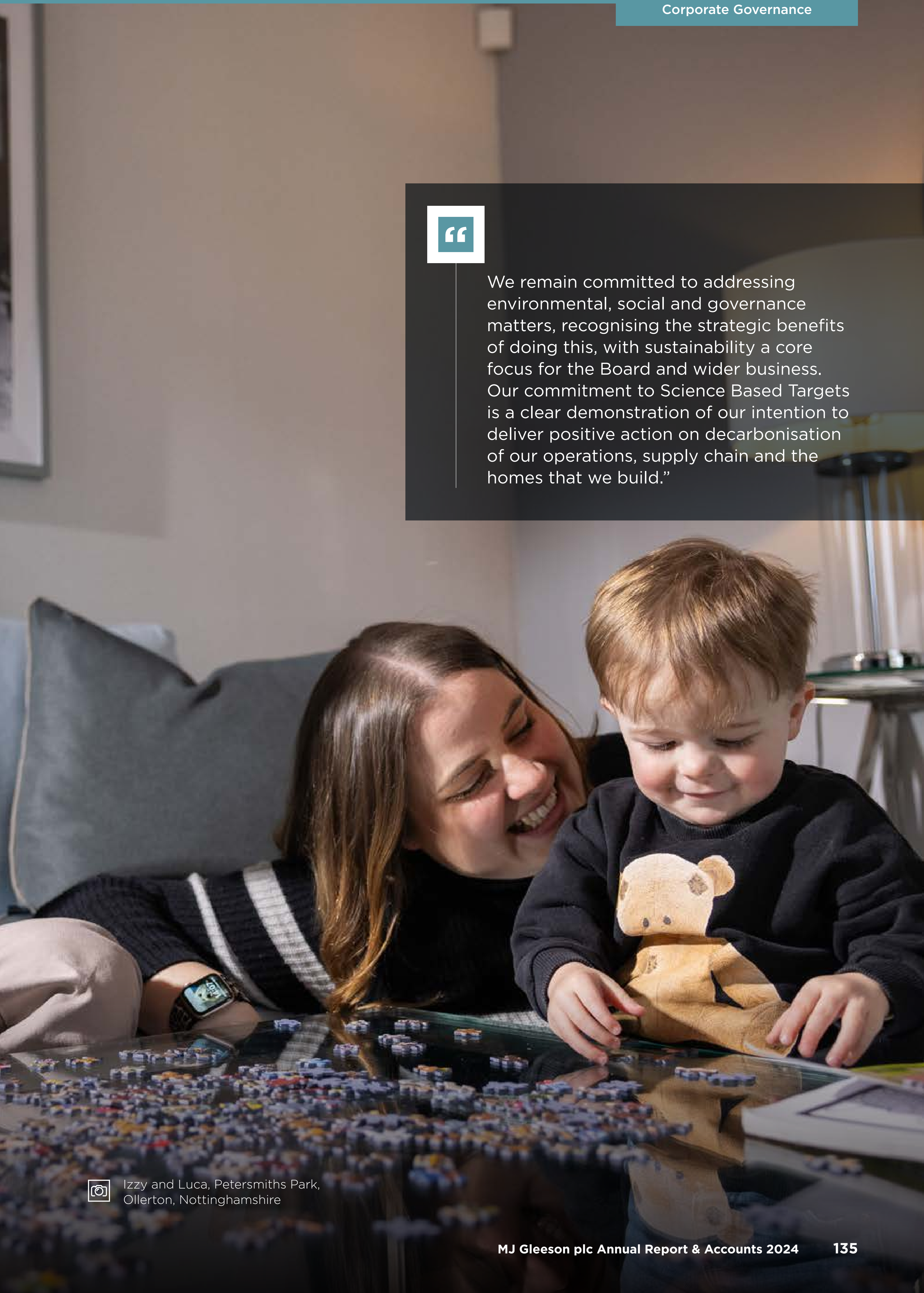
Sustainability Committee Report
CONTINUED

Sustainability Committee activities in 2024

Activity	Work carried out	Outcome
Carbon emissions	The continuation of our scope 3 emissions evaluation for embodied and in-use carbon has significantly improved the accuracy of our carbon data and understanding through the refresh of house types and the accuracy of Environmental Product Declaration (EPD) data through One Click LCA. Additionally, limited assurance of our greenhouse gas emissions (GHG) data has been obtained on both our baseline and current year GHG emissions. The Committee has continued to review the progress made on our carbon emissions reduction plan and the viability of achieving long-term carbon reduction targets, which will be validated by the SBTi.	The detailed validation of scope 3 emissions has enabled us to more robustly develop our medium and long-term carbon reduction pathway. Based on the projected plans, the Committee recommended to the Board to submit our targets for validation by the SBTi.
Sustainability targets	The Committee received updates on progress against the 2024 sustainability targets published in last year's Annual Report. The Committee challenged where progress was falling short of the targets set and the corrective actions being taken. Progress against our published 2024 targets can be found on pages 82 to 84. The Committee reviewed and approved the targets and actions for 2025. These can be found on page 85.	The Committee was satisfied with progress against the 2024 targets with all four overarching targets being met. The Committee approved the targets and actions proposed for 2025.
Environmental risk register	The Committee reviewed the environmental risk register. This assesses both the inherent and mitigated risks of the environmental issues relevant to the Group. Group risks, including those related to climate change and sustainability, informed by the environmental risk register, are monitored by the Audit Committee and the Board as set out in Risk Management on pages 38 to 43.	The Committee and the Board fully understand and manage the balance of environmental risks in the business.
Climate-related disclosures	The Committee reviewed draft and final disclosures for inclusion in this Annual Report and Accounts, including those based on the recommendations of the TCFD, which can be found on pages 86 to 93, and the relevant SASB Industry Standards, which can be found on pages 94 to 99.	The Committee approved the disclosures for inclusion in this Annual Report and Accounts.

Elaine Bailey
Chair of the Sustainability Committee

17 September 2024



“We remain committed to addressing environmental, social and governance matters, recognising the strategic benefits of doing this, with sustainability a core focus for the Board and wider business. Our commitment to Science Based Targets is a clear demonstration of our intention to deliver positive action on decarbonisation of our operations, supply chain and the homes that we build.”

Izzy and Luca, Petersmiths Park, Ollerton, Nottinghamshire

Remuneration Committee Report

Committee members
Nicola Bruce (Chair)
Elaine Bailey
Fiona Goldsmith

KEY ACHIEVEMENTS FOR 2024

- Reviewing, assessing and approving annual bonus and LTIP outcomes for 2024.
- Approving salary increases for Executive Directors and senior management for 2025.
- Approving performance targets for annual bonus and LTIP awards for Executive Directors and senior management for 2024.
- Reviewing proposals for workforce remuneration in support of the Group's ambitious growth agenda.

AREAS OF FOCUS FOR 2025

- Setting targets for Executive remuneration that align to the Group's business strategy.
- Reviewing the Directors' Remuneration Policy for the purpose of setting a new policy for approval by shareholders at the 2025 AGM.
- Engaging with shareholders on Executive remuneration and Remuneration Policy development.
- Reviewing wider workforce remuneration and related policies.

"The Committee continued to apply the Group's Remuneration Policy as intended during the year and will, over the coming year, carry out a robust review of this Policy to ensure it continues to meet with stakeholder expectations."

Nicola Bruce
Chair of the Remuneration Committee

Dear shareholder,

I am pleased to present the Directors' Remuneration Report for 2024, describing the key decisions made on Directors' remuneration during the year and how we intend to apply the Directors' Remuneration Policy (the "Policy") during the year ending 30 June 2025.

We have no proposals to amend the Policy this year, which was approved by shareholders at the AGM on 18 November 2022 (with 97.53% of votes cast in favour). A summary of the Policy is set out on pages 139 to 141 and it can be found in full in the 2022 Annual Report and Accounts, which is available on the Company's website www.mjgleesonplc.com

Pay and performance outcomes for 2024

Results for the year

The Group has delivered results for the year in line with market expectations. Gleeson Homes completed the sale of 1,772 homes during the year, as compared to 1,723 homes during 2023. Whilst gross margin reduced in the year to 24.1%, this reduction was offset by savings in administrative costs resulting in Gleeson Homes' operating profit of £30.3m. As reported elsewhere, Gleeson Land sold four sites during the year and ended the year with a portfolio of 71 sites with the potential to deliver 16,911 plots for housing development.

Annual bonus

In line with our policy, Graham Prothero and Stefan Allanson were awarded annual bonus opportunities of 150% and 125% of salary respectively for the year ended 30 June 2024. Their bonuses were based on Group profit before tax with regard to 75% of the potential award, and strategic performance for 25% of the potential award.

The Group achieved profit before tax (pre-exceptional items) of £24.8m for the year ended 30 June 2024 which, although in line with market expectations, was below the threshold target and, hence, the profit-related element of the bonus awards lapsed in full.

The Executive Directors' strategic performance objectives were based on specific and measurable targets relating to customer satisfaction, increasing our forward order book and Gleeson Land sites, and the submission of a robust and verifiable carbon reduction plan meeting the SBTi criteria and recommendations.

Based on performance against the strategic performance objectives, Graham Prothero and Stefan Allanson each earned a bonus equal to 15.5% of their maximum bonus potential (equivalent to 23.3% of salary and 19.4% of salary respectively). Full disclosure of performance against their strategic objectives is set out on pages 143 to 144.

The Committee is conscious of the sensitivity of paying bonuses when financial targets have not been achieved and has reflected on this very carefully. In particular, the Committee noted the importance of enhanced levels of customer satisfaction as well as the significance of having a verifiable carbon reduction plan for our external stakeholders. The Committee considers that delivery of these important objectives is integral to supporting our growth ambitions. After careful reflection, the Committee therefore concluded that the formulaic bonus outcome of 15.5% of maximum is an appropriate reflection of the commitment and performance of our Executive Directors in challenging market conditions. No discretion was applied to adjust the bonus outcomes either upwards or downwards.

2021 LTIP

Stefan Allanson and James Thomson were each granted an LTIP award in 2021 equal to 150% of salary. The awards were subject to performance targets based on EPS regarding 50% of the award and relative Total Shareholder Return ("TSR") for 50% of the award. These awards will lapse in full based on performance against the EPS and relative TSR targets. The Committee determined that it was not appropriate to adjust the formulaic vesting outcome for these awards in light of the Group's performance.

Reward for our employees

All of our employees contribute to the Group's success and, when making decisions in respect of the Executive Directors, the Committee considers the reward arrangements for, and views of, the wider workforce.

The Group was the first major housebuilder to be accredited by the Living Wage foundation. Other housebuilders have now followed our lead and the Group believes that all employees in all sectors should be paid the Real Living Wage or higher. The only exception is for apprentices, where the Group continues to pay in line with or above the Government's guidelines.

With effect from 1 July 2024 an average salary increase of 3% was awarded to the wider workforce. Salary increases were tapered with higher increases, in percentage salary terms, awarded to lower paid employees.

We support employee share ownership and operate a tax-efficient all employee Share Incentive Plan so that our employees may share in the Group's success.

We recognise the benefits of engagement with our employees and our Non-Executive Workforce Representative, Fiona Goldsmith, engages directly with employees on a range of topics of interest to them including Directors' remuneration. Workforce engagement activities during the year included site and office visits, reviewing the results of the Group's employee engagement survey and discussions with senior management and staff on business performance and matters of concern.

Gender pay reporting

The Group's median 'gender role gap' is 7.6% in favour of men, versus the 2023 national median of 7.7% in favour of men. Whilst the legislation describes this as a 'gender pay gap', the Group unequivocally has an equal pay policy and pays men and women who occupy the same role, the same.

The gap arises as a result, therefore, of men and women occupying different roles in the business, which leads to a gap between the median paid male versus the median paid female. This is in no way indicative of an imbalance or unequal pay and the Group continues to develop and encourage more women into the industry including into more senior roles. We welcomed Samantha Knight to the role of Group HR Director in February 2024. Samantha has worked in the construction industry for 17 years and throughout that time has championed diversity and inclusion within the sector, including mentoring many women to progress their careers.

Details of our equal pay policy and further details on our gender pay report, are set out in the Group's Gender Pay Report, which can be found at www.mjgleesonplc.com

Remuneration Committee Report
CONTINUED

Remuneration in 2025

An overview of how we intend to apply the Directors' Remuneration Policy during the year ending 30 June 2025 is set out on page 141.

Review of annual bonus performance metrics

In accordance with our Remuneration Policy, we will continue to reflect the importance of financial performance in the 2025 bonus metrics with 75% of the annual award to be based on Group profit before tax and the remaining 25% of the award based on strategic objectives.

Building on the 2024 strategic objectives, we will again allocate 10% of the award to achieving a 5-star customer satisfaction score for Gleeson Homes. Crucial to our growth agenda, in 2025 we will allocate 10% of the award to the number of sales sites opened in the year. Finally, we will extend our commitment to our environmental performance, by allocating 5% of the award to achieving validation of our near-term and net zero targets by the SBTi.

In summary, the relative weightings for the 2025 annual bonus plan are as follows:

- Group profit before tax (75%);
- Improving customer satisfaction (10%);
- Sales site openings (10%); and
- Environmental targets (5%).

Furthermore, the Committee will explicitly consider a reduction in the bonus outcome if health and safety standards have been unsatisfactory in the year or if there has been a major safety failure. This includes where there has been a material deterioration in the Group's Reportable Incident Rate, taking into account prior year performance and industry average.

The Committee considers that the approach to 2025 performance metrics is appropriate, noting that:

- A significant proportion (75%) of the award continues to be based on stretching Group profit before tax performance targets.
- Our strategic targets, which underpin our growth and sustainability objectives, will be specific, measurable and sufficiently stretching such that Executive Directors are appropriately incentivised and rewarded for delivering key strategic priorities during 2025.
- Health and safety performance will explicitly be considered by the Committee when determining the final bonus outcome.

The Group profit before tax and strategic performance targets are considered commercially sensitive and will be fully disclosed in next year's Directors' Remuneration Report.

Remuneration Policy review

The current Remuneration Policy was approved by shareholders at the AGM on 18 November 2022 and is now approaching the end of its three year term. During the coming year, the Committee will conduct a comprehensive review of the Policy and incentive arrangements to ensure these remain closely aligned with the Group's strategy, values and culture. The Committee will seek consultation with the Group's major shareholders on any proposed material changes.

Conclusion

I trust the information presented in this report enables our shareholders to understand both how we have operated our Directors' Remuneration Policy during the year and our rationale for decision making. We believe that the Policy operated as intended and consider that the remuneration received by the Executive Directors during the year was appropriate taking into account Group and personal performance, and the experience of all stakeholders. The Remuneration Committee did not apply any discretion to the Executive Directors' reward outcomes in respect of the year ended 30 June 2024.

I will be available at the AGM to respond to any questions and discuss any aspects of the Annual Report on Remuneration or the Committee's activities.

Nicola Bruce
Chair of the Remuneration Committee

17 September 2024

Implementation of the Remuneration Policy
for the year ending 30 June 2025

Executive Directors

Set out below is a summary of the key elements of the Remuneration Policy for Executive Directors, together with how the Policy is intended to be implemented for the year ending 30 June 2025.

	Key features	Implementation for year ending 30 June 2025
Base salary	Normally reviewed annually taking into account a number of factors including (but not limited to): • Personal performance • Group performance • Inflation and earnings forecasts • State of the marketplace generally • Pay and conditions elsewhere in the Group	The Executive Directors were each awarded a 2% salary increase with effect from 1 July 2024. This compares to an average salary increase of 3% for the wider workforce. Salary from 1 July 2024: • Graham Prothero: £567,324 • Stefan Allanson: £352,781
Benefits	Provision of cash benefits and benefits in kind including (but not limited to): • Company car or cash equivalent • Private fuel • Private medical insurance – family cover • Life insurance • Permanent health insurance • Annual health check	In line with benefits provided in the year ended 30 June 2024.
Pension	Contribution to the Group's defined pension scheme, personal pension arrangements for the Executive Director or cash alternative. The maximum contribution or pension allowance is aligned with the level available to the majority of the wider workforce (currently 6.5% of salary).	Pension contribution or cash pension allowance equal to 6.5% of salary for both Graham Prothero and Stefan Allanson.

Implementation of the Remuneration Policy

for the year ending 30 June 2025 CONTINUED

	Key features	Implementation for year ending 30 June 2025
Annual bonus	Maximum opportunity of up to 150% of salary in respect of a financial year. Performance metrics are determined annually, reflecting the Group's strategy and key performance indicators. A minimum of 50% of the bonus will be based on financial performance metrics. The Committee has the discretion to override the formulaic outturn of the bonus to determine the appropriate vesting level where it believes the outcome is not truly reflective of underlying performance during the performance period and to ensure fairness to both shareholders and the Executive Directors. Executive Directors are required to defer one-third of any bonus earned into shares for a two-year period. Malus and clawback provisions apply.	The maximum opportunity for Graham Prothero and Stefan Allanson will be 150% of salary and 125% of salary, respectively. 75% of the award will be based on PBT performance, 10% based on customer experience, 10% based on sales site openings and 5% based on validation by the SBTi of a robust and verifiable carbon reduction plan by 30 June 2025. The Committee will explicitly consider a reduction in the bonus outcome if health and safety standards have been unsatisfactory in the year or if there has been a major safety failure. This includes where there has been a material deterioration in the Group's Reportable Incident Rate, taking into account prior year performance and industry average. Performance targets are considered commercially sensitive and will be fully disclosed in next year's Directors' Remuneration Report.
LTIP	Normal maximum LTIP opportunity of up to 150% of salary in respect of a financial year. Performance metrics are determined annually, reflecting the Group's strategy and key performance indicators. The Committee has the discretion to override the formulaic outturn of the LTIP to determine the appropriate vesting level where it believes the outcome is not truly reflective of underlying performance during the performance period and to ensure fairness to both shareholders and the Executive Directors. Awards will be subject to a two-year holding period following the end of the performance period. Malus and clawback provisions apply.	The maximum opportunity for both Graham Prothero and Stefan Allanson will be 150% of salary. 50% of the award will be based on EPS performance and 50% will be based on relative TSR performance measured over a period of three financial years ending 30 June 2027. Details of the EPS and relative TSR performance targets are set out below.

