

Vistry Group

ANNUAL REPORT
AND ACCOUNTS 2023

VISTRY GROUP PLC

2023 HIGHLIGHTS

In 2023, the Group successfully integrated Countryside, implemented a strategy to focus exclusively on its resilient Partnerships model and delivered a robust performance relative to the wider sector.

Adjusted Revenue £4,042.1m (2022: £3,115.1m)	Revenue £3,564.2m (2022: £2,771.3m)	Completions 16,118 (2022: 11,951)
Adjusted operating profit £487.9m (2022: £451.1m)	Operating profit £311.8m (2022: £212.5m)	Owned and controlled plots 76,434 (2022: 77,763)
Adjusted profit before tax £419.1m (2022: £418.4m)	Profit before tax £304.8m (2022: £247.5m)	HBF customer satisfaction score 5-star (2022: 5-star)
Adjusted basic earnings per share 88.2p (2022: 137.5p)	Basic earnings per share 64.6p (2022: 86.5p)	Return on capital employed (ROCE) 21.3% (2022: 25.0%)

Adjusted measures

In addition to the IFRS (reported) measures disclosed throughout the Annual Report, the Group uses certain non-IFRS alternative performance (adjusted) measures to assess the operational performance of the Group. Definitions of the adjusted measures and the reconciliations to the reported measures are detailed on pages 30 to 33.



Spyway Orchard, Langton Matravers

OUR PURPOSE

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love.

REPORTING

We hope you enjoy reading this Annual Report and Accounts. To make it easier for you to use and to find more information where applicable, please look out for the following reference, case study and QR codes as set out below.

REFERENCE ICONS

- For further information, see page: **See pages 18 to 21**
- Page number reference: **See pages 18 to 21**
- For further information, visit the website page: **vistrygroup.co.uk/strategy**

CASE STUDY

Case studies are referenced throughout this document with this icon.



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OUR GROUP AT A GLANCE

In September 2023, the Group updated its strategy to fully focus its operations on its industry leading Partnerships business. Good progress was made in transitioning the Group in the second half of 2023 and Vistry now operates solely as a Partnerships business, focused on being a responsible developer, increasing the supply of affordable housing across the country and delivering its medium-term targets.

1 RESPONSIBLE DEVELOPER

- Vistry is a responsible developer with a strong social purpose.
- We operate a capital light Partnerships model and are committed to delivering quality new homes across all tenures.
- We focus on creating sustainable new communities leaving a lasting legacy of places people love.
- We see an acute need for affordable mixed tenure housing and regeneration across the country.
- Vistry is uniquely placed to deliver on this market opportunity and is pursuing an exciting, high growth strategy.

2 LEADING MARKET POSITION

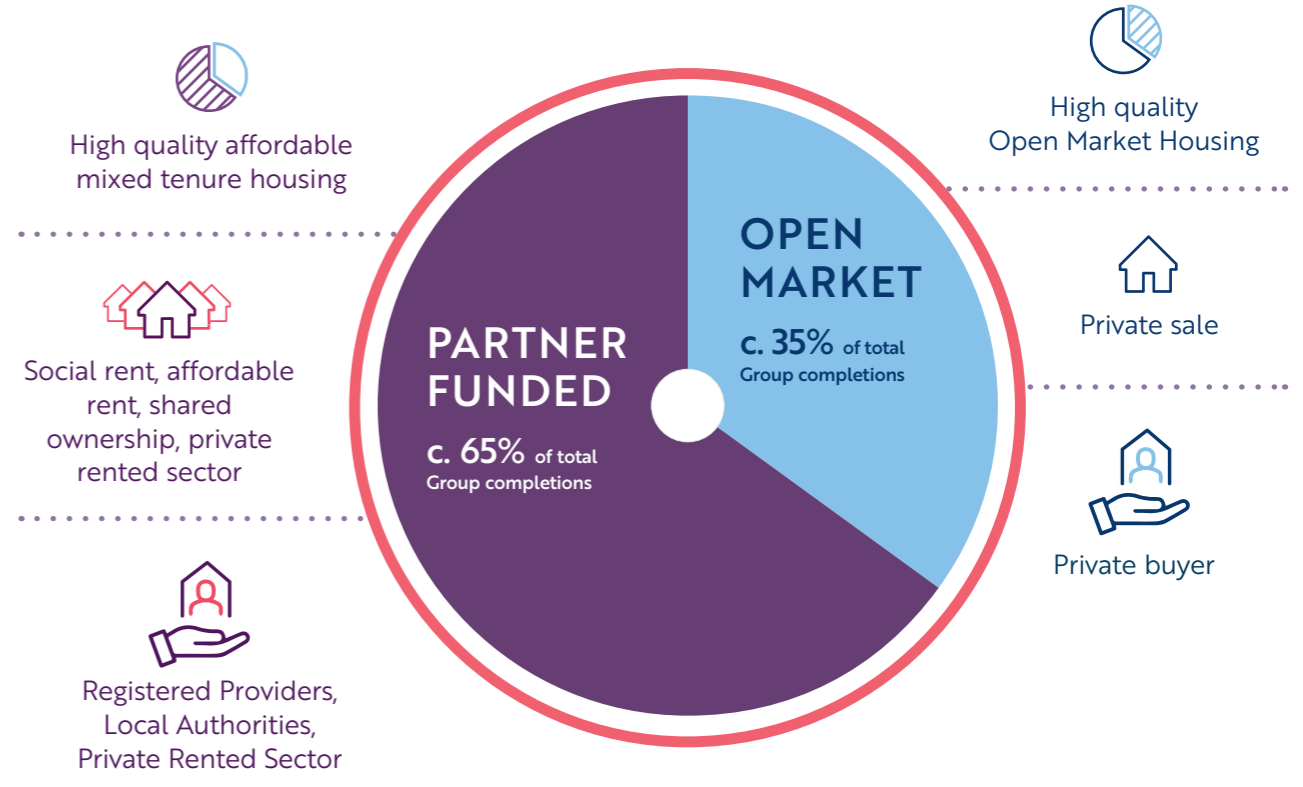
- Vistry has an unrivalled track record and scale in the partnerships market built on industry leading relationships across the sector.
- Our people and our partners are key to our success and underpin the delivery of our strategy.
- Vistry is led by a highly committed management team with extensive expertise, capability and track record.
- The Group delivers outstanding customer service through its three leading customer brands: Bovis Homes, Linden Homes and Countryside Homes.
- The Group has an extensive timber frame capability supporting Future Homes Standard requirements and securing the Group's supply chain.

3 ATTRACTIVE FINANCIAL RETURNS

- The Group's unique business model gives a high level of earnings visibility and increased resilience to the cyclicity of the housing market.
- Vistry is targeting sector-leading ROCE of 40% in the medium term and the distribution of £1bn capital to its shareholders.



OUR PARTNERSHIPS MODEL



EVERY DEVELOPMENT IS MADE IN PARTNERSHIP

Vistry's ambition and strategy is strongly aligned with the needs and expectations of our partners. The strength of our partnerships is built upon shared objectives and values, transparency, trust and delivery. The Group's key development partners include Homes England, Registered Providers – both not for profit and for profit, Local Authorities and the Private Rented Sector. We also see our highly valued supply chain as key business partners and work with them to deliver positive outcomes for all.



OUR ETHOS AND VALUES



Doing the right thing is at the core of Vistry's ethos as we endeavour to do the right thing for our partners, our customers, our people and our shareholders across all aspects of our operations.

As One Vistry we live our shared values of Integrity, Caring and Quality, instilling them into all aspects of our day to day activities.

CHAIR'S STATEMENT



"It has been another year of progress at Vistry, with the Group consolidating its position as the country's leading provider of Partnership housing."

RALPH FINDLAY OBE
Chair

OVERVIEW

Following completion of the Combination with Countryside Partnerships PLC (the Combination) in November 2022, the integration moved at pace, taking a collaborative approach focused on building on the best from each business. I am pleased to report that the businesses came together extremely well, with an excellent cultural and business fit.

In September 2023, following the Board's annual review of the Group's strategy, the Group announced its intention to fully focus its operations on its capital light, high return Partnerships model. As an enlarged Partnerships business following the Combination, the scale of the need for affordable, mixed tenure housing across the country had become even more evident. It was clear that Vistry held a unique market position within the partnerships market and had the capability to significantly step up its supply of affordable, mixed tenure housing.

As part of this strategic move, the Group's former Housebuilding business has been merged into the Group's Partnerships business.

During a year of significant change, the capability and commitment of the Group's leadership team has been paramount. Under the Group's new strategy, the Executive Leadership Team (ELT) has been reshaped, and is characterised by unrivalled industry experience.

The Group delivered a robust financial performance in 2023, highlighting the resilience of the Group's unique Partnerships model, as levels of demand for new houses in the Open Market remained suppressed.

PEOPLE AND PARTNERS

Our excellent people and valued partners are critical to the success of Vistry Group. On behalf of the Board, I would like to thank them all for another year of hard work and commitment, and for their part in driving Vistry forwards.

SUSTAINABILITY

Vistry is a responsible developer with a strong social purpose. Working in partnerships, the Group is committed to delivering sustainable new homes and communities where people love to live across the country. The Group's Sustainability Committee was formed in 2023 with its objective to make recommendations to the ELT and to enable effective implementation of the Group's sustainability strategy and delivery against the Group's sustainability targets.

Key highlights from the year included the opening of four new Vistry Plus Skills Academies, focused on delivering training in construction, addressing the national skills shortage, and supporting future employment in the local community, and the wider delivery of £86m of social and local economic value across the 70 projects utilising our social value portal in the year.

CAPITAL ALLOCATION

The Group undertook extensive consultation with its shareholders on capital allocation between March and September 2023 and announced its updated capital allocation policy with its Half Year results.

The Group's strategy and focus on its capital light Partnerships model is expected to result in a significant release of capital, as assets from the former Housebuilding division are redeployed into Partnerships and the Group fully transitions to its Partnerships model across all developments.

Maintaining a strong balance sheet is a key priority, and the Group is targeting a year end net cash position as at 31 December 2024, and the elimination of average net debt in the medium term.

The Board believes that investing in our Partnerships business to deliver sustainable growth in line with our medium-term targets is the most attractive use of capital, with the business continuing to invest in high quality development opportunities which replenish the Partnerships land bank and deliver on this.

The Group recognises the importance of capital distributions to shareholders and intends to sustain the pursuit of a two times adjusted earnings ordinary distribution cover in respect of a full financial year. The ordinary distributions are to be made either through share buybacks or dividends with the method to be determined by the Board considering all relevant factors at the time.



August Fields, Southampton

The Board announced an initial ordinary share buyback programme of £55m in September. This programme commenced on 11 December 2023 and was completed on 23 February 2024 with a total of 5.8m shares acquired at an average price per share of 955p. This buyback was an ordinary distribution to shareholders in lieu of an interim dividend payment.

In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of £100m which is expected to commence in April. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment.

Any surplus capital following investment in the business to support the Partnership's growth strategy and the ordinary distribution is expected to be returned to the Group's shareholders through either an incremental share buyback or a special dividend, with the method being determined by the Board considering all relevant factors at the time. The Board will evaluate additional special distributions throughout the year.

The Group is targeting £1bn of capital distribution to its shareholders over the next three years, including ordinary distributions from earnings through to and including FY26, and special distributions.

BOARD AND COMMITTEE CHANGES

2023 has seen a period of transition and evolution for the Group's Board. It was announced on 12 January 2024 that after nine years of service I shall step down as Chair with effect from the conclusion of the forthcoming AGM. During the year, the Nomination Committee undertook a Chair succession planning process which concluded that Greg Fitzgerald shall succeed me as Executive Chair and CEO. Greg will ensure consistency and maintain momentum in the execution of the Group's strategy and delivery of the medium-term targets announced in 2023.

The Board has commenced a search for an experienced Senior Independent Director who will provide additional oversight on governance matters and serve as an alternative point of communication for investors and the other Non-Executive Directors.

There were a number of other Board changes during the year. In March 2023, Jeff Ubben was appointed as a Non-Executive Director and Nigel Keen stepped down as an Independent Non-Executive Director. In May 2023, Helen Owers and Paul Whetsell were both appointed as Independent Non-Executive Directors with Paul also appointed as Chair of the Remuneration Committee. At this time, Ashley Steel and Katherine Innes Ker both stepped down as Independent Non-Executive Directors. In January 2024, Jeff Ubben stepped down as a Non-Executive Director and Usman Nabi was appointed to the Board as a representative of one of the Group's largest shareholders, Browning West. Chris Browne has also confirmed that she will not seek re-election as a Non-Executive Director from the close of the 2024 AGM following her more than nine years of service. The Board is seeking to recruit up to two additional, high calibre Independent Non-Executive Directors of the Company, taking into account the evolving need for skills and the importance of diversity.

I would like to thank all the Directors, including those who left the Board in 2023, for their contributions during a period of transformation of the Company.

LOOKING AHEAD

The Group starts 2024 in a strong position and is focused on delivering tangible progress against its medium-term targets in the year. The Group holds a unique position within the UK's evolving housing market, and with its strong leadership, is ambitious about its role in delivering much needed affordable housing to the country.

RALPH FINDLAY OBE
Chair

14 March 2024

CHIEF EXECUTIVE'S REVIEW



"In 2023, Vistry established its position as the country's leading Partnership business. The Group successfully integrated Countryside Partnerships, and in September updated its strategy to fully focus on its high growth, capital light Partnerships model."

GREG FITZGERALD
Chief Executive Officer

It has been another busy year at Vistry as we have implemented change and navigated market challenges, and I am very grateful to all of Vistry's employees and our partners for their hard work and commitment.

In 2023, Vistry established its position as the country's leading Partnerships business. The Group successfully integrated Countryside Partnerships, and in September updated its strategy to fully focus on its high growth, capital light Partnerships model. We have made significant progress since then, with the organisational changes implemented, and the transition of the former Housebuilding land bank progressing well.

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities, and social value, leaving a lasting legacy of places people love. We see high demand for mixed tenure housing and regeneration across the country and are uniquely placed to deliver on this market opportunity, helping address the country's significant need for affordable housing.

Our Partnerships model is positioned to deliver sustained growth and market resilience through the cycle. The model provides visibility of future revenue and enables us to deliver new homes at greater scale and pace. We work in partnership on each of our developments, with a target of c. 65% of the total homes across our portfolio of developments presold to our partners – our Partner Funded sales. The further c. 35% of new homes are sold in the Open Market to private buyers, resulting in a significantly lower proportion of private sales at Vistry than in a traditional housebuilder model.

We have an excellent track record of working with Registered Providers (RPs), Local Authorities (LAs) and the Private Rented Sector (PRS) and this is reflected in our established and trusted relationships across the sector. We work closely with Homes England, and grant funding from the Affordable Housing Programme is a key part of our business model.

Delivering high quality homes and excellent customer service remains paramount and later this month we expect to be awarded a 5-star HBF Customer Satisfaction rating for the fifth consecutive year.

We are pleased to report our highest ever number of Pride in the Job quality awards at 40 (2022: 29), with a further 15 Seals of Excellence. In addition, our site teams have been awarded nine Premier Guarantee and seven LABC Bricks Site Recognition awards during 2023.

The Group has a clear set of medium-term financial targets. Our Partnerships business is a high growth, capital light model and the delivery of a 40% return on capital employed is a key priority. During the year we also confirmed our capital allocation policy and our target to distribute £1bn of capital to our shareholders over the next three years.

2023 REVIEW

The resilience of our Partnerships model was clearly demonstrated in 2023. The Group delivered a total of 16,118 new homes, down only 5.4% on prior year proforma, outperforming the wider peer group. Excluding the former Housebuilding business, the Partnerships business delivered year on year growth in revenue against proforma 2022, and maintained a ROCE of c. 40%.

The transition to a fully Partnerships business made significant progress, and 67% (10,722) of the total homes delivered were Partner Funded with 33% (5,396), Open Market sales. In the year, the Group's sales rate averaged 0.96 (2022: 0.71) sales per week per site, with the sales rate for our differentiated Partnerships business higher than that for traditional housebuilding.

We saw good levels of demand throughout the year for Partner Funded sales. Demand from RPs for additional affordable homes beyond Section 106 (S106) sales remained robust, with For Profit Registered Providers (FPRPs), a smaller but high growth sub-sector of this market, demonstrating particularly strong demand.

Demand from PRS was more constrained during the year reflecting the sector's greater sensitivity to the higher interest rate environment. We were pleased to see a step-up in demand from PRS in Q4 2023 which has continued into 2024.

We were pleased to announce a significant new agreement with PRS provider, Leaf Living and RP, Sage Homes in November for the sale of over 2,800 homes with a total gross development value of c. £800m. The units, which were formerly part of the Group's Housebuilding land bank, are located across c. 70 developments, with delivery by the end of 2025.

During the year, the Group secured an additional £87m of affordable housing grant funding under our Strategic Partnership with Homes England taking the Group's total grant funding under the current Affordable Homes Programme, running to 2026, to £170m. The use of grant funding plays an important part in supporting many of our Partner Funded development opportunities, particularly when accessing the growing for profit registered provider sector.

Open Market demand from private buyers remained suppressed during 2023 with our private sales rate significantly below prior years. This reflected higher mortgage borrowing costs, inflationary cost pressures on household income and wider macroeconomic and political uncertainty. The Group used incentives of up to c. 5% of the Open Market sales price to support demand during the year.

The Group's total average selling price in 2023 was £276k (2022 proforma: £289k), with our Partner Funded average selling price at £222k (2022 proforma: £194k) and Open Market average selling price at £390k (2022 proforma: £381k).

The Home Stepper shared equity product, which we have offered in partnership with Sage Homes since July 2023, has been successful in helping Open Market buyers with lower incomes and smaller deposits afford their own home. Since launch, we have taken over 450 reservations using the Home Stepper product.

Group adjusted revenue increased by 30% to £4,042.1m (2022: £3,115.1m) reflecting a full year of results for the enlarged Group. On a proforma basis, adjusted revenue decreased by 9%. On a reported basis, the Group delivered revenue of £3,564.2m (2022: £2,771.3m).

EXECUTIVE LEADERSHIP TEAM (ELT)

The Group operates through its Board of Directors with day-to-day management and operation delegated to the Chief Executive Officer (CEO) and the ELT. The CEO leads, and is a member of, the ELT.



1. EARL SIBLEY
Chief Operating Officer



2. TIM LAWLOR
Chief Financial Officer



3. CLARE BATES
General Counsel &
Group Company Secretary



4. MICHAEL STIRROP
Chief Commercial Officer



5. STEPHEN TEAGLE
Chief Executive – Partnerships



6. MIKE WOOLLISCROFT
Group Business Improvement
Director & London Divisional Chair

ELT biographies are available at www.vistrygroup.co.uk/about-us/leadership/executive-leadership-team.



Radclyffe Green, Chadderton, Greater Manchester

Against a backdrop of inflationary cost pressures, we continue to take a very proactive approach to managing our cost base. The Group procures c. 90% of its construction materials centrally and benefits from its scale and its growth strategy. In addition, given our high level of visibility on forward sales and build programme under our Partnerships model, we are able to offer greater continuity, certainty and longevity of work to our supply chain which helps us to negotiate competitive terms. In the year, the Group offset inflationary build cost increases post the cost benefit of synergies from the combination with Countryside (the Combination). The Group renegotiated its supply contracts in the second half of the year and expects continued benefit from these throughout 2024.

During 2023, the Group achieved synergy savings from the Combination of c. £50m, ahead of the £25m targeted for 2023 at the time of the acquisition, as the integration progressed at a faster pace than expected. Our expectations for future annualised savings as a result of the Combination remain unchanged at c. £60m. In addition, we expect to deliver c. £15m of cost savings in 2024 from our simplified operating structure under our new fully Partnerships strategy, with the full run rate of c. £25m to be achieved by the end of 2024.

Group adjusted profit before tax was in line with prior year at £419.1m (2022: £418.4m), with adjusted earnings per share of 88.2p (2022: 137.5p) down 36% on prior year. On a reported basis, the Group delivered profit before tax of £304.8m (2022: £247.5m) and earnings per share of 64.6p (2022: 86.5p). This was after exceptional expenses of £65.6m (2022: £153.8m) comprising £46.3m relating to integration and restructuring costs, and a further £19.3m in relation to fire safety provisions.

The Group had a net debt position as at 31 December 2023 of £88.8m (31 December 2022: net cash £118.2m). This was a significant reduction from the Group's net debt position as at 30 June 2023 of £328.7m. The Group is committed to maintaining a strong balance sheet and is targeting a year end net cash position as at 31 December 2024 and the elimination of average net debt in the medium term.

The Group delivered a return on capital employed in the year of 21.3% (2022: 25.0%) down on prior year reflecting increased capital employed and lower volumes in the legacy Housebuilding business as a result of tougher market conditions. Delivering a 40% ROCE is a key priority for the Group. We are targeting a reduction in capital employed during 2024 whilst growing the business, and are confident of achieving our 40% ROCE target in the medium term.

FIRE SAFETY AND REQUIREMENT FOR SECOND STAIRCASE

Vistry Group is committed to playing its part in delivering a lasting industry solution to fire safety and on 13 March 2023, signed the Department for Levelling Up, Housing and Communities' Developer Remediation Contract.

The Group's fire safety provision as at 31 December 2023 totalled £289.0m and we remain confident this will cover the cost of fire safety works in accordance with the Group's obligations. We continue to make good progress with the remediation works which are managed by our dedicated team.

In addition, the Group has been contributing approximately 4% of relevant profits through the Residential Property Developer Tax (RPDT) since its introduction on 1 April 2022, with a total of c. £20.2m paid to date. RPDT is intended to raise at least £2bn from the industry over a ten-year period to fund the cost of remediating fire safety issues which have been borne by the government.

In 2023 we have recognised a further expense of £19.3m, principally due to the additional requirements for second staircases in high-rise residential schemes. This represents additional costs to be incurred on sites we are committed to build and to reduce the value of some inventory on the impacted sites.

COMPETITION AND MARKETS AUTHORITY (CMA) HOUSEBUILDING MARKET STUDY

We welcome many of the findings in the CMA's final market study report published on 26 February 2024 and believe Vistry's differentiated Partnerships model is well aligned with its recommendations in respect of planning and management companies. We also agree with recommendations that would continue to drive quality through the sector and operate under the consumer code and have registered under the New Homes Ombudsman Scheme.

Vistry has participated positively in this year-long market study and will continue to engage proactively with the CMA on its further investigation and ongoing work with the sector.

VISTRY WORKS

The Group has made significant progress with its timber frame operations and capability during the year. Increasing the use of timber frame construction is a key part of our operational and sustainability strategy. There is clear environmental benefit to using timber frame over traditional brick and block construction methods, with the embodied carbon associated with the timber frame construction of a typical low-rise house over a 60-year life shown to be 30% lower than that from a traditionally constructed equivalent house.

We were pleased to re-open and deliver more than 300 units last year from our Vistry Works, East Midlands timber frame manufacturing plant following the completion of a strategic review. Combined with our factories in Warrington and Leicester, the Group currently has the capacity to deliver c. 8,000 units from its operations. As planned, in 2023 we delivered 2,500 timber frame units and we expect this to step up to over 4,000 units in 2024, as we increase production towards capacity and beyond.

We are manufacturing open panel and hybrid panel timber frames for Vistry business units across the country and our product includes standard house types for our affordable housing range and all three of our brands: Bovis Homes, Linden Homes and Countryside Homes. We have also introduced roof trusses and floor cassettes to our production lines, with full integration of production of this line being effective from H2 2024 onwards.

We are committed to a programme of training and development in 2024 and further implementation of enhanced systems to ensure we drive efficiency and deliver the highest standard product.

VISTRY INNOVATION CENTRE

We were delighted to open the Vistry Innovation Centre on 1 February this year at Vistry Works, East Midlands. Using our most plotted Vistry house type, the Eveleigh, the Innovation Centre showcases innovative solutions for Future Homes Standard and beyond, working with 18 different trades and 54 suppliers. Featuring over 100 different products, the technology includes Modern Methods of Construction, multiple different heating solutions, smart technology and sustainable building materials.