2024 LTIP awards

The targets for the 2024 LTIP awards are set out below. The EPS targets have been set taking into account our ambitious internal plan alongside relevant external benchmarks. The Committee considers that the targets are appropriately stretching against these reference points, and balance the need to set challenging targets whilst motivating our Executive Directors to deliver long-term sustained performance in difficult economic conditions.

	Threshold (20%) of award vests	Maximum (100%) of award vests[2]
EPS for the year ending 30 June 2027	45.0 pence	59.5 pence
Relative TSR[1]	Median	Upper quartile

1 To be compared against a group of listed housebuilders comprising Barratt, Bellway, Berkeley, Crest Nicholson, Persimmon, Springfield Properties, Taylor Wimpey and Vistry Group. Should a housebuilder be removed from the comparator group as a result of ceasing to be listed or otherwise, then such housebuilder may be replaced by another housebuilder, or the basis for measuring TSR may change from a housebuilder comparator group to a broader pan-sectoral comparator group.

2 Straight-line vesting between threshold and maximum performance.

The Committee has discretion to amend the vesting outcome where it considers that it is not a fair reflection of business performance. In particular, the Committee will consider whether there have been any "windfall gains" when determining the vesting outcome, taking into account a number of factors, including:

- share price performance over the performance period on an absolute basis and relative basis against peer companies;
- underlying financial performance of the Group during the performance period; and
- the impact of any significant events during the performance period on the Group's share price or market as a whole.

Non-Executive Directors

Set out below is a summary of the key elements of the Remuneration Policy for Non-Executive Directors, together with how the Policy is intended to be implemented for the year ending 30 June 2025.

	Key features	Implementation for year ending 30 June 2025
Fees and benefits	Fees may include a basic fee and additional fees for further responsibilities (e.g. chairing Board Committees or acting as Senior Independent Director). Non-Executive Directors may be eligible to receive benefits linked to the performance of their duties, including, but not limited to, the use of secretarial support and travel costs.	The Chairman's fee increased by 2% with effect from 1 July 2024. His fee from that date is £153,000 which is inclusive of a £10,500 fee for him chairing the Nomination Committee. The basic fee for the Non-Executive Directors increased by 2% with effect from 1 July 2024. There was no increase to the additional fees for chairing Board Committees and the Senior Independent Director. The Non-Executive Director fees effective from 1 July 2024 are therefore as follows: • Basic fee: £53,055 • Additional fee for Chairing a Board Committee: £10,500 • Additional fee for the Senior Independent Director: £10,000

Annual Report on Remuneration

The Remuneration Committee's Annual Report on Remuneration for the year ended 30 June 2024 is set out below.

The auditors are required to report on the following information, up to, and including, the Directors' shareholdings and share interests on page 146.

Single total figure of remuneration for each Director for the years ended 30 June 2024 and 30 June 2023 (audited)

	2024								2023							
	Fixed pay				Variable pay				Fixed pay				Variable pay			
	Salary & fees £000	Benefits £000	Pension £000	Subtotal £000	Annual bonus £000	Value of LTIP awards £000	Subtotal £000	Total £000	Salary & fees £000	Benefits £000	Pension £000	Subtotal £000	Annual bonus £000	Value of LTIP awards £000	Subtotal £000	Total £000
Chairman																
James Thomson[1]	**150**	**–**	**–**	**150**	**–**	**–**	**–**	**150**	75	–	–	75	–	–	–	75
Dermot Gleeson[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	64	1	–	65	–	–	–	65
Executive Directors																
Graham Prothero[3]	**556**	**18**	**36**	**610**	**129**	**–**	**129**	**739**	270	32	18	320	102	–	102	422
Stefan Allanson	**346**	**20**	**22**	**388**	**67**	**–**	**67**	**455**	336	19	22	377	15	–	15	392
James Thomson[1]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	257	14	17	288	15	–	15	303
Non-Executive Directors																
Elaine Bailey	**63**	**–**	**–**	**63**	**–**	**–**	**–**	**63**	69	–	–	69	–	–	–	69
Nicola Bruce[4]	**63**	**–**	**–**	**63**	**–**	**–**	**–**	**63**	17	–	–	17	–	–	–	17
Fiona Goldsmith	**73**	**–**	**–**	**73**	**–**	**–**	**–**	**73**	71	–	–	71	–	–	–	71
Christopher Mills	**52**	**–**	**–**	**52**	**–**	**–**	**–**	**52**	50	–	–	50	–	–	–	50
Total	**1,303**	**38**	**58**	**1,399**	**196**	**–**	**196**	**1,595**	1,209	66	57	1,332	132	–	132	1,464

1 James Thomson stepped down as Chief Executive Officer on 31 December 2022 and was appointed as Non-Executive Chairman on 1 January 2023.

2 Dermot Gleeson stepped down as Non-Executive Chairman on 31 December 2022.

3 Graham Prothero was appointed as Chief Executive Officer on 1 January 2023.

4 Nicola Bruce was appointed to the Board on 24 March 2023.

Notes to the single total figure of remuneration (audited)

Salary and fees

Details of annual salaries for Executive Directors for the years ended 30 June 2024 and 30 June 2023 are set out below.

	Salary from 1 July 2023 £	Salary from 1 January 2023 £	Salary from 1 July 2022 £
Graham Prothero	**556,200**	540,000	–
Stefan Allanson	**345,865**	335,790	335,790
James Thomson	**–**	–	512,500

Details of fees for Non-Executive Directors for the years ended 30 June 2024 and 30 June 2023 are set out below.

	Fees from 1 July 2023 £	Fees from 1 January 2023 £	Fees from 1 July 2022 £
Chairman	**150,000[1]**	150,000[1]	128,000
Non-Executive Director fee	**52,015**	50,500	50,500
Fee for chairing a Committee	**10,500**	10,500	10,500
Fee for Senior Independent Director	**10,000**	10,000	10,000

1 Includes a fee of £10,500 for chairing the Nomination Committee.

Taxable benefits provided to Executive Directors

The main benefits available to the Executive Directors during the year ended 30 June 2024 (and their associated values) were: car allowance of £13,000 for Graham Prothero, £13,000 for Stefan Allanson; car fuel of £2,000 for Graham Prothero and £4,000 for Stefan Allanson; private medical insurance of £2,000 for Graham Prothero and £2,000 for Stefan Allanson; and matching shares granted under the HMRC tax-qualifying all-employee scheme of £600 for Graham Prothero and £600 for Stefan Allanson.

Pension

During the year ended 30 June 2024, the Executive Directors received cash in lieu of pension contributions of 6.5% of salary. This is aligned to the level available to the majority of the wider workforce.

Determination of annual bonus

Graham Prothero was awarded a maximum bonus opportunity of 150% of salary and Stefan Allanson was awarded a maximum bonus opportunity of 125% of salary. Their bonuses were based on Group profit before tax for 75% of the award and performance against strategic targets for 25% of the award.

Profit performance

The Group achieved profit before tax (pre-exceptional items) of £24.8m for the year ended 30 June 2024. This was below the threshold target and the profit-related element of the bonus award lapsed in full.

Target	Profit measure £m	Bonus achievable as percentage of maximum[1]
Threshold	32.96	20%
Target	34.69	50%
Maximum	36.48	100%

1 Straight-line vesting between points.

Annual Report on Remuneration
CONTINUED

Strategic performance

Performance against the strategic objectives for the year ended 30 June 2024 is detailed below.

Objective	Performance	Weighting	Outcome
Customer experience Every Gleeson Homes region to achieve scores of at least 90% from customer surveys, which is equivalent to a 5-star rating, as measured by an independent survey company.	Achieved over 90% in every Gleeson Homes region	10%	10%
Increasing forward order book and Gleeson Land sites Target ranges for Gleeson Homes forward order book and for forecast profit on Gleeson Land sites having a resolution to grant or with planning consent as at 30 June 2024 together with Gleeson Land securing six new land promotion/option agreements in 2024.	Achieved 5% of the target	10%	0.5%
Sustainability/Environmental Submission of a robust and verifiable science-based carbon reduction plan by 30 June 2024 that, in the professional opinion of our carbon reduction advisers, meets the SBTi criteria and recommendations and should therefore achieve validation by SBTi.	A carbon reduction plan that, in the professional opinion of the Group's third party advisers meets the SBTi criteria and recommendations, was submitted prior to 30 June 2024.	5%	5%
Total		25%	15.5%

The Committee is conscious of the sensitivity of paying bonuses when financial targets have not been achieved and has reflected on this very carefully. In particular, the Committee noted the importance of enhanced levels of customer satisfaction as well as the significance of having a verifiable carbon reduction plan for our external stakeholders. The Committee considers that the delivery of these important objectives is integral to supporting our growth ambitions. After careful reflection, the Committee therefore concluded that the formulaic bonus outcome of 15.5% of maximum is an appropriate reflection of the commitment and performance of the Executive Directors in challenging market conditions and no discretion was applied either upwards or downwards.

Bonus outcome

The total bonus outcome for each Executive Director is therefore:

	Bonus payable	
	% maximum	£000
Graham Prothero	15.5%	129
Stefan Allanson	15.5%	67

In accordance with the Remuneration Policy, one-third of the bonus payable is deferred into shares for two years.

2021 LTIP

The 2021 LTIP awards were subject to performance targets based on EPS (as regards 50% of the award) and relative TSR (as regards 50% of the award).

Details of the performance targets and performance outcome are set out in the table below.

	Three-year performance period ended 30 June 2024		
	EPS for the year ended 30 June 2024	Relative TSR[1]	Total
Threshold – 20% vesting	**82.0 pence**	**Median**	**20%**
Maximum – 100% vesting	**93.0 pence**	**Upper quartile**	**100%**
Actual performance	**33.1 pence**	**Below median**	
Outcome	**0% vesting**	**0% vesting**	
Total vesting outcome			**0% vesting**

1 Compared against a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Crest Nicholson, Galliford Try, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

The Committee considered and determined that it was not appropriate to apply discretion to adjust the formulaic vesting outcome for the Executive Directors' 2021 LTIP awards.

LTIP awards granted in the year ended 30 June 2024 (audited)

LTIP awards equal to 150% of salary were granted to both Graham Prothero and Stefan Allanson on 25 September 2023.

The awards are based on the achievement of EPS performance (as regards 50% of the awards) and relative TSR performance (as regards 50% of the awards) measured over a period of three financial years ending 30 June 2026.

Following the end of the performance period, the Committee will determine whether the performance targets have been satisfied. Eligible awards will vest following a two-year holding period after the end of the performance period.

The Committee has discretion to amend the vesting outcome where it considers that it is not a fair reflection of business performance. In particular, the Committee will consider whether there have been any 'windfall gains' when determining the vesting outcome taking into account a number of factors, including:

- share price performance over the performance period on an absolute basis and relative basis against peer companies;
- underlying financial performance of the Group during the performance period; and
- the impact of any significant events during the performance period on the Group's share price or market as a whole.

Details of the awards are as follows:

Director	Number of shares granted	Face value at grant £000
Graham Prothero	195,845	834[1]
Stefan Allanson	121,783	519[1]

1 Calculated based on the mid-market closing share price as at the date preceding the date of grant (22 September 2023: £4.26).

	Threshold (20%) of award vests	Maximum (100%) of award vests[2]
EPS for the year ending 30 June 2026	61.5p	70p
Relative TSR[1]	Median	Upper quartile

1 To be compared against a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

2 Straight-line vesting between threshold and maximum performance.

Payment made to former Directors and payments for loss of office (audited)

No payments were made to former Directors and no payments for loss of office were made during the year ended 30 June 2024.

Annual Report on Remuneration
CONTINUED

Directors' shareholdings and share interests (audited)

Shareholding guideline

The Group operates within-employment and post-employment shareholding guidelines for the Executive Directors. The within-employment shareholding guideline requires Executive Directors to build up and retain a holding in shares equivalent to 200% of salary. As at 30 June 2024, Graham Prothero and Stefan Allanson held shares equivalent to 58.7% of salary and 265.2% of salary respectively (calculated using the mid-market closing share price on 30 June 2024 of £5.15). The Executive Directors will continue to build up their shareholdings through shares acquired under vested deferred bonus awards and LTIP awards and through the purchase of shares.

Share interests

The interests of the Directors serving during the year, and of their connected persons in the ordinary share capital of the Company as at 30 June 2024 (or the date that they stepped down from the Board if earlier), are as shown below.

Director	Scheme	Owned outright	Unvested and subject to performance	Unvested and not subject to performance	Vested and exercised	Total as at 30 June 2024
Chairman						
James Thomson[1]	Shares	76,924	–	–	–	**76,924**
	LTIP 2019[3]	–	–	25,733	–	**25,733**
	LTIP 2021[4]	–	94,441	–	–	**94,441**
	Deferred bonus share award 2022	–	–	35,195	–	**35,195**
	Deferred bonus share award 2023	–	–	1,224	–	**1,224**
Executive Directors						
Graham Prothero	Shares	58,520	–	142[2]	–	**58,662**
	LTIP 2022	–	296,053	–	–	**296,053**
	LTIP 2023	–	195,845		–	**195,845**
	Deferred bonus share award 2023			8,550	–	**8,550**
Stefan Allanson	Shares	157,110	–	344[2]	–	**157,454**
	LTIP 2019[3]	–	–	16,211	–	**16,211**
	LTIP 2021[4]	–	59,498	–	–	**59,498**
	LTIP 2022	–	127,839	–	–	**127,839**
	LTIP 2023	–	121,783	–	–	**121,783**
	Deferred bonus share award 2022	–	–	21,488	–	**21,488**
	Deferred bonus share award 2023			1,296		**1,296**
Non-Executive Directors						
Elaine Bailey	Shares	–	–	–	–	**-**
Nicola Bruce	Shares	2,018	–	–	–	**2,018**
Fiona Goldsmith	Shares	32,000	–	–	–	**32,000**
Christopher Mills[5]	Shares	6,555,000	–	–	–	**6,555,000**

1 James Thomson stepped down as Chief Executive Officer on 31 December 2022 and was appointed as Non-Executive Chairman on 1 January 2023. His LTIP awards continued to vest in accordance with their normal vesting timetable, subject to the achievement of the relevant performance metrics, and be prorated for time served as Chief Executive Officer during the relevant vesting periods.

2 Matching shares granted under the HMRC tax-qualifying all-employee scheme that have not yet vested.

3 In July 2022, the Committee approved that 27.4% of the 2019 LTIP awards will vest following Committee assessment of the outcome of the performance targets. The 2019 LTIP awards will ordinarily vest and become capable of exercise following the end of the two year holding period in September 2024.

4 The 2021 LTIP awards have lapsed in full following the Committee's assessment of the outcome of the performance targets.

5 Shares are held by funds managed by Harwood Capital LLP of which Christopher Mills is a Member/Director.

As at the date of this report the total interests held by James Thomson were 76,924 shares, Graham Prothero were 58,769 shares, Stefan Allanson were 157,561 shares, Christopher Mills were 6,355,000 shares, Fiona Goldsmith were 32,000 shares and Nicola Bruce 2,018 shares. The Company has not been advised of any other changes to the interests of Directors and their connected persons to those set out in the table above.

LTIP awards

Additional details of the outstanding LTIP awards held by Executive Directors serving during the year are set out below.

Executive Director	Scheme	30 June 2023	Granted during year	Vested and exercised during year	Lapsed during year	Share price at grant date	Total interests outstanding at 30 June 2024	End of performance period
Graham Prothero	LTIP 2022	296,053		–	–	£4.56	**296,053**	30/06/25
	LTIP 2023	–	195,845			£4.26	**195,845**	30/06/26
Stefan Allanson	LTIP 2019[1]	16,211	–	–	–	£8.00	**16,211**	30/06/22
	LTIP 2020[2]	76,704	–	–	76,704	£6.16	**-**	30/06/23
	LTIP 2021[3]	59,498	–	–	–	£8.14	**59,498**	30/06/24
	LTIP 2022	127,839	–	–	–	£3.94	**127,839**	30/06/25
	LTIP 2023	–	121,783	–	–	£4.26	**121,783**	30/06/26
James Thomson	LTIP 2019[1]	25,733	–	–	–	£8.00	**25,733**	30/06/22
	LTIP 2020[2]	121,753	–	–	121,753	£6.16	**-**	30/06/23
	LTIP 2021[3]	94,441	–	–	–	£8.14	**94,441**	30/06/24

1 In July 2022, the Committee approved that 27.4% of the 2019 LTIP awards will vest following Committee assessment of the outcome of the performance targets. The 2019 LTIP awards will ordinarily vest and become capable of exercise following the end of the two-year holding period in September 2024.

2 The 2020 LTIP awards lapsed in full following the Committee's assessment of the outcome of the performance targets.

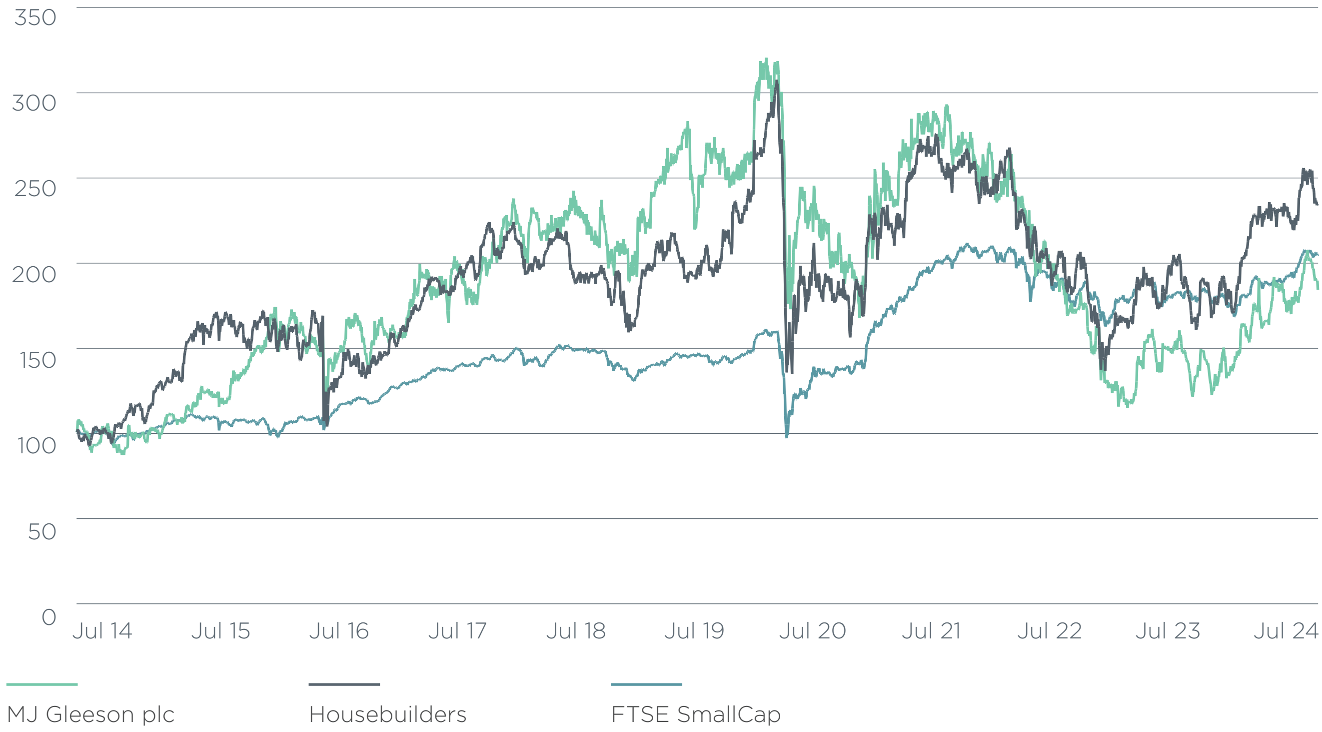
3 The 2021 LTIP awards have lapsed in full following the Committee's assessment of the outcome of the performance targets.