Stoneleigh View Sales Centre

SUSTAINABILITY

Sustainability is at the core of our business model and in the year, we have made good progress with our sustainability strategy. I am delighted to be a member of our new Sustainability Committee where I am joined by colleagues from across the business to debate and drive forward our sustainability agenda. The Committee is chaired by the Group's COO, Earl Sibley.

Following the Combination, we carried out a double materiality assessment which involved engagement with 340 of our stakeholders including our partners, our supply chain and our shareholders. This process identified the sustainability issues most important to our Group and helped design our revised sustainability strategy for the enlarged Group.

During the year, we launched our Carbon Action Plan which is focused on measure, reduce, report and provides a consistent approach to emissions reduction across our regional businesses. We reset our science-based targets, including setting our commitment to achieve net zero carbon by 2040.

Our partners place great importance on developing sustainable communities as they look to future proof their housing stock and offer the best solutions available to the local communities and their customers today. On a number of developments, we are working ahead of standards, including the delivery of 600 zero carbon (in-use) homes on current projects. This provides Vistry with valuable learning opportunities and best prepares us for forthcoming regulatory changes.

BOARD UPDATE

The Board is making good progress with its search for an experienced Senior Independent Director and up to two additional, high calibre Independent Non-Executive Directors of the Company, and will update on these appointments in due course.

CURRENT TRADING AND OUTLOOK

We are encouraged by the increase in the Group's sales rate since the start of the year to 0.72 (FY23: 0.61) sales per week per site. The Group is on track to deliver a strong growth in completions in 2024, targeting in excess of 17,500 units, underpinned by its forward sales position totalling £4.6bn, of which £2.1bn is for delivery in 2024.

We have seen a notable pick-up in demand from PRS providers in recent months, and the easing of mortgage rates at the start of the year has had a positive impact on Open Market demand. We are optimistic that this trend will continue during 2024.

We continue our transition to a capital light Partnerships model and are targeting the release of capital through a series of initiatives. We remain confident of driving towards our 40% ROCE target in the medium term.

GREG FITZGERALD

Chief Executive Officer

14 March 2024



Dracan Village, Burton-on-Trent

OUR PEOPLE

Investment in the development and training of our people to ensure a committed, motivated, and engaged workforce.



PEOPLE
We make Vistry

MARKET ENVIRONMENT

We are a leading player in the UK housebuilding industry which is impacted by a number of economic, social and regulatory trends. In response, we are continuing to evolve the Group to ensure we are best positioned to deliver sustainable value for all stakeholders.

TRENDS AND DEVELOPMENTS	OUR RESPONSE
<p>DEMAND FOR NEW HOMES CONTINUES TO OUTSTRIP SUPPLY</p> <ul style="list-style-type: none"> • There continues to be a shortage of new homes in the UK with an estimated need for c.340,000 new homes p.a. in England. In recent years delivery has continued to fall short of this need (2022: 178,020 new homes, 2021: 174,930 new homes), which has increased the cumulative level of unmet demand. Within this there is a chronic shortage of affordable housing and professionally managed private rental. • Demand for affordable housing in the UK continues to outstrip supply, with research¹ highlighting that 145,000 new affordable homes are required each year, with just over 63,000 delivered in the 12 months to 30 March 2023². • There were 1.21m households on local authority social housing lettings waiting lists in England in March 2022³, an increase of 2% from 1.19m in the prior year. • Recent research shows an increase of 800,000 to one million additional Private Rented Sector (PRS) households across the country by 2031. The PRS sector has, by and large, stopped growing across England in recent history, with overall supply remaining static since 2016, with a material reduction of portal listings for private rented properties as successive tax changes have adversely impacted landlords. 	<ul style="list-style-type: none"> • Vistry is one of the country's largest housing providers, delivering 16,118 new homes in 2023. • With our strategic update in September 2023 and the Group's focus wholly on our Partnership model, we are uniquely positioned to increase the supply of affordable mixed tenure housing, including PRS, across the country. • We have an unrivalled track record of successfully working in partnership with registered providers, local authorities and PRS providers to determine and deliver the right development solutions for their communities. • Vistry Group was selected by Homes England as a strategic partner for the delivery of affordable housing through its Affordable Homes Programme. We are the only listed housebuilder to be included in this programme and were pleased to have been awarded an additional £20m of affordable housing grant funding in H2 23, taking our total funding to £170m.
<p>THE ECONOMIC ENVIRONMENT</p> <ul style="list-style-type: none"> • Historically, the strength of the UK residential property market has been linked to that of the UK economy, which in turn is influenced by both European and global macroeconomic conditions. As a result, the market is cyclical. • The high inflationary environment and sharp increase in borrowing costs over the past 18 to 24 months has impacted household incomes and savings and as a result affordability, demand for private housing and private house prices. • The falling rate of inflation and an easing of mortgage borrowing rates at the end of 2023 are encouraging and we are optimistic this will stimulate private demand for housing in 2024. • With committed housing programmes and grant funding, demand for affordable housing from Registered Providers and Local Authorities is more resilient during periods of economic downturn. 	<ul style="list-style-type: none"> • Our updated strategy focused wholly on our Partnerships model of mixed tenure delivery provides significant resilience to the cyclical housing market. • We target c. 65% of our homes p.a. to be pre-sold, mitigating a significant amount of risk inherent within the macroeconomic environment. The revenue on these pre-sold units is secured at start of the project and recognised monthly as the build progress takes place. • The remaining c. 35% of homes p.a. is delivered through Open Market sales to private individuals, and whilst this revenue stream is more susceptible to economic risk, the associated profit margins are higher.

¹ Bramley, G. (2019). Housing supply requirements across Great Britain for low-income households and homeless people: Research for Crisis and the National Housing Federation; Main Technical Report. Heriot-Watt University.
² National statistics – Affordable housing supply in England: 2022 to 2023 – 30 November 2023.
³ National statistics - Social housing lettings in England tenants: April 2021 to March 2022 – 18 January 2024.

CLAPHAM PARK ESTATE, LONDON

Clapham Park Estate is a highly collaborative joint venture between Countryside Partnerships and Metropolitan Thames Valley Housing ('MTVH') which was established in June 2022.



CGIs of Clapham Park Estate

The regeneration of this estate will provide 2,615 high quality new homes, a community centre, commercial space and significantly enhanced public realm over the next 12 years.

Vistry's strong focus and track record on placement and engagement with the local community, and its commitment to delivering social value betterment were key to its success in winning the competitive tender process. Vistry is proud to now deliver c. 1 in every 15 new homes in London and the Group's strong reputation of delivery and its established relationship with MTVH were also key to securing this excellent development opportunity.

The new homes are of mixed tenure including affordable rent, shared ownership, private rent and open market, with 57% of the 2,615 homes pre sold.

The partnership is at the forefront of sustainable development with an energy strategy to decarbonise the estate from gas to electricity. This is an industry leading initiative and one of the first apartment led developments of this scale to do this in the UK.

TRENDS AND DEVELOPMENTS	OUR RESPONSE
<p>POLITICAL ENVIRONMENT</p> <ul style="list-style-type: none"> • With a general election required by 28 January 2025, there is a level of uncertainty around the future Housing Policy. • It is anticipated that housing will be for a key component of each political party's election manifesto. 	<ul style="list-style-type: none"> • We welcome housing policy being at the top of the political agenda in the coming months and are optimistic that this will lead to an increased supply of new housing, and a greater opportunity for home ownership. • As a Group, we have established and positive relations with all political parties and as one of the country's largest housebuilders and leading providers of affordable homes, we will work with Government to secure the increase in delivery of much needed new homes across all tenures.
<p>THE PLANNING SYSTEM</p> <ul style="list-style-type: none"> • Before we can start any development work, we must obtain planning permission and discharge conditions. Securing timely planning permission on an economically viable basis is key to our value creation process. • Planning delays are common, reflecting continued capacity issues within local planning authorities and continued political uncertainty. Preparation or publication of new local plans has significantly reduced over the last year with submitted plans delayed or withdrawn. • In addition, the Levelling Up and Regeneration Act (LURA), will introduce significant reforms to the existing planning regime, however much of the detail is still to be confirmed or will need to be set out in secondary legislation. • As well as changes proposed via the LURA, an update to the National Planning Policy Framework (NPPF) was published in December 2023, with further changes expected in due course. 	<ul style="list-style-type: none"> • We have healthy consented and strategic land banks and only purchase new land that meets our specific land buying criteria. • We work with Government departments and other key stakeholders to help shape planning reform. We have concerns that the amendments to the NPPF will create further delays and discretion around local housing targets and reduce the number of homes councils plan to deliver. We continue to engage with the HBF and other organisations, including the Land, Planning and Development Federation, The Housing Forum and Royal Town Planning Institute, to try to speed up the planning process. Moreover, we are working pro-actively with the Future Homes Hub to ensure that the industry is ready to adapt to change and deliver strong sustainability outcomes, including biodiversity net gain. • We are well placed to continue to support the Government's aspiration to maximise brownfield redevelopment and regeneration. We continue to promote our wider sustainability strategy recognising that the range of benefits that development can bring to a community will be increasingly important to secure local support for proposals. We have a strong track record of on and off-site infrastructure delivery to ensure that new homes are supported by the right level of infrastructure and contribute to the communities in which they are located.



PEEL HALL, WARRINGTON

Peel Hall is a joint venture between Vistry and Torus Housing, a leading provider of affordable housing which will deliver 1,200 quality new homes in Warrington.



Indicative visuals of Peel Hall

Vistry has an established track record of working in partnership with Torus, and we were pleased that Peel Hall represents our first joint venture.

The mixed tenure scheme is 50% presold and will deliver 595 much needed affordable homes to the local community. The 162 acre development will also include a community centre, new sports pitches and an extra care facility.

Vistry secured the opportunity in January 2023 following a competitive open market bid process.

TRENDS AND DEVELOPMENTS

INCREASED MATERIAL AND LABOUR COSTS

- High levels of inflation and ongoing heightened levels of certain input costs including energy costs, resulted in upward pressure on material costs during 2023. As overall build rates reduced across the housebuilding sector during the year, cost pressures reduced, with the reported rate of build cost inflation falling significantly by Q4 2023.
- Skills shortages continue to constrain the overall supply of labour. Wage inflation saw upward pressure on labour costs as we came in to 2023. With output across the sector reducing, labour cost pressure reduced during the year.

FAST CHANGING REGULATORY ENVIRONMENT AND FUTURE HOMES STANDARD

- Government regulation continues to be an ever-greater factor in driving decision making. New regulations include:
- The Building Safety Act and the establishment of a New Homes Ombudsman with statutory powers to award compensation and fix poor building work. This will raise quality standards while the introduction of building safety and materials regulators in the wake of the Grenfell Tower disaster will enhance safety across the industry.
 - The Future Homes Standard, effective from 2025 (exact timing TBC at the time of writing), requires new homes to achieve c.80% lower CO2 emissions than current standards through low carbon heating systems and improved levels of energy efficiency.
 - The New Homes Quality Code (NHQC) introduces a broad range of additional requirements for developers. Its aim is to fill the gaps in current protections and ensure that every aspect of a new home purchase, from when a customer walks into a sales office, through to two years after occupation of the home, is covered.
 - Regulatory issues are also affecting land availability, including challenges created by nutrient neutrality and the interpretation of the Habitat Regulations. Biodiversity net gain is mandated by the Environment Act 2021 and will be a requirement in all planning applications by February 2024.

OUR RESPONSE

- Our suppliers are key stakeholders in our business and through our established centralised procurement team, we proactively work with them to best manage our supply chain needs. Regular dialogue allows both parties to understand expectations and plan ahead.
- The high level of visibility on forward sales, build programmes and revenues in our Partnerships model, allows us to offer greater security and continuity of work to our suppliers and subcontractor base. This is valued by our supply chain partners and a competitive advantage for Vistry.
- During the second half of 2023 we proactively reached out to our supply chain partners to renegotiate all of our supplier contracts, which resulted in reductions across our labour and material input costs.
- Within our Partnerships model we have fixed revenue agreements. To manage our risk in the pre-procurement phase we pass an element of cost risk to our subcontractors, including a sensible level of cost contingency and / or fixed price allowances to cover some level of inflation.
- To address labour and skills shortages we invest in a range of initiatives including apprenticeships, trainee programmes and our Vistry Skills Academies.
- We deliver high quality sustainable homes and high levels of customer satisfaction as measured by the NHBC and HBF. The 'Vistry Customer Journey' and Countryside's 'gateway' embed procedures and checks to ensure that we continue to deliver high quality homes. We are continuing to enhance Keys, our customer relationship management system, and we provide training across the Group on an ongoing basis, to ensure we continue to deliver excellent customer service.
- Sustainability is core to our purpose and we are well underway with delivering our clear roadmap to deliver net zero carbon homes. We welcome the Government's consultation for the Future Homes Standard and are preparing our response. This is a key milestone on our roadmap. We are applying the knowledge and experience gained from live schemes already meeting the Future Homes Standard to help us achieve our stretching carbon reduction targets and prepare for regulatory change.
- We have introduced biodiversity action plans on all new development sites and we are committed to meeting the 10% biodiversity net gain requirements introduced by the Environment Act. Our strategic land portfolio provides a real opportunity to deliver this requirement as a key component of high quality placemaking.

 **ONE LOCKLEAZE, BRISTOL**

Vistry Group's first development with Goram Homes, Bristol City Council's housing company to deliver much needed affordable housing to the area.



Vistry was delighted to secure this opportunity to deliver 268 new homes to the Bristol area in joint venture with Goram Homes, of which more than half are affordable housing including shared ownership. Situated on a former school site, this regeneration project is located on land allocated for residential development in the Bristol Local Plan. The development is the first in a pipeline of more than 3,000 high quality, sustainable homes that Goram Homes will build for Bristol Council in the coming decade to meet the need for affordable housing across the city.

Central to the development is a community park which will create a wildlife corridor from neighbouring Stoke Park through to Concorde Way. Designed with different habitat types, dedicated wildlife areas, planted water drainage features and a range of play facilities, it is packed with wildlife features that recently earned the scheme a Building with Nature Full award.

A Vistry Skills Academy was opened at the site in May 2023, and to date over 250 students have attended courses at it.

The development team has also worked closely with Bristol City Council's Children's Services team to design a small number of homes at One Lockleaze for children in care. These specially designed homes will allow carers to provide dedicated support to young people in a homely environment, and ensure children can stay close to their friends, school, and wider support network.

OUR STRATEGY AND BUSINESS MODEL

Our unique Partnerships model and ambitious strategy is focused on creating long-term value for all our stakeholders

OUR PURPOSE

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love.

OUR STRATEGY

In September 2023, the Group updated its strategy to fully focus its operations on its high growth, capital light Partnerships model. The considerable scale of the affordable housing need and demand for mixed tenure housing continues to become ever more apparent. It is clear that given Vistry's leading partnerships capability, the Group is uniquely placed to significantly increase the delivery of mixed tenure homes.

Vistry's unique model

Vistry's Partnership model is built upon the Group's strong track record of delivering mixed tenure developments and its long-established relationships with its partners across the sector. Developing every site with a partner is at the core of the model, with a minimum requirement for 50% of the homes on each development to be presold to a partner. The range of pre-sale can vary by site from the minimum of 50% up to 100%, with a target of c. 65% of homes presold across the Group's portfolio of sites. Within our Partner Funded sales, we will deliver multiple tenures including s106 affordable housing as required by planning consent, additional affordable housing which may include tenures such as shared ownership and discounted homes, and PRS units. Our partners are RPs, LAs and PRS providers.

Open Market sales are targeted at c. 35% of total units across our portfolio of developments. We have three leading consumer facing brands: Bovis Homes, Linden Homes and Countryside Homes. The product range and marketing of each brand is clearly differentiated, each with different target customers. Our businesses will utilise the brand most appropriate for the specific development opportunity and will use multiple brands across a development where possible in order to maximise sales rates, drive efficiency and returns.

Progress with our strategy

Following the Group's strategy update in September last year, the Group has successfully merged its former Housebuilding operations with its Partnerships business and now operates as a single business with a more simplified and delayed structure. The Group has six divisions with 26 regional businesses, down from 32 prior to the restructuring, with overlapping geographies being the key driver for business unit closure. Each regional business is targeted to deliver up to 900 new homes each year, with a total capacity within the Group's existing structure to deliver well beyond 20,000 units.

In transitioning the former Housebuilding land bank to our Partnerships model with its targeted 65% of homes presold, c. 8,500 homes of the owned and controlled former Housebuilding plots were targeted for pre-sale. We have made excellent progress to date, with c. 3,300 of the c. 8,500 units presold, including over 2,800 units as part of our partnerships deal with Leaf Living and Sage Homes announced in November 2023. 2024 remains a year of transition to our fully Partnerships model with the Group focused on a number of initiatives to release capital from the balance sheet and the transition expected to be completed within the next two years.



Beaulieu Chase part of Vistry Major Projects

GROWTH AND MEDIUM-TERM TARGETS

We have a clear set of medium-term targets that are aligned to the Group's new strategy:

- Return on capital employed of 40%
- Revenue growth of 5% to 8%
- Operating profit of £800m with a 12%+ operating margin
- £1 billion of capital returned to shareholders over next three years

The Group is focused on a returns-based model and delivering an industry leading 40% return on capital employed is a key priority.

The Group is targeting sustained revenue growth of 5% to 8% p.a. supported by the significant growth we expect to see in the Partnerships market. The affordable housing and PRS markets combined, our Partner Funded market, is today valued at c. £18bn and delivers c. 80,000 new homes p.a. Reflecting both housing need and expected investment levels, it is estimated this Partner Funded market has the potential to more than double to £50bn in value, delivering c. 190,000 units p.a.

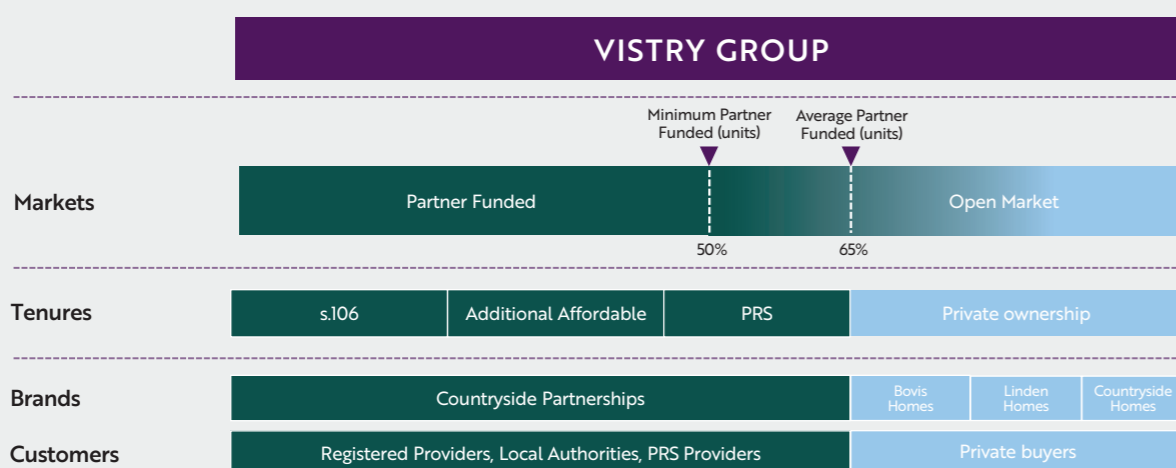
With our industry leading expertise, tailored business model and unrivalled track record of delivery, the Group is best positioned to capture this market growth. We are closely aligning our business development and future delivery with the needs of our existing and future partners and our Partnerships and Regeneration team is working across our 26 regional business units to ensure we maximise both the national and local opportunities.

Our model ensures that we have unrivalled access to the land market across greenfield, brownfield, estate regeneration, public land and part funded opportunities where one of our partners owns the land. Replenishing our land development opportunities is one of our key operational priorities and we have industry leading land buying capability within each of our regional business units, supported by our unique Regeneration and Partnerships team, and our Strategic Land and Business Development team.

The Group is targeting an adjusted operating margin of 12%+ and adjusted operating profit of £800m in the medium term.

Our ongoing transition to a fully Partnerships model is supported by the formation of a capital efficiency programme working across the Group to focus on restructuring our balance sheet through releasing capital from slow moving assets. The programme is seeking to drive consistency of approach to capital management and unlock key opportunities, for example, through partnering options including Partner Funding and joint ventures, alongside land sales and swaps with SMEs and our peer group. Operational excellence and driving efficiency is a clear focus, with initiatives covering WIP management, standardisation and best practice.

VISTRY'S UNIQUE PARTNERSHIPS MODEL



STRATEGIC PILLARS

Our strategy is underpinned by three strategic pillars:



KEY COMPETENCIES DRIVING VALUE CREATION









HOW WE CREATE VALUE

We leverage our strengths and key competencies to maximise the opportunities to generate sustainable value. A partnerships approach underpins everything we do.



CREATING VALUE FOR OUR STAKEHOLDERS

STAKEHOLDERS	KEY PERFORMANCE INDICATORS	
<p>We provide employment and development opportunities within a diverse and inclusive working environment.</p> 	<p>Employee satisfaction 7.6 (2022: 8.6)</p> <p>Voluntary turnover 15.9% (2022: 17.7%)</p>	<p>Our latest engagement score in November 2023 decreased slightly to 7.6. This was expected with the integration of Countryside, the market conditions and numbers of redundancies. Employee feedback is important to us to ensure we keep listening to our people and acting on their feedback. A number of actions have been set for 2024 as a result of the survey to ensure we continue to improve the overall employee experience.</p> <p>Voluntary staff turnover decreased to 15.9%. We are continuing to focus on retention and development of our employees as part of our overall People Strategy to ensure our voluntary turnover continues at a stable rate.</p>
<p>We build high quality homes which our customers would recommend to friends and family.</p> 	<p>HBF 8-week 5-star (2022: 5-star)</p> <p>HBF 9-month 78.3% (2022: 79.0%)</p> <p>NHBC reportable items 0.21 (2022: 0.23)</p> <p>NHBC CQR score 4.5 (2022: 4.5)</p>	<p>Our HBF 8-week customer satisfaction score continued to increase with the Group expecting to retain a 5-star rating for a fifth consecutive year.</p> <p>We also saw consistent achievement in our score for HBF 9-month survey reflecting customer satisfaction once customers have settled into our homes and developments.</p> <p>The number of NHBC reportable items per inspection continued to improve during the year and was below our target of 0.26. We also maintained our CQR score at 4.5, above our target of 4.0. We continue to focus on the quality of our build and expect the rate to reduce in the near future. Building homes to a high standard helps minimise customer care issues and maintain our reputation for high quality homes. The strength of our reputation underpins our ability to grow the business.</p>
<p>Targeting 40% return on capital employed in the medium term and £1bn of shareholder distributions over next three years.</p> 	<p>Adjusted operating margin 12.1% (2022: 14.5%)</p> <p>ROCE 21.3% (2022: 25.0%)</p> <p>Adjusted EPS 88.2p (2022: 137.5p)</p>	<p>Adjusted operating margin decreased by 2.4ppts to 12.1% due to the strategic shift towards the Partnerships model and incentives on Open Market sales. We expect the operating margin to reduce further in 2024 reflecting a full year under the new business model. The Group is targeting an adjusted operating margin of 12%+ and an adjusted operating profit of £800m in the medium term.</p> <p>ROCE reduced by 3.7ppts to 21.3%. Whilst adjusted operating profit was up 8%, average capital employed increased 27%. Most of the increase in capital employed related to work in progress, as we invested for growth across the business, including at some of our large mixed-tenure sites. All new developments must meet our minimum 40% ROCE hurdle rate with our medium-term target to achieve a ROCE of 40% for the Group.</p> <p>The decrease of 36% in adjusted EPS was principally due to an increase in the weighted average number of shares for the year following the issue of 127.4 million shares as part-consideration for the Combination in November 2022. The weighted number of shares will decrease moderately in future years due to buybacks, however the main driver for EPS increases will be higher after-tax profits.</p>