Annual Report on Remuneration
CONTINUED

TSR performance

We have compared the Company's TSR performance over the last ten years with the TSR for the FTSE SmallCap Index, of which the Company is a member, and a comparator index of listed housebuilders. The peer group consists of a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

MJ Gleeson plc TSR comparison to index and peer group 1 July 2014 to 30 June 2024:



Chief Executive Officer's remuneration 2015 to 2024

Year	Chief Executive Officer	Single figure of total remuneration £000	Annual bonus paid against maximum opportunity	LTIP awards vesting against maximum opportunity
2024	**Graham Prothero**	**739**	**15.5%**	**n/a**
2023	Graham Prothero (appointed 1 January 2023)	422	25.1%	n/a
2023	James Thomson (stepped down 31 December 2022)	303	3.7%	n/a
2022	James Thomson	1,292	89%	27%
2021	James Thomson	1,173	99%	n/a
2020	James Thomson	769	45%	n/a
2019	James Thomson (appointed 10 June 2019)	31	–	n/a
2019	Jolyon Harrison (stepped down 10 June 2019)	2,482	–	100%
2018	Jolyon Harrison	3,056	100%	100%
2017	Jolyon Harrison	2,816	100%	100%
2016	Jolyon Harrison	873	100%	n/a
2015	Jolyon Harrison	2,917	100%	100%

Annual percentage change in remuneration of Directors and employees

The table below sets out the annual percentage change in each of the Directors' remuneration compared to the average employee remuneration.

	2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
	Salary & fees	**Benefits**	**Bonus**	Salary & fees	Benefits	Bonus	Salary & fees	Benefits	Bonus	Salary & fees[1]	Benefits	Bonus
Chairman												
James Thomson[2]	**-**	n/a	n/a	n/a	–	–	–	–	–	–	–	–
Dermot Gleeson[3]	n/a	n/a	n/a	n/a	–	–	2.4%	–	–	7.6%	(9.1%)	–
Executive Directors												
Graham Prothero[4]	**3.0%**	**(43.8%)**	**26.5%**	n/a	n/a	n/a	–	–	–	–	–	–
Stefan Allanson[5]	**3.0%**	**5.3%**	**346.7%**	4%	5.6%	(95.7%)	2.5%	5.9%	(8.4%)	7.6%	(4.9%)	n/a
James Thomson[2]	n/a	n/a	n/a	n/a	n/a	n/a	2.5%	9.5%	(7.9%)	9.1%	(11.5%)	142.6%
Non-Executive Directors												
Elaine Bailey[6]	**(9.0%)**	**-**	**-**	11.0%	–	–	n/a	–	–	n/a	–	–
Nicola Bruce[7]	**275.3%**	**-**	**-**	n/a	–	–	–	–	–	–	–	–
Fiona Goldsmith[8]	**2.1%**	**-**	**-**	20.3%	–	–	2.2%	–	–	n/a	–	–
Christopher Mills	**3.0%**	**-**	**-**	4.1%	–	–	2.6%	–	–	7.6%	–	–
Average employee[9]	**4.1%**	**8.1%**	**(6.8%)**	5.1%	15.5%	(53.7%)	4.1%	12.2%	0.2%	2.2%	9.3%	49.9%

1 The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic. As such, the table above shows an increase in salaries and fees between years ended 30 June 2020 and 30 June 2021. With the exception of James Thomson, there were no increases to salaries or fees during the years ended 30 June 2020 and 30 June 2021.

2 James Thomson was appointed as Chief Executive Officer on 10 June 2019. He then stepped down as Chief Executive Officer on 31 December 2022 and was appointed as Non-Executive Chairman on 1 January 2023. Therefore, the percentage change in remuneration for 2022 to 2023 is not applicable.

3 Dermot Gleeson stepped down as Non-Executive Chairman on 31 December 2022 and therefore the percentage change in remuneration for 2022 to 2023 and 2023 to 2024 is not applicable.

4 Graham Prothero was appointed as Chief Executive Officer on 1 January 2023 and therefore the percentage change in remuneration for 2022 to 2023 and 2023 is not applicable. The decrease in benefits relates to one-off relocation costs in the year of joining.

5 Stefan Allanson did not receive a bonus in respect of the year ended 30 June 2020.

6 Elaine Bailey was appointed to the Board on 1 March 2021 and therefore the percentage change in remuneration for 2020 to 2021 and 2021 to 2022 is not applicable. The increase in 2023 was in respect of additional committee chair responsibilities.

7 Nicola Bruce was appointed to the Board on 24 March 2023 and therefore the percentage change in remuneration for 2022 to 2023 is not applicable.

8 Fiona Goldsmith was appointed to the Board on 1 October 2019 and therefore the annual percentage change in remuneration for 2020 to 2021 is not applicable. The increase in 2023 was in respect of additional responsibilities as Senior Independent Director.

9 The annual percentage change of the average remuneration of the Group's salaried employees, calculated on a full-time equivalent basis.

Annual Report on Remuneration
CONTINUED

Chief Executive Officer pay ratio

The table below sets out the Chief Executive Officer's total remuneration as a ratio against the full-time equivalent remuneration of the 25th, 50th (median) and 75th percentile employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	**Option B**	**27:1**	**16:1**	**8:1**
2023	Option B	29:1	15:1	11:1
2022	Option B	44:1	37:1	20:1
2021	Option B	64:1	40:1	17:1
2020	Option B	28:1	20:1	12:1

Option B methodology was selected on the basis that it is an efficient and robust approach. The remuneration figures for the employee at each quartile were determined as at the final day of the relevant financial year. Sensitivity analysis has been performed around the 25th, 50th and 75th percentile employees to ensure that they are reasonably representative, including reviewing the employees either side of the identified individuals to ensure their full year's remuneration is reasonable. No assumptions or estimates were used and no adjustments to pay were made.

A substantial proportion of the Chief Executive Officer's total remuneration is performance related and delivered in shares. The ratios will therefore depend significantly on the Chief Executive Officer's annual bonus and LTIP outcomes and may fluctuate year to year.

The pay ratios for the 25th and 75th percentiles have decreased this year as a result of employee pay increases being above the rate of increase for the Chief Executive Officer. The median pay ratio has, however, increased as a result of a reduction in bonus and benefits for the median employee this year versus the previous year.

The Board believes that the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression. The Committee has reviewed the remuneration policies and practices for the wider workforce in conjunction with considering how the Remuneration Policy should be implemented. The Committee is satisfied that there is a good level of alignment in relation to pay policies throughout the Group and that the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression.

Total pay and benefits used to calculate the ratios

The table below shows the employee percentile pay and benefits used to determine the above pay ratios and the salary component for each figure.

£000	Chief Executive Officer[1]	25th percentile	Median	75th percentile
2024				
Total pay and benefits[2]	**739**	**27**	**45**	**90**
Salary component	**556**	**25**	**34**	**65**
2023				
Total pay and benefits[2]	725	25	50	65
Salary component	527	23	33	50
2022				
Total pay and benefits[2]	1,292	29	35	65
Salary component	513	25	33	50
2021				
Total pay and benefits[2]	1,173	18	30	68
Salary component	500	18	25	60

1 The Chief Executive Officer's remuneration is the total single figure remuneration for the relevant financial year as disclosed on page 142. For 2023, this is the aggregate of Graham Prothero's and James Thomson's single figure remuneration.

2 The employee percentile pay and benefits have been calculated based on the amount paid or receivable for the financial year. The calculations are on the same basis as required for the Chief Executive Officer's remuneration for total single figure purposes.

Relative importance of spend on pay

Set out below is the amount spent on remuneration for all employees of the Group (including the Executive Directors) and the total amounts paid in distributions to shareholders over the year.

	2024 £m	2023 £m	Difference in spend £m	Difference as percentage
Remuneration for all employees	**47.4**	49.5	(2.1)	(4.2%)
Total distributions paid	**7.6**	9.9	(2.3)	(23.2%)

Terms of engagement

The Chief Executive Officer's service agreement is on a rolling basis and requires 12 months' notice of termination on either side. The Chief Financial Officer's service agreement is on a rolling basis and requires six months' notice of termination from the Chief Financial Officer and 12 months' notice of termination from the Company. The dates of the Executive Directors' service agreements are as follows:

	Date of service agreement
Graham Prothero	27 April 2022
Stefan Allanson	29 June 2015

All Non-Executive Directors are engaged for an initial period of three years, which, thereafter, may be extended on an annual basis, subject to re-election at each AGM. The appointment of the Chairman may be terminated by either side on three months' notice and the appointment of the other Non-Executive Directors may be terminated on either side on one month's notice. The dates of each Non-Executive Director's original appointment are as follows:

	Date of original appointment	Expiry of current term[1]
James Thomson	1 January 2023	31 December 2025
Nicola Bruce	24 March 2023	23 March 2026
Elaine Bailey	1 March 2021	28 February 2025
Fiona Goldsmith	1 October 2019	30 September 2024
Christopher Mills	1 January 2009	30 September 2024

1 Subject to re-election at the 2024 AGM.

The Remuneration Committee

The Committee comprises Nicola Bruce as Chair, Elaine Bailey and Fiona Goldsmith, each of whom are independent and have no day-to-day involvement in running the business. Potential conflicts which arise from cross-directorships are managed by the Company Secretary and the Board.

Biographical details of the Committee members are shown on pages 112 to 113, and details of their attendance at scheduled meetings of the Committee during the year ended 30 June 2024 are shown on page 116.

Role and responsibilities of the Remuneration Committee

The Committee's primary purpose is to make recommendations to the Board on the Group's framework for Executive Directors and senior management remuneration. The Board has also delegated responsibility to the Committee for determining the remuneration, benefits and contractual arrangements of the Chairman and the Executive Directors. No individual is involved in deciding their own remuneration.

Annual Report on Remuneration
CONTINUED

The Committee has written terms of reference available on the Company's website, www.mjgleesonplc.com, and its responsibilities include:

- recommending to the Board the policy for Executive Directors and senior management remuneration;
- agreeing the remuneration of the Chairman of the Board;
- agreeing the terms and conditions of employment for Executive Directors, including their annual remuneration and pension arrangements, and reviewing such provisions for senior management;
- agreeing the measures and targets for any performance-related bonus and share schemes;
- ensuring that, on termination, contractual terms and payments made are fair both to the Company and the individual so that failure is not rewarded;
- engaging with shareholders on Executive Directors and senior management remuneration;
- reviewing wider workforce remuneration and related policies; and
- agreeing the terms of reference of any remuneration consultants that it appoints.

Activities during the year

The Committee met on eight occasions during the year, five of which were scheduled meetings. Papers were circulated in advance of each meeting for all matters considered. The main activities undertaken by the Committee during the year included:

- reviewing the fee for James Thomson as Non-Executive Chairman;
- approving performance targets for annual bonus and LTIP awards for the Executive Directors and senior management for the year ended 30 June 2024;
- approving the annual bonus and LTIP outcomes of the Executive Directors and senior management for the year ended 30 June 2024 and assessing the fairness of these outcomes;
- approving salary increases for the Executive Directors and senior management with effect from 1 July 2024;
- reviewing potential performance metrics and targets for annual bonus and LTIP awards for the Executive Directors and senior management to be granted in respect of the year ending 30 June 2025; and
- reviewing the results of external benchmarking for key roles, and proposals for staff pay and bonuses.

How the Committee addressed the factors in Provision 40 of the 2018 UK Corporate Governance Code when determining the Policy

Our Directors' Remuneration Policy is designed to support an effective pay-for-performance culture, which enables the Company to attract, retain and motivate Executive Directors who have the necessary experience and expertise to deliver the Group's objectives and strategy. The Policy has been determined based on the following principles, taking into account Provision 40 of the 2018 UK Corporate Governance Code.

Clarity and simplicity	Ensure that the remuneration packages are simple and transparent, and take into account remuneration and related policies for the wider workforce. Performance targets are set in line with Group budgets and plans and are reviewed and tested by the Committee.
Risk	To promote long-term sustainable performance through sufficiently stretching performance targets, whilst ensuring that the incentive framework does not encourage Executive Directors to take inappropriate business risks (including environmental, financial, social, health, safety and governance risks).
Predictability	Detailed information on the potential values that may be earned through the remuneration arrangements are set out in the Directors' Remuneration Policy available within the 2022 Annual Report and Accounts.
Proportionality	To ensure that the total remuneration delivered is fair and reflects the Group and individual performance, the Committee has the discretion to override formulaic outturns where it believes the outcome is not truly reflective of underlying performance during the performance period and to ensure fairness to both shareholders and participants.
Alignment to culture	When determining the Policy, the Committee is clear about making decisions to drive the appropriate behaviours and ensure alignment with the Group's culture and long-term strategy.

Remuneration Committee – support and advice

The Committee is supported by the Group HR Director and the Head of Legal and Company Secretary.

The Company took advice from Deloitte LLP, who were appointed by the Committee in July 2019 following a tender process. Deloitte LLP is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to Executive remuneration in the UK. The Committee is satisfied that the appointment of Deloitte LLP is in accordance with the Company's policy on the provision of non-audit services to the Group and that the external advice received is objective and independent. The fees paid to Deloitte LLP for their services to the Committee during the year, based on time and expenses, amounted to £50,675. Deloitte LLP also provided advice to the Company during the year in relation to share plans.

Statement of voting at the Annual General Meeting and shareholder engagement

The following table sets out actual voting in respect of the resolutions to approve the Remuneration Policy and Annual Report on Remuneration at the Company's AGM.

	Votes in favour		Votes against			
	No.	%	No.	%	Total votes cast	Votes withheld
2023 AGM: Approval of the Annual Report on Remuneration	41,628,309	96.47	1,523,062	3.53	43,151,371	193,871
2022 AGM: Approval of the Directors' Remuneration Policy	42,575,196	97.53	1,079,604	2.47	43,654,800	650

The Committee consults with major shareholders and their representative bodies on remuneration matters, particularly if any material changes are proposed to the Directors' Remuneration Policy.

Approved by the Board and signed on its behalf by:

Nicola Bruce
Chair of the Remuneration Committee

17 September 2024

Directors' Report

Statutory, regulatory, and other information

This section contains the remaining matters on which the Directors are required to report each year that do not appear elsewhere in the Annual Report.

Strategic Report

We present a review of the business during the year to 30 June 2024 and of the position of the Group at the end of the financial year together with a description of the principal risks and uncertainties faced by the Group in the Strategic Report on pages 02 to 105.

Business review

The review of the development and performance of the business during the year, any significant events up to the date of this Report, and the future outlook of the Group are set out in the Chairman's Statement on pages 04 to 05, the Chief Executive's Statement on pages 12 to 17 and the Business Reviews on pages 18 to 21.

The Group's sustainable business strategy is set out in the Strategic Report on pages 28 to 31. The key performance indicators are set out in the Strategic Report on pages 32 to 33.

The Group's policy in respect of financial risk management and financial instruments, details of credit risk, capital risk management, liquidity risk and interest rate risk are given in note 15 to the financial statements.

Dividends

The Company may, by ordinary resolution, declare a dividend to be paid to shareholders, but no dividend shall exceed the amount recommended by the Board. The Board may also agree to pay interim dividends when the financial position of the Company, in the opinion of the Board, justifies it.

During the year, the Company paid a final dividend of 9.0p (approved by shareholders at the Annual General Meeting on 16 November 2023) for the financial year ended 30 June 2023 and an interim dividend in respect of the financial year ended 30 June 2024 to shareholders of 4.0p per share.

The Board proposes to pay, subject to shareholder approval at the 2024 Annual General Meeting ("AGM"), a final dividend of 7.0p per share on 22 November 2024 to shareholders on the register at the close of business on 25 October 2024. The total dividend for the year to 30 June 2024 will be 11.0p.

Dividend policy

The current year dividend represents a dividend cover of 3.0 times. The Board intends to maintain an earnings to dividend cover ratio of between three and five times.

Qualifying third-party indemnity

Directors risk personal liability under civil and criminal law for many aspects of the Company's main business decisions. As a consequence, the Directors could face a range of penalties including fines and/or imprisonment. In keeping with normal market practice, the Company believes that it is prudent, and in the best interests of the Company, to protect the individuals concerned from the consequences of innocent error or omission.

The Company obtains Directors' and Officers' liability insurance in order to indemnify Directors and other senior officers of the Company and its subsidiaries. This insurance policy does not provide cover where the Director or officer has acted fraudulently or dishonestly.