STAKEHOLDERS	KEY PERFORMANCE INDICATORS	
<p>We create sustainable new communities, leaving a legacy of places people love.</p> 	<p>New homes completed 16,118 (2022 pro forma: 17,038)</p> <p>% of new homes which are affordable tenures 54% (2022 pro forma: 37%)</p>	<p>On a proforma basis, the number of new homes completed in the year decreased by 5%. In the context of the challenging market conditions, this represented a significant outperformance compared to our peers, demonstrating the resilience of the Partnerships model.</p> <p>As a proportion of the total completions, the completions of affordable homes increased from 37% to 54%. This was across both affordable homes delivered under s106 and additional affordable homes delivered for our partners.</p>
<p>Sustainability is embedded across our business, ensuring that we minimise the impact of our operations on the health and safety of our stakeholders and the environment.</p> 	<p>AIR 175 (2022: 219)</p> <p>SSIR 349 (2022: 454)</p> <p>Scope 1 and 2 Greenhouse Gas emissions (tCO2e) 27,650 (2022: 25,408)</p> <p>Non-hazardous waste diverted from landfill 97% (2022: 98%)</p>	<p>Whilst it is difficult to completely mitigate risk, we believe injuries are avoidable. We work tirelessly to maintain excellent standards across our sites, making them safer for our workforce.</p> <p>The Group started the year with an AIR of 219, which was already below the Health and Safety Executive (HSE) construction industry benchmark of 329, and we finished the year on 175.</p> <p>Utility strikes (also known as service strikes) continue to be an industry concern and remains a focal point for Vistry. Our SSIR at the end of 2023 decreased compared to the previous year.</p> <p>The Group has achieved a 6% reduction in absolute scope 1 and 2 emissions between 2021 and 2023. However, there has been an increase from 2022 to 2023 of 9%. This increase is due to us reducing the use of HVO fuel between 2022 and 2023 due to lack of availability and volatile pricing. Whilst alternative fuels will play a part in our carbon action plan, our focus is on reducing consumption and improving efficiency.</p> <p>During 2023, we updated our carbon action plan to ensure a consistent approach to scope 1 and 2 emissions reduction across the combined Group. After re-baselining our carbon footprint, the SBTi (Science Based Targets initiative) has verified both our net zero science-based targets and our near-term science-based targets. Our updated target for scope 1 and 2 emissions is a reduction of 42% by 2030 against a 2022 baseline.</p> <p>We have seen consistent reduction in total non-hazardous construction waste. This has been achieved through improved reporting of performance, leading to increased engagement, increased focus as part of SHE inspections and support from our waste contractors who supported our teams to implement waste reduction measures. The percentage of non-hazardous waste diverted from landfill reduced marginally to 97%. In 2024, we will launch a revised waste and resources strategy to help us meet more stretching targets, including focussing on circular economy principles.</p>
<p>Our Partnerships model gives us greater visibility and security of future workload.</p> 	<p>Forward order book £4.5bn (2022: £4.0bn)</p>	<p>The forward order book as at 31 December increased 12% to £4,466m. This was primarily driven by the increase in deals secured with partners in line with our new strategy. In the medium term, we are targeting consistent revenue growth of 5%-8% per annum and expect this to be reflected in similar growth in the forward order book.</p>

FINANCIAL REVIEW



“The Group delivered a robust performance in challenging and uncertain market conditions, demonstrating the resilience of the Partnerships model.”

TIM LAWLOR
Chief Financial Officer

Basis of preparation of the financial review

The Combination with Countryside completed in November 2022 and therefore the comparative profit and loss and cash flow information for 2022 only included the results of Countryside for the seven weeks between 11 November and 31 December 2022. To aid comparability, some proforma financial information is included in this financial review which includes Countryside data from 1 January 2022 to 31 December 2022.

GROUP PERFORMANCE

£m	2023	2022	Change
Revenue ¹	4,042.1	3,115.1	+30%
Operating profit ¹	487.9	451.1	+8%
Operating margin ¹	12.1%	14.5%	-2.4ppts
Profit before tax ¹	419.1	418.4	-
Earnings per share (EPS) (pence per share) ¹	88.2p	137.5p	-36%
Net (debt)/cash	(88.8)	118.2	n/a
Average capital employed	2,285.5	1,803.2	+27%
Return on capital employed (ROCE)	21.3%	25.0%	-3.7ppts
Revenue – reported	3,564.2	2,771.3	+29%
Operating profit – reported	311.8	212.5	+47%
Profit before tax – reported	304.8	247.5	+23%
EPS (pence per share) – reported	64.6p	86.5p	-25%

¹ Figures are shown on an adjusted basis. See Alternative Performance Measures section on page 30 for further details.

The Group delivered a strong performance relative to the sector in challenging and uncertain market conditions. The Combination with Countryside in November 2022 has given the Group greater scale and is delivering substantial operational and financial synergies. We are making good progress with our strategy of focusing our enlarged operations fully on our high growth, capital light Partnerships model. This gives us strong visibility of future revenue and enables us to deliver new homes at greater scale and pace. The Group is now operating as one Partnerships business with six operating divisions and 26 regional businesses.

Adjusted revenue for the year increased 30% to £4,042.1m (2022: £3,115.1m) and reported revenue increased 29% to £3,564.2m (2022: £2,771.3m), reflecting a full year of results for the enlarged Group. On a proforma basis, adjusted revenue decreased 9% and the number of completed homes delivered (including joint ventures) decreased 5% to 16,118 (2022 proforma: 17,038). In the context of the challenging market conditions, this represented a significant outperformance compared to our peers, demonstrating the resilience of the Partnerships model.

Demand from our partners for affordable and PRS homes was strong. A highlight was that in the fourth quarter we agreed a substantial sale to our longstanding partners Sage Homes and Leaf Living, for over 2,800 homes on plots located across c. 70 developments from our former Housebuilding land bank. Delivery of these new homes commenced in 2023, with the final homes expected to be completed by the end of 2025.

The increase in Partner Funded sales was, however, more than offset by reduced demand for Open Market homes, which remained suppressed throughout the year due to the higher interest rate environment and inflationary cost pressures on household incomes.



As a result of this, and in line with our new strategy, the proportion of units derived from Partner Funded sales increased to 67% (2022: 46%).

Our average selling price decreased by 4% to £276k (2022 proforma: £289k). Sales prices are lower for Partner Funded sales than for comparable Open Market sales as partners are buying multiple homes and providing the capital during the build. Where Partner Funded sales have been secured on sites that were transitioned from the former Housebuilding business to the Partnerships model there was a corresponding reduction in future full life margins. The increased proportion of Partner Funded homes led to an overall reduction in the average selling price, however this was partially offset by a 14% year on year increase in the average selling price of Partner Funded homes to £222k (2022 proforma: £194k). This was due to a shift in the mix of Partner Funded homes towards PRS and shared ownership homes which tend to be larger or higher value than some other tenures. The average selling price of Open Market homes increased by 2% to £390k (2022 proforma: £381k).

The Group proactively managed its cost base with key supply partners and agreed cost reductions for existing and future contracts during the second half of the year. This reflected the benefits to the Group of its increased scale and higher visibility on forward sales. During 2023, the Group achieved synergy savings from the Combination of c. £50m, ahead of the £25m targeted for 2023 at the time of the acquisition, as the integration progressed at a faster pace. Our expectations for future annualised savings as a result of the Combination remain unchanged at £60m.

The Group's adjusted operating profit for the year was £487.9m (2022: £451.1m), with reported operating profit of £311.8m (2022: £212.5m). Adjusted operating margin decreased 2.4ppts to 12.1% (2022: 14.5%). With the strategic shift towards the Partnerships model, full-year margins were revised downwards where there was a commitment to an increase in the proportion of presold, discounted homes on a site.

We expect the adjusted operating margin to reduce further in 2024 reflecting a full year under the new business model.

After adjusted net finance costs of £68.8m (2022: £32.7m), adjusted profit before tax was £419.1m (2022: £418.4m), slightly ahead of guidance. On a reported basis, profit before tax was £304.8m (2022: £247.5m). The effective tax rate increased to 26.7% (2022: 17.4%) due to the rise in the statutory corporation tax rate from 19% to 25% effective from April 2023 and the full-year effect of the Residential Property Developer Tax of 4%, which was introduced from April 2022. On a reported basis, the tax charge increased to £81.4m (2022: £43.2m), resulting in profit after tax of £223.4m (2022: £204.3m).

Adjusted earnings per share decreased by 36% to 88.2p. This was primarily due to an increase in the weighted average number of shares for the year following the issue of 127.4 million shares as part-consideration for the Combination in November 2022.

As at 31 December 2023, net debt was £88.8m (2022: net cash £118.2m), a net outflow of £207.0m, with average month-end net debt for the year of £459.4m (2022: average month-end net debt £110.0m). Whilst adjusted operating profit increased 8%, average capital employed increased 27%, resulting in a 3.7ppts reduction in ROCE to 21.3%. The increase in capital employed of £279.5m related principally to additional investment in work in progress, further detail on which is provided later in this review.

In December 2023, the Group commenced a share buyback programme to repurchase up to £55m of ordinary shares, representing the interim shareholder distribution for 2023. By 31 December the Group had purchased 636,254 shares at a total cost of £5.3m. Of the ordinary shares purchased, 250,000 are held as treasury shares and the remaining shares have been cancelled. The buyback programme continued during January and February 2024 and was completed on 23 February 2024.

In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of up to £100m which is expected to commence in April. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment.

EXCEPTIONAL ITEMS

The Group incurred exceptional costs totalling £65.6m during the year (2022: £153.8m).

Integration costs of £16.7m were incurred during the year, primarily relating to the integration of the enlarged business and further restructuring. The integration progressed well and is now largely complete.

The transition to the Partnerships model which commenced during the second half of the year has enabled the Group to simplify and delay its organisational structure further, reducing the number of regional business units from 32 to 26. Whilst restructuring costs of £29.6m were incurred in 2023, principally in relation to the one-off costs of reducing headcount and office closures, the changes made are expected to deliver operational and financial synergies in excess of £15m in 2024 with the full annualised run rate of c. £25m to be achieved in 2025. This is in addition to the ongoing synergies expected from the Combination.

The Group recognised an exceptional cost of £19.3m in relation to fire safety, principally due to the impact of the new second staircase regulations, as reported in the half-year results. Further detail on this is provided later in this review.

£m	2023	2022
Countryside Combination	(16.7)	(56.8)
Restructuring	(29.6)	-
Fire safety	(19.3)	(97.0)
Total exceptional items	(65.6)	(153.8)

ADJUSTED NET FINANCE COST

The adjusted net finance cost of the Group increased by £36.1m during 2023. Within this, net bank interest payable increased by £27.1m due to higher borrowings against the revolving credit facility combined with higher variable interest rates. As noted earlier in this review, average month-end net debt in 2023 was £459.4m compared to £110.0m in 2022. The weighted average rate payable on the Group's debt increased from 4.0% in 2022 to 6.5% in 2023.

Other finance costs and net JV interest were higher as 2023 included a full year's charge on the additional land creditors, leases and joint ventures arising from the Combination.

£m	2023	2022	Change
Net bank interest	(41.3)	(14.9)	
Issue cost amortisation	(2.1)	(1.4)	
Net bank interest payable	(43.4)	(16.3)	-27.1
Unwind of discount on land creditors	(11.5)	(7.1)	
Interest on finance leases	(5.5)	(1.4)	
Net interest on defined benefit pension schemes	1.7	0.8	
Other finance costs	(15.3)	(7.7)	-7.6
Interest receivable from JVs	15.1	12.6	
Share of JV interest payable	(25.2)	(21.3)	
Interest income	(10.1)	(8.7)	-1.4
Total adjusted net finance costs	(68.8)	(32.7)	-36.1

TAXATION

The adjusted effective tax rate was 27.2% (2022: 22.4%). The adjusted effective tax rate comprises nine months of the higher Corporation Tax rate of 25% (2022: 19%) and approximately 4% of Residential Property Developer Tax (RPDT). RPDT was introduced in April 2022 as a specific tax on the home building industry, intended to raise at least £2bn from the industry over a ten-year period.