In addition, subject to the provisions of and to the extent permitted by relevant statutes, under the Articles of Association ("Articles"), the Directors and other officers are indemnified out of the assets of the Company against liabilities incurred by them in the course of carrying out their duties or the exercise of their powers. A deed of indemnity was approved by the Board in November 2020. These qualifying indemnity provisions were in place throughout the year and up to the date of approval of these financial statements,

Substantial shareholdings

The Company's major shareholders with voting rights representing 3% or more as at 30 June 2024 and the subsequent position at 31 August 2024 are shown below:

	As at 30 June 2024		As at 31 August 2024	
	Number of shares	**% of voting rights**	Number of shares	% of voting rights
Funds managed by Harwood Capital LLP	**6,555,000**	**11.2%**	6,355,000	10.9%
Black Rock	**5,544,855**	**9.5%**	5,534,901	9.5%
Schroder Investment Management	**3,450,000**	**5.9%**	3,750,000	6.4%
Aberforth Partners	**2,405,028**	**4.1%**	2,405,028	4.1%
Martin Currie Investment Management	**1,979,500**	**3.4%**	1,789,500	3.1%

Governance statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a governance statement in the Directors' Report. Information that fulfils these requirements, including how the Group has complied with the UK Corporate Governance Code and our internal control and risk management systems, can be found in the Corporate Governance section on pages 114 to 119.

Political donations

The Company made no political donations in the year or in the previous year.

Directors and Directors' interests

The Directors of the Company, as of the date of this Report, and during the year, together with their biographical details, are shown on pages 112 to 113.

Details of any related party transactions with Directors of the Company are disclosed in note 27 to the financial statements.

The beneficial interests of the Directors and their connected persons in the shares of the Company at 30 June 2024 are disclosed in the Annual Report on Remuneration on pages 142 to 153. Details of the interests of the Executive Directors in share options and awards of shares can be found on page 146 within the same report.

Environmental policies and disclosures

Details of our focus on sustainability and the environment can be found in the Strategic Report (pages 02 to 105), the Sustainability Committee Report on pages 132 to 134, and our reports under the Task Force on Climate-related Financial Disclosures ("TCFD") and the Sustainability Accounting Standards Board, as set out on pages 86 to 93 and 94 to 99 respectively.

Employment policies

We are committed to ensuring that all employees, potential recruits, and other stakeholders are treated fairly and equitably. The principles of equality and diversity are important to us and advancement is based upon individual skills and aptitude irrespective of race, gender identity, sexual orientation, disability, age, religion or beliefs or any other protected characteristics.

Our policy for selection and promotion is based on an assessment of an individual's ability and experiences; we consider all applicants on their merits and have processes and procedures in place to ensure that individuals with disabilities are given fair consideration.

Every effort is made to retain and support employees who become disabled whilst in the employment of the Group.

We are committed to developing our employees so they can maximise their career potential, and our aim is to provide rewarding career opportunities in an environment in which equality of opportunity is paramount. We seek to improve employee retention by providing benefits that employees value, including a Group stakeholder pension (including life assurance arrangements), private medical insurance and income replacement arrangements.

Employee share scheme

Employee share ownership continues to be encouraged through participation in the Group Share Purchase Plan (the "SIP") under which the Company contributes one share for every three shares purchased.

Employee involvement

Our people are at the heart of our business and are involved in decision making across the business in a variety of ways. More details on employee engagement can be found on pages 83 and 102.

Directors' Report
CONTINUED

Stakeholder engagement

Details regarding our stakeholder engagement, including suppliers, customers, local authorities and shareholders, and the effect on the principal decisions made in the year, can be found on pages 102 and 103.

Shareholder additional information

The Company is required to disclose certain additional information where not covered elsewhere in this Annual Report:

Share capital

The Company has one class of share in issue, being ordinary shares with a nominal value of 2 pence each, with no right to fixed income.

At 30 June 2024, the Company had issued share capital of 58,381,973 ordinary shares, with a nominal value of £1.2m. Further details are given in note 23 to the financial statements.

Rights and obligations attaching to shares

Subject to the Companies Act 2006 and other shareholders' rights, any share may be issued with such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board of the Company may decide. Subject to the Companies Act 2006, the Articles and any resolution of the Company, the Board may deal with any unissued shares as it may decide.

Amendment to the Articles of Association

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution.

Voting

Under and subject to the provisions of the Articles and subject to any special rights or restrictions as to voting attached to any shares, on a show of hands, every shareholder present in person at a general meeting of shareholders shall have one vote and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which they are the holder. Under the Companies Act 2006, shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting.

Voting on all resolutions proposed at the 2024 AGM will be conducted by way of a poll rather than a show of hands.

Restrictions on voting

A shareholder shall not be entitled to vote at any general meeting or class meeting in respect of any shares held by them unless all calls and other sums presently payable by them in respect of that share have been paid.

Variation of rights

The Articles specify that the special rights attached to any class of shares may, either with the consent in writing of holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated.

Transfer of shares

Under and subject to the restrictions in the Articles, any shareholder may transfer all or any of their shares in certificated form by transfer, in writing, in any usual form or in any other form which the Board may approve. The Board may, save in certain circumstances, refuse to register any transfer of a certificated share not fully paid up. The Board may also refuse to register any transfer of certificated shares unless it is:

- in respect of only one class of shares;
- in favour of no more than four transferees;
- duly stamped or exempt from stamp duty;
- delivered to the office or at such other place as the Board may decide for registration; and
- accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to show the right of the intending transferor to transfer the shares.

Authority to purchase own shares

At the 2023 AGM, shareholders gave the Company authority to purchase up to the nominal value of £116,763 of its own ordinary shares, representing approximately 10% of its issued ordinary share capital. No purchases have been made pursuant to this authority and a resolution will be put to shareholders at the 2024 AGM to renew the authority for a further period of one year.

Repurchase of shares

Subject to the provisions of the Companies Act and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

Appointment of Directors

In accordance with the Articles, Directors can be appointed or removed by the Board, or by Shareholders at a general meeting. The Directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than three or more than 15 in number.

As required by the UK Corporate Governance Code, all Directors will retire and offer themselves for re-election at the 2024 AGM. The Board considers that the contribution of each of the Directors standing for election is important to the Company's long-term sustainable success.

Powers of the Directors

The business of the Company shall be managed by the Board, which may exercise all the powers of the Company, subject to the provisions of the Articles and any ordinary resolution of the Company. The Articles specify that the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertakings, property and assets and uncalled capital and to issue debentures and other securities, subject to the provisions of the Articles.

Takeovers and significant agreements

The Company is party to the following significant agreements that take effect, alter, or terminate on a change of control of the Company following a takeover bid:

- the Company's share schemes and plans;
- the Company's payment guarantee bonds except with prior written consent from the bond provider; and
- the Group's revolving credit facility whereby upon a "change of control" all amounts become due and payable.

Information rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to enjoy information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the Company's registrars or to the Company directly.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

As set out on page 131, the auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the next AGM on 15 November 2024.

Annual General Meeting

The Notice of AGM to be held on 15 November 2024, together with details of the Resolutions to be considered, will be sent out in a separate circular. Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM will be set out in the Notice of the AGM.

By order of the Board

Stefan Allanson
Director

17 September 2024

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and Accounts 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 and Company financial statements in accordance with UK-adopted international accounting standards.

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, 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 Annual Report on Remuneration 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 Accounts and the 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 in the Governance Report, confirm that, to the best of their knowledge:

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

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.

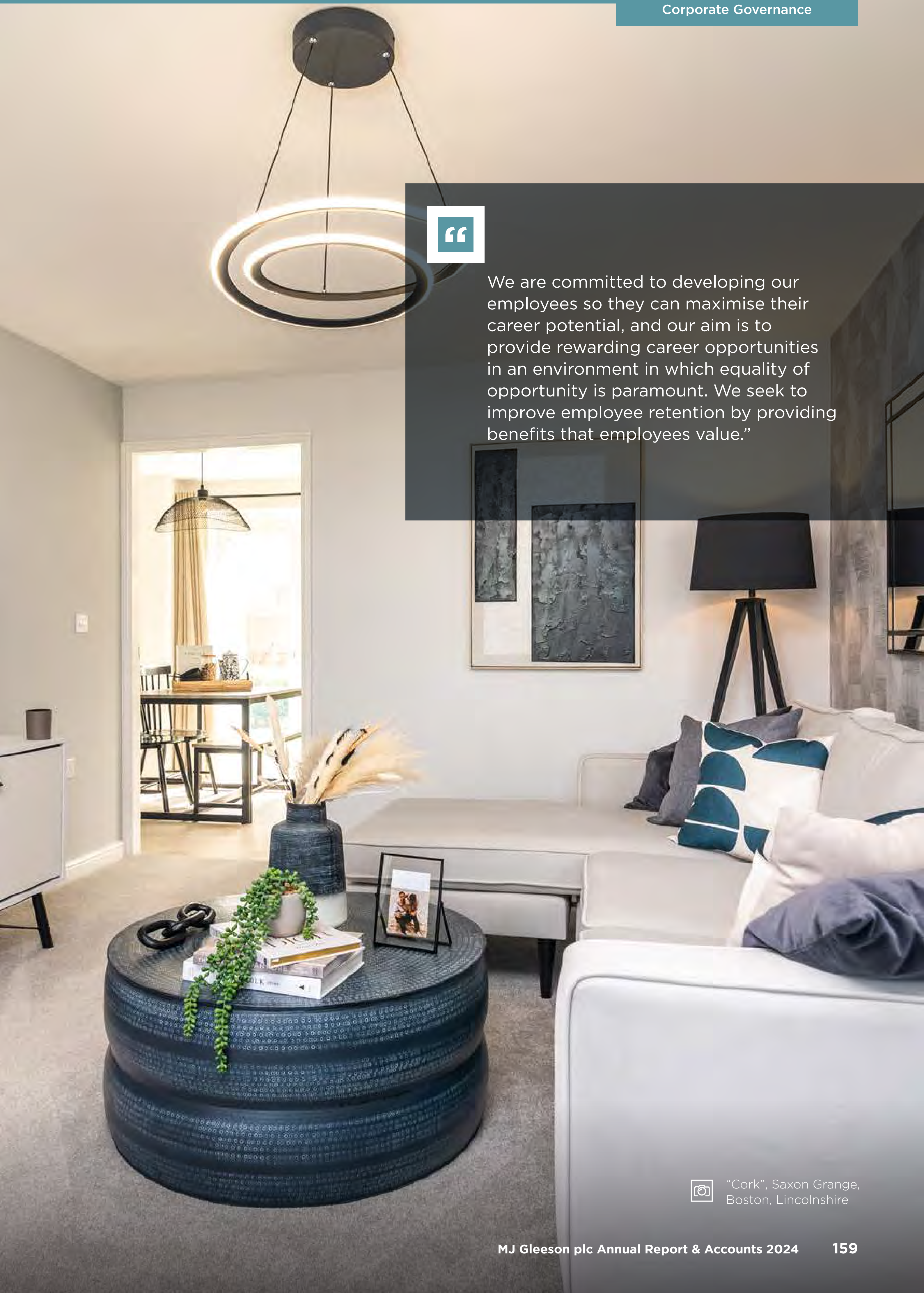
By order of the Board

Graham Prothero
Director

17 September 2024

Stefan Allanson
Director

17 September 2024



“We are committed to developing our employees so they can maximise their career potential, and our aim is to provide rewarding career opportunities in an environment in which equality of opportunity is paramount. We seek to improve employee retention by providing benefits that employees value.”

“Cork”, Saxon Grange, Boston, Lincolnshire

Financial Statements

"Dalkey", The Woodlands, Bearpark, County Durham

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Independent auditors' report to the members of MJ Gleeson plc

Report on the audit of the financial statements

Opinion

In our opinion, MJ Gleeson plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2024 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2024 (the "Annual Report"), which comprise: the Statements of Financial Position as at 30 June 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Statements of Changes in Equity and the Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The reporting units where we performed audit work accounted for 100% of the Group's profit before tax and 100% of the Group's total assets.
- Enquiries have been made of management regarding their risk assessment and governance process in place to address climate risk impacts, with no risk of material misstatement identified in this respect.

Key audit matters

- Carrying value of land and work in progress (group)
- Valuation of building safety provisioning (group)
- Carrying value of investments (parent)

Materiality

- Overall group materiality: £1,240,000 (2023: £1,577,150) based on 5% of profit before tax (2023: profit before tax before exceptionals).
- Overall company materiality: £1,178,000 (2023: £1,498,150) based on 1% of total assets.
- Performance materiality: £930,000 (2023: £1,182,750) (group) and £883,500 (2023: £1,123,613) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of land and work in progress (group) Refer to Notes 1 and 3 (of the financial statements). We focused upon this area because the value of the Group's land and work in progress represent a significant proportion of assets in the Group Statement of Financial Position. Determining the recoverable amount of land and work in progress requires a high degree of estimation. For work in progress in Gleeson Homes (the house building division), the key judgements include forecasting future costs to complete and selling prices which can be affected by market conditions and unexpected events. In Gleeson Land (the land promotion division), the valuation of work in progress requires judgement regarding the future viability of each project. Based upon this assessment, it may be necessary to record provisions to determine the final carrying value of work in progress for each site.	For land and work in progress in Gleeson Homes, we: assessed the adequacy of controls over allocation of costs to sites, through testing of controls over the allocation of materials and labour costs to the correct sites; visited a sample of 8 active sites to confirm the existence and condition of the work in progress and compared this to the total WIP at year end for the relevant sites; attended a sample of valuation meetings to observe and test the controls in operation and also key judgments being made; tested a sample of land additions in the year; tested a sample of WIP additions in the year; assessed management's ability to accurately forecast revenue, by comparing revenue per the latest valuation sheets, available as at year end, to the actual revenue achieved for that site in the year; assessed management's ability to forecast cost of sales and gross margin, investigating any unexpected variances between the forecast and the figure actually achieved; considered the monthly margin by site to ensure that there was consistent margin recognition throughout the year, and explanations were obtained for any unusual trends; performed additional margin review over sites completed in the year and those active over both FY24 and FY23; agreed margin taken through FY24 to the margin as per the latest valuation sheet; performed substantive testing over the costs to complete in the year end valuation for a sample of sites. Certain costs to complete categories were tested on a risk basis, with supporting documentation obtained for the relevant costs to complete; performed inquiries with management for the cost accruals for additional costs on sites in which homes have been substantially sold and corroborated this with supporting documentation obtained for the relevant costs; substantively tested managements provision for abortive site costs; tested a sample of journals transferring costs from WIP to Cost of Sales upon plot sale; analysed standing stock levels and low margin sites; performed detailed testing over specific and general contingencies; assessed changes in build rates against changes in costs to complete, including preliminary costs; and assessed the impact of climate change on land and work in progress. For work in progress in Gleeson Land, we: tested a sample of costs incurred during the year; tested the transfer from work in progress to cost of sales for all those sites sold during the year; discussed and challenged the status of a sample of projects with management and corroborated explanations received, as necessary; assessed the group's provisioning methodology; recalculated the provision made by management against year-end work in progress by applying the Group's provisioning methodology and challenged and corroborated as necessary; and reviewed the disclosures in the annual accounts in respect of this critical accounting estimate. Based on the procedures performed we did not identify any material adjustments to the carrying value of the Group's land and work in progress at year end.
Valuation of building safety provisioning (group) Refer to Notes 1 and 18 (of the financial statements). Under the 'Department for Levelling Up' Pledge, Gleeson are responsible for remediating any life critical fire safety defects in building over 11 metres which were developed by Gleeson Homes in the past 30 years. There are 17 buildings in scope resulting in a provision of £12.4m. The key assumptions are the potential cost of investigation, the costs of replacement materials and works, the cost of disruption to residents, and the timing of forecast expenditure. Hence, we identified the valuation of building safety provisioning as a significant risk.	For all existing sites, we have obtained management's reassessment of the required provision. This is ultimately based on the expert reports obtained in previous years, assessed in the current year. We assessed the work of management's experts and the associated costs within their report are considered reasonable. We have tested management's manual overlay to these reports, primarily adjustments to the scope of work required based on further investigation and quotes received during the year. Based on the procedures performed we did not identify any material adjustments to the provision included in the group accounts. We are also satisfied that the recognition and disclosure of the provision is in line with IAS 37, and the disclosure of the estimates and sensitivities are in line with IAS 1.

Carrying value of investments (parent)	
Refer to Notes 1 and 12 (of the financial statements). We focused upon this area because of the size of the balance, the judgement required in determining the carrying value and £1.2m of impairment recognised within the year. The key judgement is the underlying cash generation and profitability of the Parent Company's subsidiaries which can be affected by market conditions.	We obtained management's impairment assessment of the investments in subsidiaries as at 30 June 2024. Where an impairment trigger was identified, we have obtained management's assessment of the recoverable amount of the subsidiary. For subsidiaries that management have deemed to have no impairment triggers, we have reviewed the trading performance and net asset position of the subsidiary to confirm management's assessment as accurate. For subsidiaries where a trigger has been noted, these are all non-trading and management have noted an impairment based on a discounted cash flow model. We have obtained and tested this discounted cash flow assessment, specifically we have tested the key assumptions (discount rate, future expected income/expenses and the timing of these). We also assessed the market capitalisation of the Company as at 30 June 2024, and compared it to the net assets of the Group and Parent Company. Based on this work we are satisfied that the carrying value of the investments held by the company are supported and concur with the impairment recognised.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into two main operating divisions being Gleeson Homes and Gleeson Land, and each operating division represents a single reporting unit. The Group financial statements are a consolidation of these 2 reporting units and the Group's central entities which include a further 3 reporting units. Of the Group's 5 reporting units, we identified 4 which, in our view, required an audit of their complete financial information, either due to their size or their risk characteristics. This, together with additional procedures performed on the Group's remaining centralised functions, gave us the evidence we needed for our opinion on the Group financial statements as a whole. All work was performed by the Group audit team.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within Task Force on Climate-Related Financial Disclosures.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit

Our climate experts assisted us in challenging the completeness of management's climate risk assessment in particular relating to the Task Force on Climate-related Financial Disclosures ("TCFD") within the annual report.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole for the year ended 30 June 2024.