The Group's adjusted effective tax rate for 2024 is expected to be in the region of 29% comprising Corporation Tax at a rate of 25% and RPDT of 4%.

On a reported basis, the Group recognised a tax charge of £81.4m at an effective tax rate of 26.7% (2022: £43.2m, effective rate of 17.4%). The reported tax rate is marginally lower than the adjusted rate due to the presentation of tax on joint ventures and prior period adjustments.

NET ASSETS

£m	2023	2022	Change
Work in progress	1,219.0	1,016.4	
Land	1,881.7	1,821.7	
Land creditors	(662.2)	(667.4)	
Net investment in inventories	2,438.5	2,170.7	+267.8
Investments in joint ventures	562.7	552.4	
Other assets	732.6	653.4	
Other liabilities	(1,308.6)	(1,230.8)	
Capital employed	2,425.2	2,145.7	+279.5
Fire safety provision	(289.0)	(309.2)	
Retirement benefit asset	34.2	34.3	
Tangible net assets	2,170.4	1,870.8	+299.6
Goodwill	827.6	804.7	
Intangible assets	409.3	456.0	
Net (debt)/cash	(88.8)	118.2	
Net assets	3,318.5	3,249.7	+68.8

CAPITAL EMPLOYED

Capital employed increased by 13% to £2,425.2m compared to the prior year end (2022: £2,145.7m), the majority of which related to work in progress. This increase was driven by a slower recovery in the sales rates for Open Market homes in the second half of 2023. Additionally, to support delivery of new homes in 2024, we have invested in some of our large mixed tenure sites, including upfront infrastructure works.

During the year, the Group remained active in the land market, acquiring 13,067 new plots. Whilst the total number of plots in the land bank reduced slightly, the average cost per plot increased by 4%. Further details on the land bank are provided later in this review.

As anticipated, the migration of the former Housebuilding land bank to the Partnerships model contributed to a reduction in capital employed in the second half of the year. The Group has initiated a capital efficiency programme which will pursue a number of initiatives to accelerate further reduction of capital employed from across our portfolio in 2024.

FIRE SAFETY PROVISION

The Group is committed to playing its part in delivering a lasting industry solution to fire safety and on 13 March 2023 signed the Department for Levelling Up, Housing and Communities' Developer Remediation Contract. The Group's fire safety provision at the beginning of the year was £309.2m.

During the year, the UK Government confirmed its commitment to mandating a requirement for second staircases in high-rise residential schemes, lowering the proposed threshold from 30 metres to 18 metres, following a period of consultation. As a result, an additional provision of £12.3m was recognised for the additional costs to be incurred on sites we are committed to. It was also necessary to impair inventory on the impacted sites by £6.2m and with a net £0.8m charge for the impact of inflation and discount assumptions, the total exceptional charge for the year was £19.3m.

The Group spent £33.3m (after recoveries of £11.7m) during the year, continuing to make good progress with the remediation works. Of the 327 buildings identified, work has been completed on 90, works are ongoing on 32 sites and we are engaged in the remediation process with a further 196 buildings. This remediation work is managed by our dedicated team.

The closing provision as at 31 December 2023 was £289.0m. We remain confident this will cover the cost of fire safety works in accordance with the Group's obligations.

£m	2023
Opening	309.2
Addition for second staircase requirements	12.3
Utilised in the year	(33.3)
Net impact of inflation and discounting	0.8
Closing	289.0

RETIREMENT BENEFIT ASSET

The Group has three defined benefit pension schemes which are managed and administered by separate trustees on behalf of the scheme members. All of the schemes are closed to future accrual. The Group's retirement benefit asset was £34.2m (2022: £34.3m), representing the surplus of the scheme assets of £267.2m less liabilities to pay future pensions calculated on an IAS 19 basis of £233.0m. Under the rules of each scheme the Group will be entitled to any surplus remaining once the last members exit.

The most recent actuarial valuations of the schemes were undertaken as at 30 June 2022 and showed a combined technical funding surplus of £14.7m. The Group has agreed the principles of a plan to prepare the schemes for a buy-out, whereby a third party insurer would take on the liabilities to pay future pensions.

GOODWILL

Goodwill increased by £22.9m to £827.6m (2022: £804.7m) as the acquisition accounting in relation to the Combination was finalised in the first half, with no further revisions in the second half. Under the acquisition accounting rules, there is up to 12 months from the date of acquisition to complete the fair valuation exercise. The fair values were amended to reflect the impact of new information that became available in the year. The increase to goodwill primarily arose due to a full write-down of inventory at one particular site which has now been deemed unviable. This was due to a significant increase in cost estimates which were underestimated at the time of the Combination. The corrected cost to complete would have resulted in a net cash outflow to complete the site as well as a significant capital lock-up, and this site would therefore not be progressed by a market participant.

CASH FLOW, NET DEBT AND FINANCING

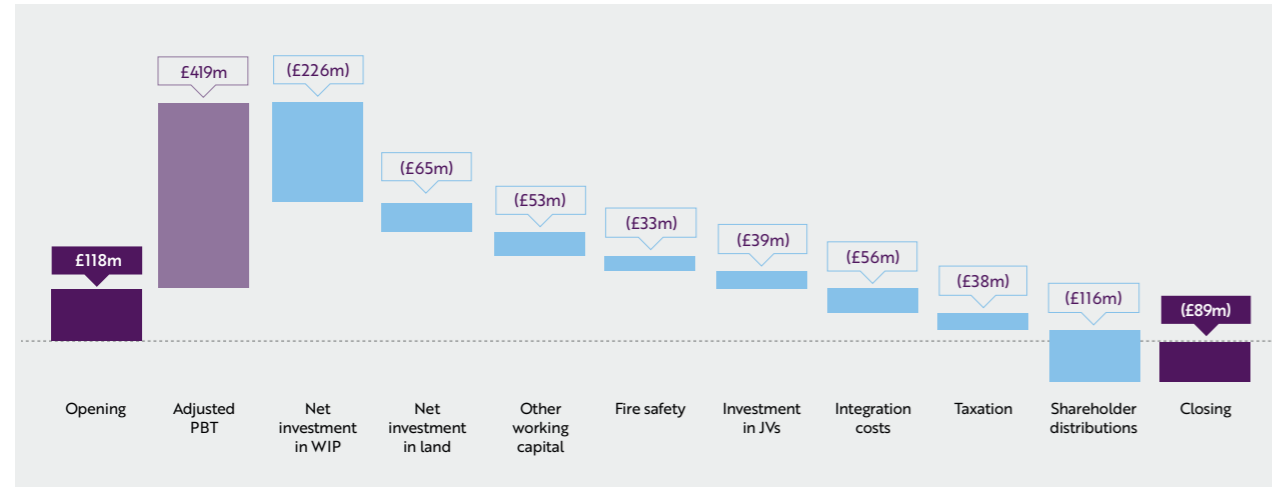
Having delivered £419.1m of adjusted profit before tax, the Group invested £226.1m in work in progress and £65.2m in land as described earlier in this review.

The increase in other working capital was principally due to higher volumes of Partner Funded sales activity in December 2023 compared to December 2022, leading to increased trade receivables.

The additional investment in joint ventures was predominantly due to an increase in the number of active joint ventures. Under our Partnerships model joint ventures are an important source for securing land, and we would expect a net investment over the short-term.

Further detail is provided earlier in this review on the exceptional items related to the integration of Countryside and restructuring of £56.1m and fire safety spend of £33.3m.

After tax-related outflow of £37.7m and shareholder distributions of £115.7m, the total outflow for the year was £207.0m. The Group's closing net debt was £88.8m (2022: net cash £118.2m).



The total available facilities as at 31 December 2023 were £1,015.7m (2022: £1,065.7m), against which the Group had drawn £507.1m (2022: £558.6m). These facilities are used to fund intra-period working capital movements and land investments with average month-end net debt for the full-year of £459.4m (2022: £110.0m).

During the year we successfully concluded the process with our lenders to extend the £400m term loan facility for a further 18 months, with the loan now maturing in September 2026.

A £50m bilateral term loan matured and was repaid during the year.

£m	Available facility	Facility maturity	Margin	2023	2022
Revolving credit facility	500.0	2026	SONIA + 1.6-2.5 ppts	-	-
Term loan	400.0	2026	SONIA + 1.9-3.1 ppts	(400.0)	(400.0)
USPP loan	100.0	2027	4.03 ppts	(104.6)	(105.6)
Prepaid facility fee	n/a	n/a		4.2	4.3
Bilateral term loan	n/a	2023		-	(50.0)
Homes England development loan	10.7	2029	ECRR + 1.2-2.2 ppts	(6.7)	(7.3)
Overdraft facility	5.0	2025	BoE Base + 1.5 ppts	-	-
Total borrowings	1,015.7			(507.1)	(558.6)
Cash				418.3	676.8
Net (debt)/cash				(88.8)	118.2

SHAREHOLDER DISTRIBUTIONS AND CAPITAL ALLOCATION POLICY

The Group reviewed its capital allocation policy during the year, which included extensive consultation with major shareholders. The key considerations were the need for investment to ensure sustainable growth, capital commitments (including fire safety remediation), the seasonal and uneven nature of the Group's typical cash profile, the existing capital structure, changes in the shareholder base and the investment case for potential investors.

The Board recognises the importance of capital distributions to shareholders and intends to sustain a two times adjusted earnings ordinary distribution cover in respect of a full financial year, with ordinary distributions being made through either incremental share buybacks or dividends, the method being determined by the Board considering all relevant factors at the time. In total, the Group is targeting £1bn of shareholder distributions, including both ordinary distributions on earnings through to and including 2026 and special distributions, alongside the elimination of net debt.

An interim ordinary distribution in the form of a share buyback of up to £55m was announced in September 2023.

The buyback commenced in December 2023 and was completed in February 2024. In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of up to £100m which is expected to commence in April. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment. The Board will continue to monitor the progress of capital release during the year and will consider additional buybacks in the context of the cash position and investment opportunities.

Cash generation	<ul style="list-style-type: none"> Partnerships model yields strong underlying cash conversion Cash inflows to be supplemented by multi-unit presale of Housebuilding land bank Cash commitments including fire safety and RPDT expected to reduce in medium term
Maintain strong balance sheet	<ul style="list-style-type: none"> Return to year end net cash position in 2024 Eliminate average debt position in medium term Retain bank facility to deal with seasonal variations and investment flexibility
Investment in sustainable growth	<ul style="list-style-type: none"> Ensure Partnerships land bank replenished to maintain growth Continued use of deferred payments for land Joint venture arrangements remain an efficient model for large schemes
Ordinary returns to shareholders	<ul style="list-style-type: none"> Maintain 2x earnings cover for ordinary distributions Interim and final distributions announced with results, expected to be approx. 1/3:2/3 Method of distribution to be determined by Board based on prevailing conditions
Special returns to shareholders	<ul style="list-style-type: none"> Excess capital expected to be created by large land bank deals Returns to be in the form of special dividend or buybacks Method of distribution to be determined by Board based on prevailing conditions

FORWARD ORDER BOOK

The forward order book as at 31 December increased 12% to £4,466m (2022: £3,973m). This was primarily driven by the increase in deals secured with partners in line with our new strategy. Open Market sales reservations were higher at the end of 2022 due to some delayed completions at that time.

£m	2023	2022
Open Market	298	610
Partner Funded	4,168	3,363
Total	4,466	3,973

LAND BANK

The land bank represents four to five years of supply based on future completion volumes. The Group has continued to invest in its land bank to support its growth strategy, adding a total of 13,067 plots in 2023, including 2,343 from strategic land. After deducting plots utilised in the year, the total land bank reduced by 1,329 plots.