Management's assessment highlights that the valuation of inventory is impacted most significantly by climate risk, in relation to the latest Building Regulations and potential flood risks. We have assessed this risk into the audit testing of inventory, highlighting no risk of material misstatement within the valuation of inventory.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	£1,240,000 (2023: £1,577,150).	£1,178,000 (2023: £1,498,150).
How we determined it	5% of profit before tax (2023: profit before tax before exceptionals)	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark. The prior year exceptional item is trading in nature, however, management have noted it not to be representative of the underlying operations of the business, it was deemed appropriate to exclude this from our calculation of materiality.	We believe total assets is the primary measure used by shareholders in assessing the performance of the entity.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £44,130 to £1,178,000, with the parent company materiality capped at a 95% allocation of group materiality. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £930,000 (2023: £1,182,750) for the group financial statements and £883,500 (2023: £1,123,613) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £62,000 (group audit) (2023: £78,850) and £58,900 (company audit) (2023: £74,908) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained from management their latest assessments that support their conclusions with respect to the going concern basis of preparation of the financial statements, corroborating these to the opening cash position, board approved budgets and confirming the mathematical accuracy of these assessments;
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the data;
- We evaluated management's base case forecast and severe but plausible downside scenario and challenged the adequacy and appropriateness of the underlying assumptions;
- Reviewed the terms and conditions of their RCF agreements that are applicable both during the year and for the going concern assessment period;
- In conjunction with the above we have also reviewed management's analysis of both liquidity and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment or have occured in the year to date; and
- Reviewed the disclosures made within the annual report and the financial statements to confirm these are consistent with management's model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Annual Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of MJ Gleeson plc CONTINUED

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation and building safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Listing Rules and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to deliberate manipulation of results via improper revenue recognition, management bias in key accounting estimates and posting of inappropriate journal entries to manipulate the group's result for the period. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the valuation of land and work in progress and the expected cash outflows in respect of the building safety provision; and
- Identifying and testing journal entries on a risk based criteria, in particular journal entries posted with unusual account combinations or posted by unexpected users. Specifically we tested journal entries with credits to revenue, duplicate journals, and journals transferring costs within work in progress.
- Reviewed board minutes and inquired with management over any non compliance with laws and regulations, including discussions with management's internal experts surrounding the building safety act.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Annual Report on Remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit Committee, we were appointed by the members on 14 November 2016 to audit the financial statements for the year ended 30 June 2017 and subsequent financial periods. The period of total uninterrupted engagement is 8 years, covering the years ended 30 June 2017 to 30 June 2024.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
17 September 2024

Consolidated Income Statement

For the year ended 30 June 2024

	Note	2024 £000	2023 Pre-exceptional items £000	2023 Exceptional items (note 3) £000	2023 Total £000
Revenue	2	**345,345**	328,319	–	328,319
Cost of sales		**(260,811)**	(238,228)	–	(238,228)
Gross profit		**84,534**	90,091	–	90,091
Administrative expenses		**(56,233)**	(56,952)	(1,022)	(57,974)
Other operating income	5	**252**	420	–	420
Operating profit		**28,553**	33,559	(1,022)	32,537
Finance income	7	**109**	191	–	191
Finance expenses	7	**(3,813)**	(2,261)	–	(2,261)
Profit before tax		**24,849**	31,489	(1,022)	30,467
Tax	8	**(5,543)**	(6,508)	210	(6,298)
Profit for the year attributable to the equity holders of the parent		**19,306**	24,981	(812)	24,169
Earnings per share					
Basic	10	**33.13 p**	42.89 p		41.49 p
Diluted	10	**33.04 p**	42.86 p		41.47 p

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	2024 £000	2023 £000	2023 £000	2023 £000
Profit for the year	**19,306**	24,981	(812)	24,169
Other comprehensive income/(expense)				
Items that may be subsequently reclassified to profit or loss				
Change in value of shared equity receivables at fair value	**171**	(148)	–	(148)
Other comprehensive income/(expense) for the year (net of tax)	**171**	(148)	–	(148)
Total comprehensive income/(expense) for the year	**19,477**	24,833	(812)	24,021

The notes on pages 177 to 205 form part of these financial statements.

Statements of Financial Position

At 30 June 2024

	Note	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Non-current assets					
Property, plant and equipment	11	**9,269**	11,206	**–**	–
Investments in subsidiaries	12	**–**	–	**94,041**	95,203
Trade and other receivables	14	**243**	51	**–**	–
Deferred tax assets	20	**317**	797	**455**	442
		9,829	12,054	**94,496**	95,645
Current assets					
Inventories	13	**345,234**	344,626	**–**	–
Trade and other receivables	14	**9,283**	13,947	**115,350**	117,878
UK corporation tax		**767**	542	**767**	542
Cash and cash equivalents	21	**12,934**	5,159	**1,056**	248
		368,218	364,274	**117,173**	118,668
Total assets		**378,047**	376,328	**211,669**	214,313
Non-current liabilities					
Trade and other payables	16	**(6,614)**	(8,171)	**–**	–
Provisions	18	**(10,073)**	(8,206)	**–**	–
		(16,687)	(16,377)	**–**	–
Current liabilities					
Trade and other payables	16	**(60,594)**	(68,662)	**(146,492)**	(143,716)
Provisions	18	**(3,024)**	(5,273)	**–**	–
		(63,618)	(73,935)	**(146,492)**	(143,716)
Total liabilities		**(80,305)**	(90,312)	**(146,492)**	(143,716)
Net assets		**297,742**	286,016	**65,177**	70,597
Equity					
Share capital	23	**1,168**	1,167	**1,168**	1,167
Share premium		**15,843**	15,843	**15,843**	15,843
Own shares	23	**(456)**	(743)	**(456)**	(743)
Retained earnings		**281,187**	269,749	**48,622**	54,330
Total equity		**297,742**	286,016	**65,177**	70,597

Retained earnings of the Company

The profit of the Company in the financial year amounted to £2,071,000 (2023: £22,007,000).

The financial statements on pages 172 to 205 were approved by the Board of Directors on 17 September 2024 and signed on its behalf by:

Graham Prothero
Director

Stefan Allanson
Director

Company registration number: 09268016

The notes on pages 177 to 205 form part of these financial statements.

Statements of Changes in Equity

For the year ended 30 June 2024

Group

	Note	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	**Total equity £000**
At 1 July 2022		1,166	15,843	(471)	255,638	272,176
Profit for the year		–	–	–	24,169	24,169
Other comprehensive expense		–	–	–	(148)	(148)
Total comprehensive income for the year		–	–	–	24,021	24,021
Share issue	23	1	–	–	–	1
Purchase of own shares	23	–	–	(330)	–	(330)
Utilisation of own shares	23	–	–	58	(58)	–
Share-based payments	24	–	–	–	(307)	(307)
Movement in tax on share-based payments taken directly to equity	8	–	–	–	362	362
Dividends	9	–	–	–	(9,907)	(9,907)
Transactions with owners, recorded directly in equity		1	–	(272)	(9,910)	(10,181)
At 30 June 2023		1,167	15,843	(743)	269,749	286,016
Profit for the year		**–**	**–**	**–**	**19,306**	**19,306**
Other comprehensive income		**–**	**–**	**–**	**171**	**171**
Total comprehensive income for the year		**–**	**–**	**–**	**19,477**	**19,477**
Share issue	23	**1**	**–**	**–**	**–**	**1**
Purchase of own shares	23	**–**	**–**	**(106)**	**–**	**(106)**
Utilisation of own shares	23	**–**	**–**	**393**	**(393)**	**–**
Share-based payments	24	**–**	**–**	**–**	**218**	**218**
Movement in tax on share-based payments taken directly to equity	8	**–**	**–**	**–**	**(284)**	**(284)**
Dividends	9	**–**	**–**	**–**	**(7,580)**	**(7,580)**
Transactions with owners, recorded directly in equity		**1**	**–**	**287**	**(8,039)**	**(7,751)**
At 30 June 2024		**1,168**	**15,843**	**(456)**	**281,187**	**297,742**

Company

	Note	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	**Total equity £000**
At 1 July 2022		1,166	15,843	(471)	42,405	58,943
Profit for the year		–	–	–	22,007	22,007
Total comprehensive income for the year		–	–	–	22,007	22,007
Share issue	23	1	–	–	–	1
Purchase of own shares	23	–	–	(330)	–	(330)
Utilisation of own shares	23	–	–	58	(58)	–
Share-based payments	24	–	–	–	(307)	(307)
Movement in tax on share-based payments taken directly to equity	8	–	–	–	190	190
Dividends	9	–	–	–	(9,907)	(9,907)
Transactions with owners, recorded directly in equity		1	–	(272)	(10,082)	(10,353)
At 30 June 2023		1,167	15,843	(743)	54,330	70,597
Profit for the year		**–**	**–**	**–**	**2,071**	**2,071**
Total comprehensive income for the year		**–**	**–**	**–**	**2,071**	**2,071**
Share issue	23	**1**	**–**	**–**	**–**	**1**
Purchase of own shares	23	**–**	**–**	**(106)**	**–**	**(106)**
Utilisation of own shares	23	**–**	**–**	**393**	**(393)**	**–**
Share-based payments	24	**–**	**–**	**–**	**218**	**218**
Movement in tax on share-based payments taken directly to equity	8	**–**	**–**	**–**	**(24)**	**(24)**
Dividends	9	**–**	**–**	**–**	**(7,580)**	**(7,580)**
Transactions with owners, recorded directly in equity		**1**	**–**	**287**	**(7,779)**	**(7,491)**
At 30 June 2024		**1,168**	**15,843**	**(456)**	**48,622**	**65,177**

Statements of Cash Flows

For the year ended 30 June 2024

	Note	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Operating activities					
Profit before tax		**24,849**	30,467	**2,034**	22,207
Adjustments for:					
Depreciation of property, plant and equipment	11	**4,621**	3,972	**–**	–
Share-based payments	24	**218**	(307)	**481**	(307)
Profit on redemption of shared equity receivables		**(182)**	(285)	**–**	–
(Decrease)/increase in provisions	18	**(382)**	91	**–**	–
Loss on disposal of property, plant and equipment	11	**466**	305	**–**	–
Impairment of investments in subsidiaries	12	**–**	–	**1,162**	3,791
Finance income	7	**(109)**	(191)	**(10,013)**	(30,000)
Finance expenses	7	**3,813**	2,261	**3,419**	1,930
Operating cash flows before movements in working capital		**33,294**	36,313	**(2,917)**	(2,379)
Increase in inventories		**(608)**	(57,744)	**–**	–
Decrease/(increase) in receivables		**4,224**	19,337	**(501)**	(31)
(Decrease)/increase in payables		**(9,323)**	(7,490)	**356**	(1,593)
Decrease/(increase) in amounts due from subsidiary undertakings		**–**	–	**2,891**	(36,227)
Increase in amounts due to subsidiary undertakings		**–**	–	**8,018**	24,386
Cash generated from/(used in) operating activities		**27,587**	(9,584)	**7,847**	(15,844)
Tax paid		**(5,572)**	(2,770)	**(5,572)**	(2,770)
Finance costs paid		**(4,029)**	(2,066)	**(3,795)**	(1,903)
Net cash flow surplus/(deficit) from operating activities		**17,986**	(14,420)	**(1,520)**	(20,517)
Investing activities					
Proceeds from disposal of shared equity receivables		**678**	1,279	**–**	–
Interest received		**31**	7	**13**	–
Dividends from subsidiaries		**–**	–	**10,000**	30,000
Purchase of property, plant and equipment	11	**(2,039)**	(4,441)	**–**	–
Net cash flow (deficit)/surplus from investing activities		**(1,330)**	(3,155)	**10,013**	30,000
Financing activities					
Net proceeds from issue of shares	23	**1**	1	**1**	1
Purchase of own shares		**(106)**	(330)	**(106)**	(330)
Dividends paid	9	**(7,580)**	(9,907)	**(7,580)**	(9,907)
Principal element of lease payments	17	**(1,196)**	(794)	**–**	–
Net cash flow deficit from financing activities		**(8,881)**	(11,030)	**(7,685)**	(10,236)
Net increase/(decrease) in cash and cash equivalents		**7,775**	(28,605)	**808**	(753)
Cash and cash equivalents at beginning of period		**5,159**	33,764	**248**	1,001
Cash and cash equivalents at end of period	21	**12,934**	5,159	**1,056**	248

Notes to the Financial Statements

For the year ended 30 June 2024

1 Material accounting policy information

MJ Gleeson plc ("the Company") is a public limited company that is listed on the London Stock Exchange and is incorporated and domiciled in England, United Kingdom. The address of the registered office is 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

Basis of preparation

Both the Company financial statements and 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.

The consolidated Group and Company financial statements have been prepared on a going concern basis and under the historical cost convention, except as otherwise stated below.

The principal accounting policies set out below have been applied consistently to all periods presented in the consolidated Group and Company financial statements.

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently an income statement and statement of comprehensive income of the Company is not presented as part of these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiary undertakings (together referred to as "the Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Going concern

The Group's business activities are set out in the Strategic Report on pages 02 to 105. The principal risks identified are reported under Risk Management on pages 38 to 43.

In July 2023, the Group renegotiated its committed facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £135m, which expires in October 2026 with two further uncommitted one year extension options.

The Group ended the year with cash and cash equivalents of £12.9m (30 June 2023: £5.2m).

Current forecasts are based on the latest budget and plan approved by the Board in July 2024. This reflected a cautious view on the trading outlook based on the current market conditions and the degree of macro-economic risk.

These forecasts were then subject to a range of sensitivities including a severe but plausible scenario together with the likely effectiveness of mitigating actions. The assessment considered the combined impact of a number of realistically possible, but severe and prolonged changes to principal assumptions from a downturn in the housing and land markets including:

- reduction in Gleeson Homes volumes of approximately 20%;
- reduction in Gleeson Homes selling prices by 5% permanently; and
- a delay on the timing of Gleeson Land transactions and 15% fall in land selling values.

Under these sensitivities, after taking certain mitigating actions, the Group continues to have a sufficient level of liquidity, operate within its financial covenants and meet its liabilities as they fall due.

Based on the results of the analysis undertaken, the Directors have a reasonable expectation that the Company and the Group have adequate resources available to continue in operation for the foreseeable future and operate in compliance with the Group's bank facilities and financial covenants. As such, the financial statements for the Company and the Group have been prepared on a going concern basis.

Revenue recognition

Revenue represents the fair value of the consideration received or receivable in respect of the sale, or sale and leaseback, of homes and land, net of value added tax and discounts, which is based on an underlying signed legal agreement. Revenue is recognised when control transfers to a customer as follows:

- Revenue from the sale, or sale and leaseback, of homes and sales extras is a single performance obligation that is satisfied when control is transferred to the customer, which is deemed to be on legal completion when title of the property passes to the customer. Where deposit and exchange funds are received in advance, no revenue is recognised until legal completion occurs and the remaining funds are received. Revenue on multi-unit sales follows the same treatment, with revenue recognised on legal completion of each unit in accordance with the contracted terms.

1 Material accounting policy information CONTINUED

- Revenue from land sales, including land sold under option agreements, freehold land sales, or fixed-price land sales, is typically a single performance obligation that is satisfied at the earlier of when unconditional contracts to sell are exchanged and control has passed to the customer or when contracts to sell are completed and title has passed. Revenue from planning promotion agreements is recognised at the point at which the Group is unconditionally entitled to a share of the disposal proceeds under the terms of the promotion agreement contract. Payment terms vary on each land sale; where deferred receipts exceed one year from completion, the transaction price is adjusted to reflect the time value of money. Variable consideration such as an overage is not recognised until the point at which it is considered highly probable that there will not be a significant future reversal, which typically occurs when the amount is agreed by all parties.

The Group has adopted the practical expedient allowed under IFRS 15 “Revenue from contracts with customers” that states an entity need not adjust the amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group’s other components, and for which discrete financial information is available. All segmental operating results are reviewed regularly by the Executive Directors to make decisions about resources to be allocated to the segment and to assess its performance. Segmental results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Segmental capital additions is the total cost incurred during the period to acquire property, plant and equipment.

Exceptional items

Exceptional items are defined as items of income or expenditure which, in the opinion of the Directors, are material and unusual in nature or of such significance that they require separate disclosure on the face of the income statement in accordance with IAS 1 “Presentation of financial statements”. Should these items be reversed, disclosure of this would also be classified within exceptional items.

Finance income and expenses

Finance income comprises interest income on bank deposits and the unwinding of discounts on deferred receivables and shared equity receivables. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest and fees on bank facilities, leases and the unwinding of discounts on deferred payables. Also included is the amortisation of fees associated with the arrangement of financing. Interest expense is recognised in the income statement using the effective interest method.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate that is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

For a modification that decreases the scope of the lease, the lease liability is remeasured at the effective date of the modification using a revised discount rate representative of the remainder of the lease term. Where this is not readily determined, the incremental cost of borrowing will be used. The carrying amount of the right-of-use asset will decrease to reflect the partial or full termination of the lease. Any gain or loss relating to the lease modification is recognised in the income statement.

1 Material accounting policy information CONTINUED

Non-financial assets

1. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

- Property: over the term of the lease for right-of-use assets
- Plant and equipment: between three and six years

Depreciation of these assets is charged to the income statement.

2. Investments

Investments are stated at cost less impairment.

3. Inventories

Inventories are valued at the lower of cost and net realisable value and are subject to regular impairment reviews. For Gleeson Homes inventories comprise all direct costs incurred in bringing the individual inventories to their present condition at the reporting date, including direct materials, direct labour costs and related overheads. For Gleeson Land, inventories comprise all direct costs incurred in securing and promoting land through the planning system through to the point of sale, less the value of any impairment losses.

For Gleeson Homes, inventories are recognised in cost of sales as an allocation of the latest forecast gross margin expected to be generated over the remaining life of that site, which is an output of the site valuation process. These valuations, which are carried out at regular intervals throughout the year, use actual and forecast selling prices, land costs and build costs. Land purchased with deferred consideration terms is included in inventories at its net present value.

For Gleeson Land, inventories are recognised in cost of sales as an allocation of the promotion costs associated with the land being sold.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In Gleeson Homes, the key assumptions underpinning the assessment of net realisable value are forecast costs to complete, site margins, contingencies and selling prices. In Gleeson Land, expected land value, planning outcome, the remaining duration of the promotion or option agreement and forecast costs to complete are used to determine net realisable value.

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement within administrative expenses.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Financial assets

1. Shared equity receivables

Shared equity receivables are loans that were offered to certain customers to assist in the purchase of their home. Shared equity receivables are recorded at fair value through other comprehensive income ("OCI"), representing the amount receivable discounted to present day values. The difference between the nominal value and the initial fair value is credited over the deferred term to finance income, with the financial asset increasing to its full cash settlement value on the anticipated receipt date. The Group holds a second charge over property sold under shared equity schemes. Changes in the fair value of shared equity receivables are recognised in other comprehensive income. Interest calculated using the effective interest method and impairment losses on shared equity receivables are recognised in the income statement.

2. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Deferred land receivables are discounted to present values when repayment is due in more than one year after initial recognition.