	2023	2022
Owned	55,707	56,061
- of which JV owned (100%)	14,935	15,810
Controlled	20,727	21,702
- of which JV controlled (100%)	10,268	10,412
Total plots in land bank	76,434	77,763

STRATEGIC LAND

Strategic land refers to land which does not yet have planning consent and which the Group is or will progress through planning and promotional processes before development. Once planning consent has been obtained, the land becomes consented. Strategic land continues to be an important source of supply and a further 7,360 plots were secured during the year.

The net increase was 4,704 after 2,343 plots were transferred to the land bank. Strategic land remains well positioned to deliver high quality developments in the near to medium term with good progress on a number of significant projects.

As at 31 December 2023	Total sites	Total plots
0 – 150 plots	60	4,769
150 – 300 plots	54	11,078
300 – 500 plots	34	11,849
500 – 1,000 plots	18	11,537
1,000+ plots	19	31,547
Total	185	70,780
Planning agreed	15	5,533
Planning application	30	9,430
Ongoing application	140	55,817
Total	185	70,780
As at 31 December 2022	169	66,076

RISKS AND UNCERTAINTIES

The Group is subject to a number of risks and uncertainties as part of its activities as described in Risk Management on page 60 and Our Principal Risks on page 62. The Board regularly considers these and seeks to ensure that appropriate processes are in place to manage, monitor and mitigate these risks.

Risks relating to sustainability are becoming increasingly important in the medium term, especially with the emerging transitional risks which are becoming enshrined in regulation.

TIM LAWLOR
Chief Financial Officer

14 March 2024

PROVIDING CLARITY TO THE USERS OF THE ANNUAL REPORT

ALTERNATIVE PERFORMANCE MEASURES

In addition to the IFRS (reported) measures disclosed throughout the Annual Report, the Group uses certain non-IFRS alternative performance (adjusted) measures to assess the operational performance of the Group. The Group presents certain adjusted measures in order to better reflect the contribution of the joint venture investments to the Group's performance and to enable the reader to identify a more consistent basis for comparing the Group's operational performance between financial years. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by management.

ALTERNATIVE PERFORMANCE MEASURE:	CALCULATED AS:
Adjusted revenue	Statutory revenue plus the Group's share of joint ventures' revenue.
Adjusted operating profit	Statutory operating profit excluding exceptional expenses and amortisation of acquired intangible assets plus the Group's share of joint ventures' operating profit.
Adjusted operating margin	Adjusted operating profit divided by adjusted revenue.
Adjusted net financing expenses	Statutory net financing expenses excluding exceptional expenses plus the Group's share of joint ventures' net financing expenses.
Adjusted profit before tax	Statutory profit before tax excluding exceptional items, amortisation of acquired intangible assets and the Group's share of joint ventures' tax.
Adjusted income tax expense and adjusted effective tax rate (ETR)	Statutory income tax expense excluding the tax effect of exceptional expenses and amortisation of acquired intangible assets, tax on joint ventures included in profit before tax and the adjustments in respect of prior periods, divided by adjusted profit before tax.
Adjusted basic earnings per share (EPS)	Calculated as adjusted profit before tax less adjusted income tax expense, divided by the weighted average number of ordinary shares for the year.
Net (debt)/cash	Cash and cash equivalents less total borrowings.
Capital employed	Statutory net assets less goodwill, intangible assets, net (debt)/cash, retirement benefit asset and fire safety provision.
Tangible net asset value (TNAV)	TNAV is calculated as statutory net assets less goodwill, intangible assets and net (debt)/cash.
Return on capital employed (ROCE)	ROCE is calculated as adjusted operating profit divided by average capital employed.

Reconciliation of adjusted measures to reported measures (where appropriate):

ADJUSTED REVENUE, OPERATING PROFIT, NET FINANCING EXPENSES AND PROFIT BEFORE TAX:

	2023				2022			
	Revenue £m	Operating profit £m	Net financing expenses £m	Profit before tax £m	Revenue £m	Operating profit £m	Net financing expense £m	Profit before tax £m
Reported measures	3,564.2	311.8	(63.0)	304.8	2,771.3	212.5	(12.2)	247.5
Adjusting items:								
Share of joint ventures ¹	477.9	83.6	(25.2)	2.4	343.8	68.5	(21.3)	-
Exceptional expenses ²	-	46.2	19.4	65.6	-	153.0	0.8	153.8
Amortisation of acquired intangible assets ³	-	46.3	-	46.3	-	17.1	-	17.1
Total adjusting items	477.9	176.1	(5.8)	114.3	343.8	238.6	(20.5)	170.9
Adjusted measures	4,042.1	487.9	(68.8)	419.1	3,115.1	451.1	(32.7)	418.4

ALTERNATIVE PERFORMANCE MEASURES *continued*

ADJUSTED INCOME TAX EXPENSE:

	2023 £m	2022 £m
Statutory income tax expense	81.4	43.2
Tax effect of exceptional expenses	18.0	27.0
Tax effect of amortisation of acquired intangible assets	10.9	3.7
Tax on joint ventures included in profit before tax	2.4	-
Adjustments in respect of prior periods and other items	1.1	19.9
Adjusted income tax expense	113.8	93.8

ADJUSTED BASIC EARNINGS PER SHARE (EPS):

	2023	2022
Adjusted profit before tax (£m)	419.1	418.4
Adjusted income tax expense (£m)	(113.8)	(93.8)
Adjusted earnings (£m)	305.3	324.6
Weighted average number of ordinary shares (m)	346.0	236.2
Adjusted basic earnings per share (p)	88.2	137.5

TANGIBLE NET ASSET VALUE (TNAV) AND CAPITAL EMPLOYED

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

	2023 £m	2022 £m
Net assets	3,318.5	3,249.7
Goodwill	(827.6)	(804.7)
Intangible assets	(409.3)	(456.0)
Net (debt)/ cash	88.8	(118.2)
Tangible net assets	2,170.4	1,870.8
Retirement benefit asset	(34.2)	(34.3)
Fire safety provision*	289.0	309.2
Capital employed	2,425.2	2,145.7
Opening capital employed	2,145.7	1,460.7
Closing capital employed	2,425.2	2,145.7
Average capital employed	2,285.5	1,803.2**

* The comparative capital employed has been restated to exclude the Group's fire safety provision.

**Average of opening and closing capital employed for the year, adjusted for the pro-rated average capital employed by Countryside during the post-acquisition period.

RETURN ON CAPITAL EMPLOYED (ROCE)

This measures the profitability and efficiency of capital being used by the Group and is calculated as adjusted operating profit (as defined and calculated above) divided by the average capital employed (as defined and calculated above).

	2023	2022
Adjusted operating profit (£m)	487.9	451.1
Average capital employed (£m)	2,285.5	1,803.2
ROCE (%)	21.3	25.0 [^]

[^] The comparative ROCE has been restated to exclude the Group's fire safety provision from average capital employed to align with adjusted operating profit, which excludes expenses relating to fire safety.

- The Group undertakes a significant portion of its activities through joint ventures with its partners. In accordance with IFRS, the Group's statement of profit and loss and other comprehensive income includes its share of the post-tax results of joint ventures within a single line item. The Directors believe that showing the Group's share of revenue, operating profit and net financing expenses from joint ventures within the respective adjusted measures better reflects the full scale of the Group's operations and performance.
- Exceptional costs are those which the Directors consider to be material by size and irregular in nature. The adjusted measures exclude these items in order to more clearly show the underlying business performance of the Group.
- The amortisation charge relates to intangible assets which arose on the acquisitions of Linden Homes and Partnerships from Galliford Try PLC and of Countryside Partnerships PLC. The charge is non-cash and was set at the time of the acquisition. The Directors consider that this needs to be adjusted in the adjusted measure to show the underlying business performance of the Group more clearly.

ALTERNATIVE PERFORMANCE MEASURES *continued*

FORWARD ORDER BOOK

The Group's forward order book comprises the unexecuted element on contracts that have been secured including those which are reported within its joint ventures. The Directors believe that showing the Group's share of joint venture orders better reflects the full scale of the Group's pipeline. Additionally, reservations made on Open Market sales have been included given they are a commitment made by a customer against a specific plot.

	2023	2022
	£m	£m
Transaction price allocated to unsatisfied performance obligations on contract	3,722.9	3,118.0
Add: Share of forward orders included within the Group's joint ventures	558.2	498.0
Add: Open market reservations	185.0	356.6
Forward order book	4,466.1	3,972.6

OTHER KEY DEFINITIONS AND TERMS

The following table includes definitions of key terms used throughout the Annual Report and Accounts which haven't been defined elsewhere.

TERMS	DEFINITION
Completions	The number of homes sold in the financial year, including our share of joint venture completions. For private homes, this is the number of legal completions during the year. For affordable and PRS homes, this represents the equivalent number of units sold, based on the proportion of work completed under a contract during the year.
Land bank	The total number of plots expected to be deliverable on land owned or controlled by the Group (including in joint ventures) which has planning consent.
Strategic land	The total number of plots expected to be deliverable on land owned or controlled by the Group (including in joint ventures) without planning consent.
Forward order book	The Group's share of future revenue that will be derived from signed contracts, letters of intent or open market sales reservations including the Group's share of joint ventures' forward order book.
HBF score	The Home Builders Federation (HBF) undertakes customer satisfaction surveys. Survey forms are sent to customers at both 8 weeks and 9 months after they complete the purchase of their new home. The score measures the percentage of respondents answering 'yes' to the key question "Would you recommend your builder to a friend?". To achieve a 5-star rating, an average score of 90% or more is required on the 8-week surveys.
Reportable Items (RIs)	The average number of all RIs received within the period across all inspections carried out on sites registered with the National House Building Council (NHBC). An RI is any contravention of the NHBC technical standards or building regulations recorded at any key build stage or frequency visit. Our target is a score of 0.26 or less.
Construction Quality Review (CQR)	An independent, site-based review undertaken by NHBC of the quality of construction. The CQR score is the average score received within the period across all reviews carried out on sites registered with the NHBC. Our target is a score of 4.0 or greater.
Employee satisfaction score	The Vistry Group employee survey, run by Workday Peakon Employee Voice, covers a number of different topics, including various drivers, all of which contribute towards the overall sense of engagement amongst our teams. Surveys are run twice per year, with employees scoring their responses on a scale of 0-10. The Group targets an average score of 7.0 or above.
Voluntary turnover	The number of employees who resigned from the organisation as a percentage of the average total number of employees in the year.

OTHER KEY DEFINITIONS AND TERMS *continued*

TERMS	DEFINITION
Accident Incidence rate (AIR)	The number of reportable accidents divided by the average number of people on site x 100,000.
Service Strike Incident Rate (SSIR)	The number of reportable accidents divided by the average number of people on site x 100,000.
Scope 1 Greenhouse Gas (GHG) Emissions	Scope 1 emissions include natural gas, fuels utilised for transportation operations, such as company vehicle fleets, and grey fleet and are measured in tCO ₂ e.
Scope 2 Greenhouse Gas (GHG) Emissions	Scope 2 emissions include location based purchased electricity and are measured in tCO ₂ e.
Scope 3 Greenhouse Gas (GHG) Emissions	Scope 3 emissions include category 6 business travel and are measured in tCO ₂ e.
Net zero	Net zero is when any remaining GHG emissions are neutralised through carbon removals.
Affordable home completions	Affordable homes include social rent, affordable rent, intermediate rent, private rented sector, right to shared ownership, right to buy, rent to buy, shared ownership, first home/discouted market sale.



SECTION 172(1) STATEMENT

The Board of Directors, both collectively and individually, confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of its members as a whole and other stakeholders.

The Board understands all of its duties under the Articles of Association and those codified in law namely section 171 to 177 Companies Act 2006 and in particular has due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (Section 172(1)).

BOARD DECISION MAKING & STAKEHOLDERS

The Board appreciates the ownership of stakeholder engagement and the key part it plays in our Company strategy.

OUR STAKEHOLDERS ARE:



The table below details where you can read more within the Annual Report and Accounts on how the Board has discharged its Section 172(1) duties this year.