1 Material accounting policy information CONTINUED

3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and cash held in solicitors' client accounts on the Group's behalf and are subject to an insignificant risk of changes in value. Net cash is defined as cash and cash equivalents less borrowings with an original maturity of three months or less.

Impairment of financial assets

An assessment of expected credit losses associated with financial assets carried at amortised cost is undertaken on a forward-looking basis. For trade receivables, the simplified approach as permitted by IFRS 9 "Financial instruments" is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-financial liabilities

1. Provisions

Provisions are recognised when there is a present legal or constructive obligation arising from past events and it is probable there will be an outflow of resources required to settle the obligation that can be estimated reliably. Provisions are measured at the best estimate of the Directors and discounted to present value where the effect is material.

2. Contingent liabilities

Where there is a possible obligation arising from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events then, unless the possibility of such an outflow of resources in settlement is remote, a contingent liability is disclosed.

Financial liabilities

1. Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Deferred land payables are discounted to present values when repayment is due in more than one year after initial recognition.

2. Loans and borrowings

Interest bearing bank loans are initially measured at fair value (being proceeds received, net of direct issue costs) and are subsequently measured at amortised cost. Capitalised finance costs are held in other receivables and amortised over the period of the facility, less any provision for impairment.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the values used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee benefits

1. Defined contribution pension plans

Obligations for contributions to defined contribution pension schemes are charged to the income statement in the period to which the contributions relate.

2. Share-based payments

Equity-settled share-based payments ("share options") are measured at fair value at the date of grant. Fair value is measured using generally accepted option pricing models, taking into account the terms and conditions upon which the options were granted. The fair value of options granted is recognised as an employee expense with a corresponding credit to equity, spread on a straight-line basis over the vesting period. Where non-market vesting conditions apply, the expense is based on the estimate of awards that are expected to vest. These awards are granted by the Company and the cost of the share-based award relating to each subsidiary is calculated, based on an appropriate apportionment, at the date of grant and recharged through intercompany.

Own shares held by Employee Benefit Trusts

The Employee Benefit Trusts ("EBT") holds shares in the Company for the purpose of settling employee share purchase plan awards, deferred bonus awards for the Executive Directors, and employee share options through shares purchased from the market. The cost of the Company's purchase of its own shares is shown as a reduction in shareholders' equity through the "own shares" reserve until such time as they are vested to employees.

1 Material accounting policy information CONTINUED

Dividends

Dividends are recorded in the financial statements when paid. Final dividends are recorded in the financial statements in the period in which they receive shareholder approval.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year at the balance sheet date are listed below.

1. Margin recognition

Cost of sales is recognised for completed home sales as an allocation of the latest forecast gross margin expected to be generated over the remaining life of a site, which is an output of the site valuation process. These valuations, which are updated at regular intervals throughout the year, use actual and forecast selling prices, land costs and build costs and are sensitive to future movements in both the estimated costs to complete and expected selling prices. These estimates are reflected in the margin recognised on sites in relation to sales recognised in the current and future years. There is a degree of inherent uncertainty in making such estimates. The Group has internal controls that are designed to ensure that an effective assessment of the costs to complete a development is made on a regular basis. If gross margin on homes sold decreased by 100 basis points, profit before tax in the year would have been £3.2m lower (2023: £3.2m lower).

2. Carrying value of inventories (land and work in progress)

Inventories are stated at the lower of cost and net realisable value. For Gleeson Homes, the assessment of net realisable value is performed on a site-by-site basis, taking into account an estimation of costs to complete and remaining revenue. If forecast gross margins reduced by 5%, there would be no loss-making sites and no material impact on the carrying value of inventory.

For Gleeson Land, the assessment of net realisable value is performed on a site-by-site basis. Net realisable value is largely dependent on the prospect of obtaining a successful planning consent. Given this, there is some uncertainty over the net realisable value of each site. These assessments include a degree of inherent uncertainty when estimating the profitability of a site and in assessing any impairment provisions that may be required. If a single site in the portfolio failed to obtain planning permission before expiration of the agreement, the carrying value would decrease by £0.4m (2023: £0.5m), based on an average site. The single largest site inventory balance in the portfolio is £2.8m (2023: £2.6m).

3. Building safety

As set out in note 18, the Group undertakes periodic reviews of all buildings over 11 metres in which the Group had, over the last 30 years, some involvement in developing.

The Group has recorded a building safety provision which represents the best estimate of the life-critical fire-safety remediation costs associated with these buildings. The building safety provision requires a number of key estimates and judgements in its calculation. If it is deemed that the costs are probable and can be reliably measured then, as per IAS 37 “Provisions, contingent liabilities and contingent assets”, a provision is recorded. If costs are considered possible or cannot be reliably estimated then they are recorded as contingent liabilities. The key judgements include, but are not limited to, the identification of these properties, the time period to consider and which properties should then be included. Judgement is also required in respect of the underlying nature of the building and materials used where intrusive surveys have not yet been carried out. The key estimates applied to these properties include the potential costs of investigation, the costs of replacement materials and works, the costs of disruption to residents of these buildings and the timing of forecast expenditure.

If forecast remediation costs on these buildings were 20% higher, the provision in the statement of financial position would be £2.5m higher with a corresponding exceptional charge in the consolidated income statement. See note 18 for further details.

1 Material accounting policy information CONTINUED

4. Climate change and environmental risk

Significant judgement is required to assess the impact of climate change on the operations of the business and the carrying value of its assets, including land held in inventory. Climate change has the potential to significantly impact our business strategy through restricted land availability, disrupted build programmes, material and labour shortages and increased costs. No provisions or impairment of assets have been recognised in these financial statements but detailed scenario analysis is presented in the TCFD section on pages 90 to 91.

5. Carrying value of investments (Company only)

Investments are stated at cost less impairment. Significant judgement is required to determine if an impairment trigger has taken place, and in calculating an impairment, judgement is required to determine the value in use or fair value less costs of disposal. It was identified that Gleeson Construction Services Limited incurred a loss during the year, which is an indicator that an impairment loss may have occurred – see note 12 for further details. For the investment held in MJ Gleeson Group Limited, an increase in the loss of MJ Gleeson Group Limited or its subsidiary, Gleeson Construction Services Limited, of 10% would lead to an increase in the impairment of £45,000.

Adoption of new and revised standards

For the year ended 30 June 2024, the Group and Company have applied the following new and revised standards that were mandatorily effective for an accounting period beginning on or after 1 January 2023:

- IAS 1 “Classification of liabilities” (effective 1 January 2023)
- Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” (effective 1 January 2023)
- Amendments to IAS 12 “Taxation” (effective 1 January 2023)

The adoption of these standards and amendments has not had any material impact on the disclosures or amounts reported in these financial statements.

Standards not yet applied

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have not been adopted by the Group and Company in preparing the financial statements for the year ended 30 June 2024:

- Amendments to IFRS 16 “Leases” (effective 1 January 2024)
- Amendments to IAS 1 “Presentation of Financial Statements (effective 1 January 2024)
- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” (effective 1 January 2024)

The application of the standards and interpretations not yet applied is not expected to have a material impact on the Group and Company’s financial performance or position, or give rise to additional disclosures in the financial statements.

2 Segmental analysis

The Group is organised into the following two operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8 "Operating segments":

- Gleeson Homes
- Gleeson Land

All of the Group's operations are carried out entirely within the United Kingdom. Segmental information about the Group's operations is presented below:

	2024 £000	2023 Pre-exceptional items £000	2023 Exceptional items (note 3) £000	2023 Total £000
Revenue				
Gleeson Homes	**329,006**	320,848	–	320,848
Gleeson Land	**16,339**	7,471	–	7,471
Total revenue	**345,345**	328,319	–	328,319
Divisional operating profit				
Gleeson Homes	**30,301**	35,045	(1,022)	34,023
Gleeson Land	**2,151**	1,032	–	1,032
Divisional operating profits	**32,452**	36,077	(1,022)	35,055
Group administrative expenses	**(3,899)**	(2,518)	–	(2,518)
Group operating profit	**28,553**	**33,559**	**(1,022)**	**32,537**
Finance income	**109**	191	–	191
Finance expenses	**(3,813)**	(2,261)	–	(2,261)
Profit before tax	**24,849**	31,489	(1,022)	30,467
Tax	**(5,543)**	(6,508)	210	(6,298)
Profit for the year	**19,306**	24,981	(812)	24,169

All revenue in the Gleeson Homes segment relates to the sale of residential properties. There was no revenue recognised in respect of partnership arrangements during the year to 30 June 2024 (2023: none). All revenue for the Gleeson Land segment is in relation to the sale of land interests and overages on the sale of land. There is no revenue relating to Group activities.

One single customer accounted for 13.4% of revenue in Gleeson Homes. No single customers accounted for more than 10% of revenue in Gleeson Land (2023: no single customer over 10% in either business).

Balance sheet analysis of business segments:

	2024			2023		
	Assets £000	Liabilities £000	Net assets/ (liabilities) £000	Assets £000	Liabilities £000	Net assets/ (liabilities) £000
Gleeson Homes	**329,927**	**(76,029)**	**253,898**	326,722	(86,033)	240,689
Gleeson Land	**34,158**	**(2,582)**	**31,576**	43,207	(1,733)	41,474
Group activities	**1,028**	**(1,694)**	**(666)**	1,240	(2,546)	(1,306)
Cash and cash equivalents	**12,934**	**–**	**12,934**	5,159	–	5,159
	378,047	**(80,305)**	**297,742**	376,328	(90,312)	286,016

2 Segmental analysis CONTINUED

Other information:

	2024		2023	
	Capital additions £000	Depreciation £000	Capital additions £000	Depreciation £000
Gleeson Homes	**2,039**	**4,529**	4,441	3,877
Gleeson Land	**–**	**92**	–	95
	2,039	**4,621**	4,441	3,972

3 Exceptional items

Restructuring

In the prior year, we announced the restructuring of Gleeson Homes from nine regional management teams to six and moved to a standard operating structure with consistent roles, responsibilities, processes and reporting. The restructuring expense in the prior year of £1,022,000 consisted of redundancy costs of £975,000 and professional fees of £47,000. The amount, combined with the number of colleagues directly and indirectly impacted by the restructure, and the fact that this was a one-off cost, made this an exceptional item in the prior year.

No exceptional items were recognised in the year to 30 June 2024.

	2024 £000	2023 £000
Administrative expenses	**–**	1,022

4 Expenses and auditors' remuneration

Profit for the year is stated after charging/(crediting):

	Note	2024 £000	2023 £000
Staff costs	6	**47,376**	49,549
Depreciation of property, plant and equipment	11	**4,621**	3,972
Profit on redemption of shared equity receivables		**(182)**	(285)
Loss on disposal of property, plant and equipment	11	**466**	305
Auditors' remuneration:			
Audit of these financial statements		**323**	304
Audit of financial statements of subsidiaries pursuant to legislation		**92**	85
Non-audit services		**–**	–

5 Other operating income

	2024 £000	2023 £000
Profit on redemption of shared equity receivables	**182**	285
Other operating income	**70**	135
	252	420

6 Staff costs

	Note	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Wages and salaries		**40,997**	42,349	**1,453**	1,557
Termination benefits		**–**	975	**–**	–
Share-based payment charge/(credit)	24	**218**	(307)	**481**	(190)
Social security costs		**4,517**	4,899	**235**	(231)
Other pension costs	19	**1,644**	1,633	**71**	63
		47,376	49,549	**2,240**	1,199

The monthly average number of employees, excluding Non-Executive Directors, during the year was:

	Group 2024 No.	Group 2023 No.
Gleeson Homes	**730**	784
Gleeson Land	**21**	18
Group activities	**5**	4
	756	806

The monthly average number of Company employees and Non-Executive Directors during the year was nine (2023: eight).

Key management remuneration

Key management personnel, as defined under IAS 24 "Related party disclosures", have been identified as the Executive and Non-Executive Directors, the Chief Executive of Gleeson Homes, the Managing Director of Gleeson Land and the Divisional Managing Directors of Gleeson Homes, as the controls operated by the Group ensure that all key decisions are reserved for the Board. Detailed disclosures of Directors' individual remuneration, for those Directors who served during the year, are given in the audited sections within the Remuneration Report on pages 142 to 153.

A summary of key management remuneration is as follows:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Short-term employee benefits	**2,393**	2,540	**1,022**	1,059
Post-employment benefits	**133**	140	**59**	57
Share-based payment charge/(credit)[1]	**342**	(229)	**483**	(190)
	2,868	2,451	**1,564**	926

1 Share-based payments reflect the IFRS 2 "Share-based payment" charge/(credit) through the income statement.

7 Finance income and expenses

	2024 £000	2023 £000
Finance income		
Interest on bank deposits	**16**	–
Unwinding of discount on long-term receivables	**78**	185
Other interest income	**15**	6
	109	191
Finance expenses		
Interest on bank overdrafts and loans	**(3,040)**	(1,905)
Bank facility charges	**(379)**	(25)
Unwinding of discount on long-term payables	**(160)**	(168)
Unwinding of discount on lease liabilities	**(234)**	(163)
	(3,813)	(2,261)
Net finance expenses	**(3,704)**	(2,070)

8 Tax

	Note	Group 2024 £000	Group 2023 £000
Current tax			
Current year expense		**5,699**	5,834
Adjustment in respect of prior years		**(352)**	(42)
Current tax expense for the year		**5,347**	5,792
Deferred tax			
Current year expense	20	**107**	495
Adjustment in respect of prior years	20	**89**	(53)
Impact of rate change	20	**–**	64
Deferred tax expense for the year		**196**	506
Total tax charge		**5,543**	6,298

Corporation tax has been calculated at 22.3% of assessable profit for the year (2023: 20.7%). The applicable UK corporation tax rate is 25.0%.

8 Tax CONTINUED

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

		2024		2023	
Total tax charge reconciliation	Note	**£000**	**%**	£000	%
Profit before tax		**24,849**		30,467	
Tax at current corporation tax rate		**6,212**	**25.0**	6,246	20.5
Expenses not deductible for tax purposes		**114**	**0.5**	42	0.1
Non-qualifying depreciation		**123**	**0.5**	128	0.4
Relief for share-based payments		**45**	**0.2**	111	0.4
Capital allowances super deduction		**–**	**–**	(131)	(0.4)
Land remediation relief		**(739)**	**(3.0)**	(354)	(1.1)
Impact of rate differences		**–**	**–**	64	0.2
Adjustments in respect of prior years – current tax		**(352)**	**(1.4)**	(42)	(0.1)
Adjustments in respect of prior years – deferred tax	20	**89**	**0.3**	(53)	(0.2)
Residential property developers tax		**51**	**0.2**	287	0.9
Total tax charge and effective tax rate for the year		**5,543**	**22.3**	6,298	20.7

The headline rate of 22.3% is lower than the headline tax rate of 25.0%, which is primarily driven by land remediation relief and prior year adjustments. Further explanations are provided following the current tax reconciliation.

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

	2024		2023	
Current tax charge reconciliation	**£000**	**%**	£000	%
Profit before tax	**24,849**		30,467	
Tax at current corporation tax rate	**6,212**	**25.0**	6,246	20.5
Expenses not deductible for tax purposes	**114**	**0.5**	42	0.1
Non-qualifying depreciation	**123**	**0.5**	128	0.4
Relief for share-based payments	**(28)**	**(0.1)**	(144)	(0.5)
Capital allowances super deduction	**-**	**-**	(131)	(0.4)
Land remediation relief	**(739)**	**(3.0)**	(354)	(1.1)
Impact of capital allowances in excess of depreciation	**228**	**0.9**	(295)	(1.0)
Adjustments in respect of prior years – current tax	**(352)**	**(1.4)**	(42)	(0.1)
Residential property developers tax	**–**	**–**	211	0.7
Short-term timing differences	**(211)**	**(0.9)**	131	0.4
Current tax charge and effective tax rate for the year	**5,347**	**21.5**	5,792	19.0

The most significant factor impacting the Group's current tax charge is land remediation relief, whereby tax relief is granted on an additional 50% of qualifying land remediation expenditure. This is for costs incurred on remediating contaminated land and bringing it to a safe and usable condition for the purposes of development. Many of our sites are on brownfield land and require significant remediation prior to use. The Government provides this benefit as an incentive to remediate contaminated land. No deferred tax is recognised on this permanent benefit.

8 Tax CONTINUED

The impact of capital allowances in excess of depreciation arises where assets qualify for capital allowances in a different period than they are depreciated for accounting purposes. A temporary timing difference is created and deferred tax is recognised on the difference between the carrying amount of the asset and the amount deductible for tax purposes in future years. At the balance sheet date, we had a deferred tax liability in relation to plant and equipment due to the tax reliefs we received being more favourable in the short-term compared to how they are accounted for. This deferred tax provision will unwind each year over the useful economic lives of the assets they relate to.

The current tax relief for share-based payments is lower than the cumulative IFRS 2 "Share-based payment" charge for the options exercised, with current and deferred tax being recognised to reflect this difference. The anticipated tax relief has been calculated based on the share price at the balance sheet date and apportioned for the portion of the vesting period which has passed.

Residential property developers tax ("RPDT") is charged at 4% on certain profits from residential development activities. The additional 4% RPDT is recognised as part of the tax expense and creates a permanent difference in excess of the headline rate of Corporation Tax at 25%. No deferred tax is recognised in relation to this permanent difference.

Short-term timing differences comprise items other than depreciation of property, plant and equipment where the amount is included in the tax computation in a different period from when it is recognised in the income statement. For example, accrued employer pension contributions paid after the year end. Deferred tax is recognised on these items.

Prior period adjustments relate to estimates and judgements included in the prior year accounts in respect of tax and subsequently adjusted when the tax computations were finalised and submitted to HMRC. Some of these differences related to deferred tax, with the adjustment being recognised accordingly for the prior period adjustment.

Non-deductible expenditure is a permanent difference and comprises business expenses, such as entertaining costs, expenditure on certain leased cars and legal fees deemed capital in nature, recognised in the income statement but not allowable as a deduction against taxable income. No deferred tax is recognised on these differences.

Tax recognised on equity-settled share-based payments

		Group		Company	
	Note	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Deferred tax related to equity-settled share-based payments	20	**284**	(362)	**24**	(190)
Total tax recognised on equity-settled share-based payments		**284**	(362)	**24**	(190)

9 Dividends

	2024 £000	2023 £000
Amounts recognised as distributions to equity holders:		
Interim dividend for the year ended 30 June 2024 of 4.0p (2023: 5.0p) per share	**2,332**	2,911
Final dividend for the year ended 30 June 2023 of 9.0p (2022: 12.0p) per share	**5,248**	6,996
	7,580	9,907

A final dividend of 7.0 pence per share has been proposed for the year ended 30 June 2024, equating to £4,080,000 (2023: £5,248,000). This is subject to approval by shareholders at the AGM on 15 November 2024 and has not been recognised in these financial statements.

10 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2024 £000	2023 £000
Profit for the year	**19,306**	24,169
Adjust for exceptional items (note 3)	**–**	1,022
Adjust for tax on exceptional items	**–**	(210)
Profit for the year – pre-exceptional items	**19,306**	24,981

	2024 No. 000	2023 No. 000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**58,281**	58,246
Effect of dilutive potential ordinary shares:		
– Share-based payments	**154**	41
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**58,435**	58,287

	2024 p	2023 p
Basic earnings per share	**33.13**	41.49
Diluted earnings per share	**33.04**	41.47
Basic earnings per share – pre-exceptional items	**33.13**	42.89
Diluted earnings per share – pre-exceptional items	**33.04**	42.86

11 Property, plant and equipment

	Group			Company
	Property £000	Plant and equipment £000	Total £000	Plant and equipment £000
Cost or valuation				
At 1 July 2022	3,792	12,543	16,335	1
Additions	–	4,441	4,441	–
New leases entered in the year	1,619	1,311	2,930	–
Disposals	–	(876)	(876)	–
At 30 June 2023	5,411	17,419	22,830	1
Additions	**–**	**2,039**	**2,039**	**–**
New leases entered in the year	**583**	**806**	**1,389**	**–**
Leases exited in the year	**(569)**	**(28)**	**(597)**	**–**
Disposals	**–**	**(3,829)**	**(3,829)**	**–**
At 30 June 2024	**5,425**	**16,407**	**21,832**	**1**
Accumulated depreciation				
At 1 July 2022	1,251	6,972	8,223	1
Charge for the year	619	3,353	3,972	–
Disposals	–	(571)	(571)	–
At 30 June 2023	1,870	9,754	11,624	1
Charge for the year	**650**	**3,971**	**4,621**	**–**
Leases exited in the year	**(299)**	**(20)**	**(319)**	**–**
Disposals	**–**	**(3,363)**	**(3,363)**	**–**
At 30 June 2024	**2,221**	**10,342**	**12,563**	**1**
Net book value				
At 1 July 2022	2,541	5,571	8,112	–
At 30 June 2023	3,541	7,665	11,206	–
At 30 June 2024	**3,204**	**6,065**	**9,269**	**–**

The Group has recorded a depreciation charge of £4,621,000 (2023: £3,972,000), of which £926,000 (2023: £1,750,000) has been charged in cost of sales and £3,695,000 (2023: £2,222,000) in administrative expenses.

At 30 June 2024, the net book value of right-of-use assets was £4,574,000 (2023: £4,776,000), of which £3,204,000 (2023: £3,544,000) is within property and £1,370,000 (2023: £1,232,000) is within plant and equipment. The depreciation charge recorded for right-of-use assets was £1,311,000 (2023: £930,000). Refer to note 17 for further details.

The Company recorded a depreciation charge of £nil (2023: £nil).

12 Investments in subsidiaries

	Company £000
Cost	
At 1 July 2022	98,994
Impairment	(3,791)
At 30 June 2023	95,203
Impairment	**(1,162)**
At 30 June 2024	**94,041**

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. Gleeson Construction Services Limited incurred a loss during the year, which is an indicator that an impairment loss may have occurred and, therefore, the recoverable amount of the investment was calculated.

MJ Gleeson Group Limited is the intermediate holding company of Gleeson Construction Services Limited and does not generate revenue or incur any significant costs of its own. Gleeson Construction Services Limited manages the unwind of historic construction and employment liability claims and does not generate any revenue, but it incurs losses which reduce the net asset value.

The recoverable amount of MJ Gleeson Group Limited and its subsidiary, Gleeson Construction Services Limited, was determined based on a value-in-use calculation incorporating cash flow projections.

The carrying value of the investment in MJ Gleeson Group Limited was £2,203,000 and the recoverable amount was calculated as £1,041,000, resulting in an impairment loss of £1,162,000.

Subsidiary undertakings

The following are the principal subsidiary undertakings of MJ Gleeson plc. MJ Gleeson plc owns 100% of the ordinary share capital of the subsidiaries, all of which are incorporated in England and Wales and operate in the United Kingdom. The registered address for all subsidiary undertakings of MJ Gleeson plc is 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

Company name	Principal activity	Incorporation Number
Gleeson Developments Limited	House building	00848808
Gleeson Regeneration Limited	House building	03920096
Gleeson Developments (North East) Limited	House building	03867699
Gleeson Land Limited	Land promotion and sale	05181745
Gleeson Land (Fleet) Limited[1]	Land promotion and sale	05742750

1 Shares held by Gleeson Land Limited

12 Investments in subsidiaries CONTINUED

The following are the other subsidiary companies of MJ Gleeson plc:

Company name	Principal activity	Incorporation Number
MJ Gleeson Group Limited	Intermediate holding company	00479529
Gleeson Construction Services Limited [2]	Legacy construction services	00783607
Colroy Limited [3]	Dormant*	00882558
Haredon Developments Limited [3]	Dormant*	00759754
Gleeson Capital Solutions Limited	Dormant*	05276021
Gleeson Classic Homes Limited [1]	Dormant*	01952198
Gleeson Homes Southern Limited [1]	Dormant*	01530449
Gleeson Housing Developments Limited [1]	Dormant*	01460800
Gleeson PFI Investments Limited	Dormant*	05337924
Gleeson Properties Limited	Dormant*	00805039
Gleeson Properties (Kingley) Limited [3]	Dormant*	05281899
Gleeson Properties (Petersfield) Limited [3]	Dormant*	05075336
Gleeson Services Limited	Dormant*	00885340
KW Cannock Properties Limited	Dormant*	05899918
MJ Gleeson (International) Limited	Dormant*	00955626
MJG (Management) Limited	Dormant*	00941012
Oakmill Properties Limited [3]	Dormant*	05206658
Sindale Properties Limited [1]	Dormant*	04201608

1 Shares held by Gleeson Developments Limited
2 Shares held by MJ Gleeson Group Limited
3 Shares held by Gleeson Properties Limited
* Exempt from audit by virtue of s479A of the Companies Act 2006

13 Inventories

	2024 £000	2023 £000
Land held for development	**113,801**	112,649
Work in progress	**231,433**	231,977
	345,234	344,626

Net realisable value provisions held against inventories at 30 June 2024 were £8,380,000 (2023: £6,980,000). The amount of inventory write-down recognised as an expense in the period was £4,119,000 (2023: £2,676,000) and the amount of reversal of previously recognised inventory write-down was £656,000 (2023: £391,000). The cost of inventories recognised as an expense in cost of sales was £259,815,000 (2023: £236,074,000).

Company

The Company held no inventories at 30 June 2024 (2023: £nil).

14 Trade and other receivables

Current receivables	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Trade receivables	**5,651**	9,904	**–**	–
VAT recoverable	**1,443**	2,414	**37**	14
Prepayments and accrued income	**2,153**	1,251	**600**	122
Shared equity receivables	**36**	378	**–**	–
Amounts due from subsidiary undertakings	**–**	–	**114,713**	117,742
	9,283	13,947	**115,350**	117,878
Non-current receivables				
Trade receivables	**176**	–	**–**	–
Shared equity receivables	**67**	51	**–**	–
	243	51	**–**	–

The Directors consider that the carrying amount of trade and other receivables approximates their fair value and includes an allowance for impairment of trade receivables. See note 15 for the assessment of credit risk associated with trade receivables.

Amounts due from subsidiary undertakings are unsecured, repayable on demand, and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. No allowance for expected credit losses is deemed necessary in respect of amounts owed by Group undertakings.

15 Financial instruments

The Group and Company's finance assets and liabilities are as follows:

Group

Financial assets	Book value 2024 £000	Book value 2023 £000	Carrying value 2024 £000	Carrying value 2023 £000
Cash and cash equivalents	**12,934**	5,159	**12,934**	5,159
Trade and other receivables	**5,827**	9,904	**5,827**	9,904
Shared equity receivables	**440**	936	**103**	429
	19,201	15,999	**18,864**	15,492

Financial liabilities	Book value 2024 £000	Book value 2023 £000	Carrying value 2024 £000	Carrying value 2023 £000
Land payables	**(9,436)**	(14,348)	**(9,300)**	(14,052)
Trade and other payables	**(50,547)**	(57,637)	**(50,547)**	(57,637)
Lease liabilities	**(5,076)**	(5,144)	**(5,076)**	(5,144)
	(65,059)	(77,129)	**(64,923)**	(76,833)

15 Financial instruments CONTINUED

Company

Financial assets	Book value 2024 £000	Book value 2023 £000	Carrying value 2024 £000	Carrying value 2023 £000
Cash and cash equivalents	**1,056**	248	**1,056**	248
Amounts due from subsidiary undertakings	**114,713**	117,742	**114,713**	117,742
	115,769	117,990	**115,769**	117,990

Financial liabilities	Book value 2024 £000	Book value 2023 £000	Carrying value 2024 £000	Carrying value 2023 £000
Trade and other payables	**(1,145)**	(1,241)	**(1,145)**	(1,241)
Amounts due to subsidiary undertakings	**(145,274)**	(142,475)	**(145,274)**	(142,475)
	(146,419)	(143,716)	**(146,419)**	(143,716)

Risk exposure

The Company operates a central treasury function providing services to the Group. The treasury function arranges loans and funding, invests any surplus liquidity and manages financial risk. The treasury function is not a profit centre and no speculative trades are permitted or executed. It operates within specific policies, agreed by the Board, to control and monitor financial risk within the Group.

Cash and cash equivalents

Cash and cash equivalents comprises cash, demand deposits and cash held in solicitors' client accounts on the Group's behalf. The carrying amount of these assets equals their fair value.

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The expected credit loss is based on the risk of default estimated by the Group's management based on prior experience, forward-looking assessments of the economic environment and relative counter-party risk. For this purpose, a default is determined to have occurred if the Group becomes aware of evidence that it will not receive all contractual cash flows that are due. The Directors consider that the carrying value of trade and other receivables approximates to their fair value and no expected credit loss is recognised.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

At 30 June 2024, the Group's most significant credit risk was with a housebuilder and amounted to £1,553,000 (2023: £4,179,000) of the trade and other receivables carrying amount, with the deferred receivables secured by way of first legal charge over the land. The fair value of any land held as security is considered by the Board to be sufficient in relation to the carrying amount of the receivable to which it relates.

The Group's remaining credit risk is spread over a number of counterparties and customers.

15 Financial instruments CONTINUED

The ageing of gross trade receivables at the reporting date was:

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Not past due	**5,848**	9,744	**–**	–
Past due 0–30 days	**36**	236	**–**	–
Past due 31–120 days	**–**	–	**–**	–
Past due 121–365 days	**2**	20	**–**	–
Past due more than one year	**19**	453	**–**	–
	5,905	10,453	**–**	–

All trade receivables are with UK customers. The amounts due are included at expected realisable value.

Included in trade receivables not past due are £176,000 (2023: £nil) receivables due in more than one year.

In addition to the above, the Company has intercompany receivables which are repayable on demand.

The movement in the allowance for impairment of trade receivables during the year was as follows:

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Balance at 1 July	**475**	260	**–**	–
Impairment loss recognised	**45**	239	**–**	–
Release of impairment allowance	**(442)**	(24)	**–**	–
Balance at 30 June	**78**	475	**–**	–

Trade and other receivables deemed to have no reasonable expectation of recovery following unsuccessful attempts to pursue the debt are written off in the financial statements, but are still subject to enforcement activity. Subsequent recoveries of amounts previously written off are credited to the income statement.

Market risk

The Group has no significant exposure to foreign currency risk or equity risk.

Interest rate risk

The Group closely monitors its exposure to variations in interest rates but has limited exposure. At 30 June 2024 the Group had no material interest-bearing financial liabilities.

	2024 Weighted average interest rate		2023 Weighted average interest rate	
	%	**£000**	%	£000
Bank borrowings	**7.72**	**–**	5.74	–
Bank overdraft	**–**	**–**	–	–

Based on average borrowings during the year, a 1.5% change in interest rates, which the Directors consider to be a reasonably possible change, would affect profit before tax by £452,000-£457,000 (2023: £265,000-£358,000 impact based on 1.5% change).

15 Financial instruments CONTINUED

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents and loans and borrowings.

In July 2023, the Group refinanced its committed facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £135m (previously £105m), expires in October 2026 and has two further one year uncommitted extension options provided by both banks.

At the balance sheet date, the total unused committed amount was £135,000,000 (2023: £105,000,000) and cash and cash equivalents were £12,934,000 (2023: £5,159,000).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Non-derivative financial liabilities

Group

30 June 2024	Carrying amount £000	Undiscounted contractual cash flows £000	On demand or within 6 months £000	6–12 months £000	1–2 years £000	2–5 years £000	More than 5 years £000
Trade and other payables	**59,847**	**59,984**	**53,524**	**3,328**	**2,240**	**892**	**–**
Lease liabilities	**5,076**	**5,749**	**803**	**792**	**1,215**	**1,596**	**1,343**
	64,923	**65,733**	**54,327**	**4,120**	**3,455**	**2,488**	**1,343**

30 June 2023	Carrying amount £000	Undiscounted contractual cash flows £000	On demand or within 6 months £000	6–12 months £000	1–2 years £000	2–5 years £000	More than 5 years £000
Trade and other payables	71,689	71,650	61,419	5,687	2,489	2,055	–
Lease liabilities	5,144	5,818	618	642	1,271	1,807	1,480
	76,833	77,468	62,037	6,329	3,760	3,862	1,480

Company

The non-derivative financial liabilities of the Company in the current and prior year are predominantly intercompany balances that are payable on demand. The external balances are payable within six months.

Fair values

The fair values of the Group's financial assets and liabilities are not materially different from the carrying values. Shared equity receivables are measured at fair value through other comprehensive income ("FVOCI"). The total fair value movement recognised in other comprehensive income was £171,000 (2023: £148,000 other comprehensive expense).

15 Financial instruments CONTINUED

Capital risk management

In line with the disclosure requirements of IAS 1 "Presentation of financial statements", the Group regards its capital as being the equity as shown in the statement of changes in equity.

Note 23 to the financial statements provides details regarding the Company's share capital movements in the year.

The primary objective of the Group's capital management is to ensure that it maintains investor, creditor and market confidence and to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders and issue or return capital to shareholders.

Neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements.

16 Trade and other payables

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Current payables				
Trade payables	**16,472**	18,649	**127**	8
Land payables	**6,167**	9,766	**–**	–
Lease liabilities	**1,595**	1,259	**–**	–
Other taxation and social security	**2,285**	2,629	**73**	79
Contract liabilities	**1,137**	1,486	**–**	–
Accruals and deferred income	**32,938**	34,873	**1,018**	1,154
Amounts due to subsidiary undertakings	**–**	–	**145,274**	142,475
	60,594	68,662	**146,492**	143,716
Non-current payables				
Land payables	**3,133**	4,286	**–**	–
Lease liabilities	**3,481**	3,885	**–**	–
	6,614	8,171	**–**	–

Amounts due to subsidiary undertakings are unsecured, repayable on demand, and interest free.

Contract liabilities relate to customer deposits and exchange monies that have not yet met the performance obligations to be classified as revenue. Of the prior year balance £1,089,000 (2023: £1,593,000) has been recognised in revenue in the current year as the performance obligations were met.

17 Leases

Right-of-use assets

	2024			2023		
	Property £000	Plant and equipment £000	Total £000	Property £000	Plant and equipment £000	Total £000
Cost	**5,233**	**2,986**	**8,219**	5,130	2,209	7,339
Accumulated depreciation	**(2,029)**	**(1,616)**	**(3,645)**	(1,586)	(977)	(2,563)
Net book value	**3,204**	**1,370**	**4,574**	3,544	1,232	4,776

Lease liabilities

	2024 £000	2023 £000
Current liabilities	**1,595**	1,259
Non-current liabilities	**3,481**	3,885
Total lease liabilities	**5,076**	5,144

Amounts recognised in the consolidated income statement

	2024 £000	2023 £000
Depreciation on right-of-use property assets	**650**	619
Depreciation on right-of-use plant and equipment assets	**661**	311
Interest on lease liabilities	**234**	163
Total	**1,545**	1,093

Amounts recognised in the statement of cash flows

	2024 £000	2023 £000
Principal element of lease payments	**1,196**	794
Interest element of lease payments	**234**	163
Total cash outflow	**1,430**	957

18 Provisions

	Dilapidations £000	Building safety £000	Restructuring £000	Total £000
Group				
As at 1 July 2022	521	12,867	–	13,388
Provisions made during the year	199	–	1,022	1,221
Provisions used during the year	(21)	(117)	(992)	(1,130)
As at 30 June 2023	699	12,750	30	13,479
Provisions made during the year	**79**	**–**	**–**	**79**
Provisions used during the year	**(79)**	**(352)**	**(30)**	**(461)**
As at 30 June 2024	**699**	**12,398**	**–**	**13,097**

18 Provisions CONTINUED

	2024 £000	2023 £000
Current provisions	**3,024**	5,273
Non-current provisions	**10,073**	8,206
	13,097	13,479

Dilapidations

The dilapidations provision covers the Group's leased property estate. The expected provision needed at the end of each lease is recognised on a straight-line basis over the term of the lease. There is no material uncertainty in either the timing or amount.

Building safety

The building safety provision includes estimated costs to remediate life-critical fire-safety issues on buildings over 11 meters in which the Group had some involvement in developing over the last 30 years. By signing the Department for Levelling Up, Housing and Communities' ("DLUHC") pledge in April 2022, and long form agreement in February 2023, the Group committed to put right life-critical fire-safety issues in relation to these buildings.

The Group was involved in the development of 17 buildings over 11 metres, none of which were over 18 metres. The Group retains no freehold ownership of these or any other buildings. All of the buildings, including any external wall systems or cladding, were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of their completion.

The Group has carried out an extensive exercise to locate the records of all buildings affected in which, over the last 30 years, the Group had some involvement in developing. The Group has continued to make progress in the assessment and remediation work required, but this has been slowed in some cases by the response from building owners and management companies. In other cases, more significant progress has been made in the design and procurement of works required and the carrying out of works on site, and the Group is awaiting invoices on completion.

The provision of £12,398,000 (2023: £12,750,000) represents the Board's best estimate of the remaining life-critical fire-safety remediation costs for these buildings. The Group has provided for the cost of remediation where there is a liability, where build issues have been identified or it is considered that such build issues are likely to exist. The Group incurred costs of £352,000 in the year (2023: £117,000) which were included in the provision estimate. The Group used external third party assessments that were carried out in the prior year and adjusted these for any known changes to the scope or extent of remediation works required, as well as for inspections or works carried out.

The Group reviews the building safety provision at each reporting date and, where necessary, adjusts it to reflect the current best estimate of these remediation costs.

Restructuring

As set out in note 3, the restructuring of the Gleeson Homes business during the prior year resulted in exceptional costs of £1,022,000 in the prior year. Of this expenditure, £992,000 was paid out in the prior year, with the remaining £30,000 provided for at 30 June 2023. This was paid out during the financial year to 30 June 2024.

Company

At 30 June 2024, the Company did not have any provisions (2023: £nil).

19 Employee benefits

Defined contribution pension plan

The Group operates a defined contribution pension plan. The assets of the pension plan are held separately from those of the Group in funds under the control of the trustees.

Group

The total pension cost charged to the consolidated income statement of £1,644,000 (2023: £1,633,000) represents contributions payable to the defined contribution pension plan by the Group at rates specified in the plan rules. At 30 June 2024, contributions of £248,000 (2023: £250,000) due in respect of the current reporting period had not been paid over to the pension plan. Since the year end, this amount has been paid.

19 Employee benefits CONTINUED

Company

The total pension cost charged to the income statement of £71,000 (2023: £63,000) represents contributions payable to the defined contribution pension plan by the Company at rates specified in the plan rules. At 30 June 2024, contributions of £3,000 (2023: £2,000) due in respect of the current reporting period had not been paid over to the pension plan. Since the year end, this amount has been paid.

20 Deferred tax assets

Group

	Plant and equipment £000	Short-term timing differences £000	Share-based payments £000	Total £000
At 1 July 2022	(10)	177	774	941
Adjustment in respect of prior year	(21)	9	65	53
(Charge)/credit to income	(349)	157	(303)	(495)
Credit to equity	–	–	362	362
Impact of rate change	(66)	58	(56)	(64)
At 30 June 2023	(446)	401	842	797
Adjustment in respect of prior year	**(165)**	**76**	**–**	**(89)**
Credit/(charge) to income	**265**	**(242)**	**(130)**	**(107)**
Charge to equity	**–**	**–**	**(284)**	**(284)**
At 30 June 2024	**(346)**	**235**	**428**	**317**

At the balance sheet date, the Group has unrecognised tax losses of £8,876,000 (2023: £8,876,000) available for offset against future profits. Losses may be carried forward indefinitely against future taxable trading profits. These losses have not been recognised as a deferred tax asset as it is not considered probable that there will be suitable profits or gains available in future periods against which they may be offset.

Deferred tax assets of £663,000 are offset by £346,000 of liabilities to arrive at a net balance of £317,000. Of the total deferred tax asset, £586,000 (2023: £771,000) is expected to be recovered within 12 months of the balance sheet date.

Company

	Plant and equipment £000	Short-term timing differences £000	Share-based payments £000	Total £000
At 1 July 2022	2	–	450	452
Adjustment in respect of prior year	–	–	65	65
Charge to income	–	–	(224)	(224)
Credit to equity	–	–	190	190
Impact of rate change	–	–	(41)	(41)
At 30 June 2023	2	–	440	442
Adjustment in respect of prior year	**–**	**86**	**–**	**86**
(Charge)/credit to income	**–**	**(59)**	**10**	**(49)**
Charge to equity	**–**	**–**	**(24)**	**(24)**
At 30 June 2024	**2**	**27**	**426**	**455**

21 Net cash/(debt)

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Cash and cash equivalents	**12,934**	5,159	**1,056**	248
Lease liabilities	**(5,076)**	(5,144)	**–**	–
Net cash/(debt)	**7,858**	15	**1,056**	248

At 30 June 2024, monies held by solicitors on behalf of the Group and included within cash and cash equivalents were £2,253,000 (2023: £1,150,000).

No monies were held by solicitors on behalf of the Company at the balance sheet date (2023: £nil).

	Cash and cash equivalents £000	Lease liabilities £000	Total £000
Net cash/(debt) at 1 July 2022	33,764	(3,009)	30,755
Cash flows	(28,605)	957	(27,648)
New leases	–	(2,929)	(2,929)
Finance expenses	–	(163)	(163)
Net cash/(debt) at 30 June 2023	5,159	(5,144)	15
Cash flows	**7,775**	**1,430**	**9,205**
New leases	**–**	**(1,389)**	**(1,389)**
Leases exited in the year	**–**	**261**	**261**
Finance expenses	**–**	**(234)**	**(234)**
Net cash/(debt) at 30 June 2024	**12,934**	**(5,076)**	**7,858**

22 Bonds and securities

At 30 June 2024, the Group had bonds and securities of £57,017,000 (2023: £47,895,000) provided by financial institutions in the normal course of business.

The Directors have determined that the Group and Company require no specific provision for bonds, securities or guarantees for subsidiary companies as the possibility of any outflow in settlement of these is considered to be remote.

23 Share capital

	Number	£000
Issued and fully paid 2p ordinary shares:		
At 1 July 2022	58,306,337	1,166
Shares issued during year	36,023	1
At 30 June 2023	58,342,360	1,167
Shares issued during year	**39,613**	**1**
At 30 June 2024	**58,381,973**	**1,168**

Ordinary shares

The Company has one class of ordinary share that carries no rights to fixed income. All issued shares are fully paid.

During the year, the Group issued 39,613 ordinary shares (2023: 36,023 ordinary shares) at the nominal value of 2 pence per share in settlement of share-based payments as set out in note 24.

Own shares reserve

The own shares reserve represents the cost of shares in MJ Gleeson plc purchased in the market or issued by the Company and held by the Employee Benefit Trusts ("EBT") on behalf of the Company in order to satisfy share-based payments and other share awards that have been granted by the Company.

Purchase of own shares in the year of £106,000 represents the purchase of shares by the EBT for shares to be granted to employees in future periods.

Utilisation of own shares of £393,000 represents shares transferred to employees for awards exercised in the period.

The EBT has agreed to waive the right to dividend shares held within the EBT, and these shares do not count in the calculation of the weighted average number of shares used to calculate earnings per share until such time as they vest to the relevant employee.

	2024		2023	
	Number	**£000**	Number	£000
Own shares held by the EBT	**110,873**	**456**	136,935	743

24 Share-based payments

The Group operates a number of share-based payment schemes, a summary of which is shown below. The share purchase plans encourage employee share ownership whereby the Company contributes one share for every three shares purchased and is available to all employees after the completion of their probationary period. The long-term incentive plans ("LTIP") are part of remuneration for the Executive Directors and senior management. Additional information regarding the share-based payment arrangements for the Executive Directors is set out in the Report on Remuneration on pages 142 to 153. All schemes are equity-settled.

Date of grant	Share purchase plans No. of shares	LTIP 10/12/19 No. of shares	LTIP 24/09/20 No. of shares	LTIP 27/09/21 No. of shares	LTIP 20/10/22 No. of shares	LTIP 22/02/23 No. of shares	LTIP 01/10/23 No. of shares
Outstanding at 1 July 2022	46,161	192,752	375,974	355,727	–	–	–
Granted in the year	16,390	–	–	–	624,357	363,532	–
Forfeited	(13,699)	(115,828)	(49,310)	(47,920)	(74,264)	–	–
Exercised	(11,272)	(76,924)	–	–	–	–	–
Outstanding at 30 June 2023	37,580	–	326,664	307,807	550,093	363,532	–
Granted in the year	**12,982**	**–**	**–**	**–**	**–**	**–**	**650,829**
Forfeited	**(5,301)**	**–**	**(287,051)**	**(25,269)**	**(72,123)**	**–**	**(9,671)**
Exercised	**(6,356)**	**–**	**(39,613)**	**–**	**–**	**–**	**–**
Outstanding at 30 June 2024	**38,905**	**–**	**–**	**282,538**	**477,970**	**363,532**	**641,158**
Remaining contractual life	Rolling scheme	nil	nil	nil	nil	12 months	24 months
Weighted average exercise price	–	–	–	–	–	–	–
Weighted average share price at date of exercise – current year	£5.34	n/a	n/a	n/a	n/a	n/a	n/a
Weighted average share price at date of exercise – prior year	£6.27	n/a	n/a	n/a	n/a	n/a	n/a

Fair value is used to measure the value of the outstanding options. The weighted average life for all schemes outstanding at the end of the year was 14 months (2023: 17 months).

Share purchase plans

The fair value of each share granted in the share purchase plan is equal to the share price at the date of the grant. Shares are granted on a monthly basis.

24 Share-based payments CONTINUED

Long-Term Incentive Plan ("LTIP")

The fair value of options granted is calculated using either a modified Monte Carlo model or Black-Scholes model. The inputs into the model at each grant date and the estimated fair value were as follows:

Date of grant	LTIP 10/12/19	LTIP 24/09/20	LTIP 27/09/21	LTIP 20/10/22	LTIP 22/02/23	LTIP 01/10/23
The model inputs were:						
Share price at grant date	£8.00	£6.16	£8.14	£3.94	£4.56	£4.23
Total shareholder return target	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]
Exercise price	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Expected volatility[1]	27%	33%	34%	43%	44%	39%
Expected dividends[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]
Expected life	31 months	33 months	33 months	33 months	30 months	33 months
Risk-free interest rate	0.57%	0.10%	0.5%[4]	3.7%	3.7%	4.4%
Fair value of one option	£3.64	£4.64[5]	£5.35[5]	£2.20[5]	£3.95[5]	£3.45[5]

1 Expected volatility was determined by calculating the historical volatility of the Company's share price; volatility was measured over the previous three years.

2 Awards made under the LTIP allows, on vesting, for an additional award of shares to be made to the option holder equivalent to the dividends paid over the vesting period on the underlying shares.

3 The LTIP awards include EPS and relative TSR targets for the Executive Directors as set out on page 141 together with non-market, profit-related targets for other participants. Non-market conditions are not factored into the fair value of the awards but are instead captured by adjusting the number of awards expected to vest.

4 Risk-free interest rate varies based on the type of target set; the weighted average of these is shown.

5 Volatility rates and fair value of options vary based on the type of target set; the weighted average of the three types is shown.

The total share-based payment charge to the consolidated income statement was £218,000 (2023: credit of £307,000).

25 Contingent liabilities

As set out in note 18, the Group is undertaking remediation assessment and works on buildings over 11 metres in which, over the last 30 years, the Group had some involvement in developing. All of these buildings, including any external wall systems or cladding, were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of their completion.

As set out in note 12, there are certain legacy activities of the Group where claims arise under historic contracts in Gleeson Construction Services Limited which were carried out in the ordinary course of activities. There are no further quantifiable contingent liabilities to disclose.

These financial statements have been prepared based on currently available information and the current best estimate of the extent and future costs of work required, or in resolving known historic claims.

26 Capital commitments

At 30 June 2024, the Group had no material capital commitments (2023: £nil). The Company had no capital commitments (2023: £nil).

27 Related party transactions

Identity of related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The Group has a related party relationship with key management personnel as disclosed below.

Transactions with key management personnel

The Group's key management personnel are the Executive and Non-Executive Directors, as identified on pages 112 to 113, the Chief Executive of Gleeson Homes, the Managing Director of Gleeson Land, and the Divisional Managing Directors of Gleeson Homes.

During the year ended 30 June 2021, the Group exchanged contracts on a conditional agreement to purchase an area of land from Hampton Investment Properties Ltd ("HIPL") for £1,050,000. HIPL is a company in which North Atlantic Smaller Companies Investment Trust plc ("NASCIT"), a substantial holder in the company, holds a majority investment. In addition, Christopher Mills, a Non-Executive Director of the Company, is considered a related party by virtue of his interest in and directorship of NASCIT and his position as a Director of HIPL. The land, if purchased, will form part of a new Gleeson Homes site being developed in the ordinary course of business. Approval of this purchase was granted by the majority of shareholders at the AGM in December 2019.

Other than disclosed above, there were no other transactions with key management personnel in either the current or prior year.

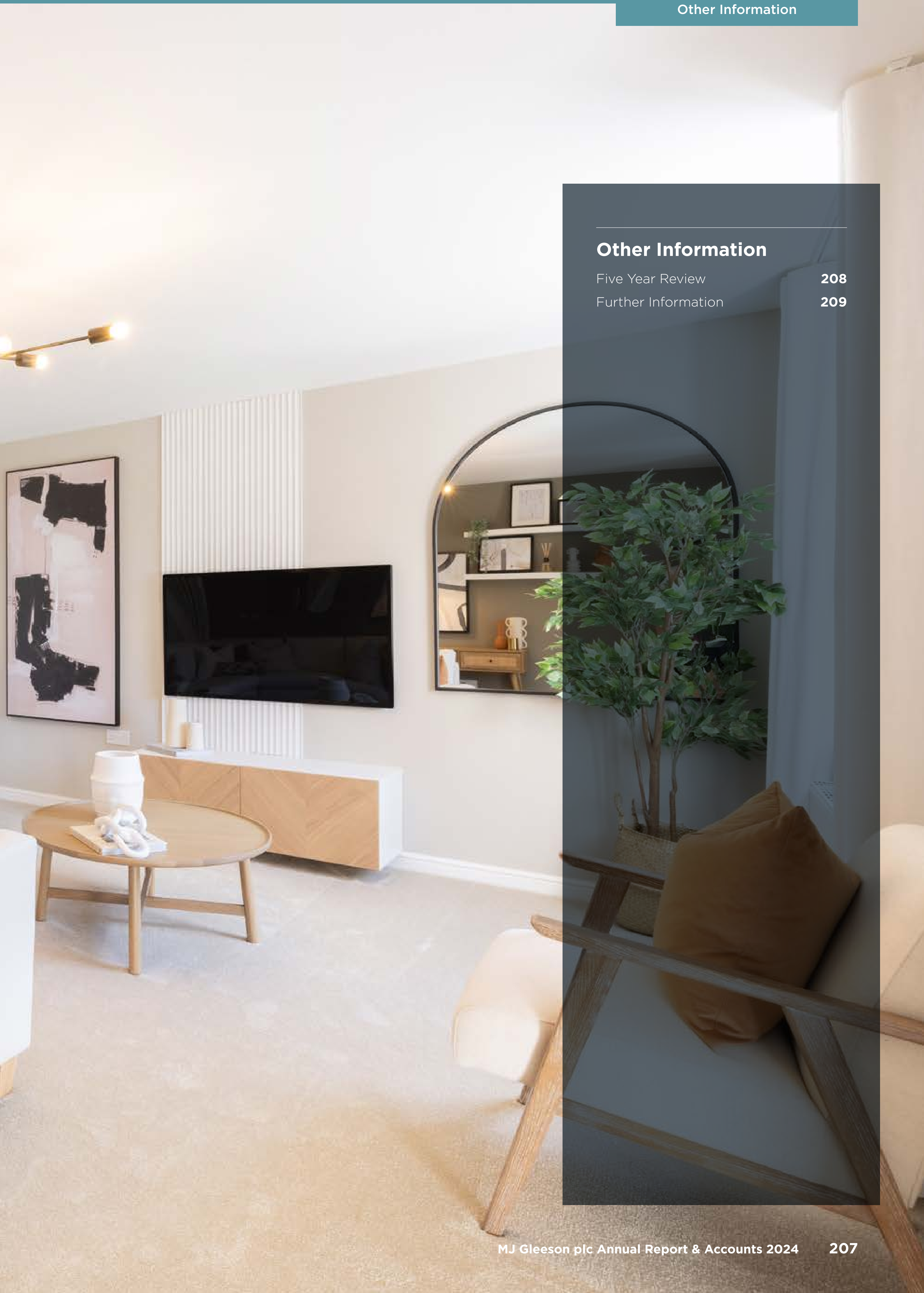
Identity of related parties with which the Company has transacted

The Company receives charges from various suppliers in respect of services for the whole Group. The Company allocates and consequently invoices these charges to subsidiaries.

	Administrative expenses		Receivables outstanding		Payables outstanding	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Subsidiaries	**2,027**	3,049	**114,713**	117,742	**145,274**	142,475

Other Information

"Limerick", Chimes Bank, Wigton, Cumbria



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Five Year Review

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Revenue	**345,345**	328,319	373,409	288,575	147,181
Operating profit pre-exceptional items	**28,553**	33,559	56,797	43,083	5,929
Net finance expense	**(3,704)**	(2,070)	(1,310)	(1,372)	(363)
Profit before tax and exceptional items	**24,849**	31,489	55,487	41,711	5,566
Exceptional items	**–**	(1,022)	(12,867)	–	–
Profit before tax	**24,849**	30,467	42,620	41,711	5,566
Tax charge	**(5,543)**	(6,298)	(7,531)	(7,839)	(758)
Profit after tax	**19,306**	24,169	35,089	33,872	4,808
Discontinued operations[1]	**–**	–	–	–	(289)
Profit for the year	**19,306**	24,169	35,089	33,872	4,519
Total assets	**378,047**	376,328	367,558	313,134	322,051
Total liabilities	**(80,305)**	(90,312)	(95,382)	(68,203)	(109,446)
Net assets	**297,742**	286,016	272,176	244,931	212,605
	pence	pence	pence	pence	pence
Total dividend per share for the year	**11.0**	14.0	18.0	15.0	–
Earnings per share	**33.1**	41.5	60.2	58.2	8.7
Earnings per share – pre-exceptional items	**33.1**	42.9	78.1	58.2	8.7
Net assets per share	**510**	490	467	420	366

1 All results classified as continuing from 2021.

Further Information

Corporate directory

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Our website

For more information on our homes, investor relations and career opportunities please visit

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Shareholder enquiries

Any shareholder with enquiries should, in the first instance, contact our registrars using the address provided in the Corporate Directory.

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Symbol: GLE

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Financial calendar

Financial year end	30 June 2024
Full year results announced	18 September 2024
Annual General Meeting	15 November 2024

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