SECTION 172(1) FACTOR	RELEVANT DISCLOSURES	
A Consequence of any decision in the long term	<ul style="list-style-type: none"> Company purpose Our business model Strategic pillars Board activities 	<ul style="list-style-type: none"> 1 18 to 23 20 80 to 82
B The interests of the Company's employees	<ul style="list-style-type: none"> Company purpose, values, culture Diversity and inclusion Employee engagement Sustainability report 	<ul style="list-style-type: none"> 82 to 83 45 to 46 88 to 89 35 to 50
C The need to foster the Company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> Anti-bribery and corruption Modern slavery Sustainability report Stakeholder engagement 	<ul style="list-style-type: none"> 58 37 and 58 35 to 50 88 to 91
D The impact of the Company's operations on the community and the environment	<ul style="list-style-type: none"> Net zero carbon homes Skills academies TCFD disclosures UN Sustainable Development Goals disclosures Charitable giving 	<ul style="list-style-type: none"> 40 41 51 to 57 48 to 49 83
E The desirability of the Company maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> Awards and recognition Culture and values Risk management and control framework Speak Up Whistleblowing Policy 	<ul style="list-style-type: none"> 83 43, 82 to 83 60 to 67 37
F The need to act fairly as between members of the Company	<ul style="list-style-type: none"> Driving enhanced returns for shareholders Shareholder engagement Annual General Meeting Rights attached to shares 	<ul style="list-style-type: none"> 22 90 to 91 73 and 212 141 to 142

We believe that good decision making includes considering our stakeholders and through knowing, understanding and engaging with them we get to share their priorities, expectations and concerns. This sets the tone for transparency, accountability and openness and together we can achieve our strategic ambitions.

This Section 172(1) statement should be read in conjunction with Our stakeholders and engagement on pages 88 to 91. Here we provide details of our stakeholders and the channels used to ensure the Board builds an understanding of the issues that are most important to each stakeholder group and pages 85 to 87 of the Governance report which explains principal decisions made by the Board and further details about the decision-making process demonstrating how they discharged their duties under Section 172(1).

SUSTAINABILITY REPORT

"Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love."

HOW WE'VE APPROACHED THIS SUSTAINABILITY REPORT



Look out for our more detailed disclosures on sustainability in our stand-alone Sustainability Report due to be published later this year.

Following the Combination with Countryside in 2022 (the Combination), we have course corrected our Sustainability Strategy to ensure it is appropriate for an organisation of our size and structure. Highlights from the year are shown in the table below.

SUSTAINABILITY HIGHLIGHTS FROM 2023

HIGHLIGHT	WHAT THIS MEANS	FIND OUT MORE
Creation of Sustainability Committee	The Committee ensures effective implementation of Sustainability Strategy and performance against targets.	See page 36
Double materiality assessment and integrated sustainability strategies, taking the best from both	We identified the sustainability issues most important to our Group and designed our revised strategy around these issues.	See page 36
Reset science-based targets, including a net zero target	Our carbon reduction targets are in line with the Paris agreement, approved by a respected independent organisation and aligned to our enlarged 2022 baseline.	See page 38
Commenced projects with over 600 zero carbon ready (in-use) homes	We're delivering these homes at scale which is providing us with learning opportunities to ensure we are prepared for forthcoming regulations.	See page 39
299 learners passed through our on-site skills academies	We're inspiring and supporting new entrants into the industry. Helping to tackle the industry skills gap and providing employment opportunities to those not in education, employment or training.	See page 41
'Top Employer' with the Top Employers Institute for 2024	This accreditation for 2024 noted our score increasing 7% since 2023 and taking us to 6% above the benchmark. This recognises our people strategies and workplace environment.	See page 43

1 OUR UPDATED APPROACH TO SUSTAINABILITY

PURPOSE

We operate a capital light Partnerships model and are committed to creating quality new homes through the development of sustainable new communities and our approach to sustainability helps bring this to life.

See page 39 for an example of how our partnership work is helping to deliver affordable, energy efficient and timber frame homes at scale and see page 41 for an overview of our approach to place making and developing sustainable communities.

To ensure a Group-wide focus on the delivery of quality new homes and the development of sustainable new communities, we have linked several sustainability performance targets to remuneration.

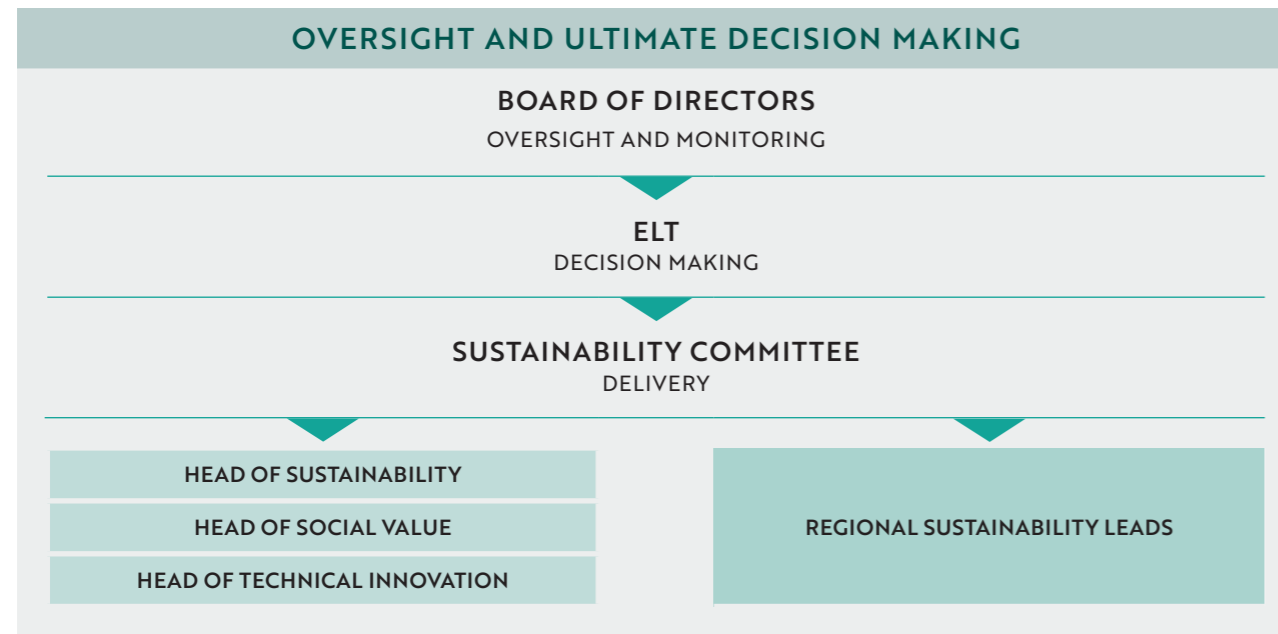
STRATEGY

Our revised Sustainability Strategy has two strategic pillars and each includes the priority issues with associated key performance indicators and targets (see page 48):

STRATEGIC PILLAR	DEFINITION
Climate and resources	Working to be a net zero organisation by 2040 and improving operational processes to manage and reduce waste in line with the waste hierarchy and embracing circular economy principles. Reducing the environmental impact of the materials we use in our operations. Designing and delivering house types that minimise greenhouse gas (GHG) emissions, running costs and environmental impact through the use of offsite construction.
Building communities	By placing people and communities at the heart of our decision-making process, we build sustainable communities that last and flourish. To ensure that everyone's needs remain central, from master-planning and design, through to building and aftercare, working closely with communities and stakeholders throughout the development journey.

GOVERNANCE

Our Sustainability Committee was formed in 2023. The objective of this Sustainability Committee is to make recommendations to the ELT relating to the effective implementation of our Sustainability Strategy and our performance against targets.



MATERIALITY

During the year, we completed a double materiality assessment. This looked at both dimensions of impact and financial value; recognising that an organisation can both affect, and be affected by sustainability topics. More details on the materiality process and findings will be published in our Sustainability report which will be available on our corporate website during 2024. This involved engaging with 340 stakeholders, including partners, clients, supply chain, investors and our people, to gain insight into their expectations of us relating to sustainability. We will review the materiality assessment on an annual basis.

INDEPENDENT ASSURANCE

The Group engaged DNV Business Assurance Services UK Limited (DNV) to undertake independent limited assurance of 2023 sustainability data. The scope of assurance was increased in 2023 to include additional metrics and was completed in line with the International Standard on Assurance Engagements 3000.

DNV's full Assurance Statement and supplemental information is available at www.vistrygroup.co.uk/sustainable-approach/policies-and-publications.

The following table explains the metrics within scope of limited assurance:

METRIC
Total Scope 1 GHG emissions (Elements included in scope 1 include: natural gas, biomass, company cars, leased vans and fuel utilised for operations) (tCO2e)
Total Scope 2 GHG emissions (purchased electricity) Location based (tCO2e)
Scope 3 GHG emissions - Category 6 business travel and private vehicles (tCO2e)
Scope 3 GHG emissions - Category 11 use of sold products - Regulated (tCO2e)
Women in workforce (%)
Number of individual learners who passed through skills academies
Total non-hazardous construction waste produced in tonnes.
% of non-hazardous waste diverted from landfill

ETHICAL AND RESPONSIBLE BUSINESS

Modern slavery

We recognise that modern slavery can occur in the construction industry. We operate an Anti-Slavery and Human Trafficking Policy which outlines our zero-tolerance approach to modern slavery and human trafficking and supports our efforts to combat modern slavery.

Our Sustainability Committee oversees the Group's approach to eliminating modern slavery from the business.

Our people are required to complete a dedicated modern slavery awareness training which provides guidance on understanding modern slavery in the construction industry, how to spot the signs of modern slavery, contact details for relevant agencies and details of our Speak Up hotline.

We were pleased that no reports of modern slavery within the Group were made to the hotline in 2023, however, we do not take this for granted.

We are a partner with Supply Chain Sustainability School and are a member of the Modern Slavery Engagement Programme which aims to increase awareness and provide guidance and training to our supply chain.

We have also pledged our commitment to the Gangmasters and Labour Abuse Authority Construction Protocol. Our supply chain onboarding process ensures that our suppliers and subcontractors confirm compliance to the Modern Slavery Act, provide details of their own modern slavery policies and are aware of our modern slavery commitments and expectations.

Ethics

Our Ethical Code of Conduct Policy was updated in January 2024 and outlines our commitment to high ethical and moral standards and the responsibility framework we have embedded to deliver our standards and appropriate behaviours. The responsibility framework is delivered through this Code and the supporting policies which set out the Company's approach to Anti-bribery and Corruption, Anti-Fraud, Anti-money laundering, Equal opportunities and Whistleblowing. In addition, the independent confidential reporting service, our Speak Up hotline, is operated by an independent third party, Ethics Point, and can be used by employees to report suspected wrong doing including concerns in relation to modern slavery.



Speak up helpline
0800 069 8071
vistrygroup.ethicspoint.com

2 PROGRESS IN 2023

CLIMATE AND RESOURCES

ENERGY AND GREENHOUSE GAS EMISSIONS

Carbon Disclosure Project (CDP) Score: A- **0.6% reduction in scope 3 emissions per 100m2.**

TARGET SETTING

Following the Combination and after re-baselining our carbon footprint, the SBTi (Science Based Targets initiative) has verified both our net zero science-based targets and our near-term science-based targets.

Our updated targets are:

- 42% reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2022 base year.
- 51.6% reduction in Scope 3 GHG emissions per m2 of completed housing by 2030 from a 2022 base year.
- Commitment to achieve net zero by 2040.

During the year, we updated our Carbon Action Plan to ensure a consistent approach to Scope 1 and 2 GHG emissions reduction across the combined Group.

📄 Our Carbon Action Plan can be read on our website.

We have also updated our roadmap to delivering net zero homes, a significant part of our Scope 3 GHG emissions, which can be seen on page 40. We will publish a full transition plan during September 2024.

Table of scope 3 emissions:

SCOPE 3 GHG EMISSIONS BY CATEGORY (tCO2E)*	2023	2022
Purchased goods and services	10,238	10,784
Capital goods	524,920	561,593
Fuel and energy related activities	6,763	6,601
Upstream T&D	78,384	83,860
Waste generated in operations	1,546	2,006
Business travel	412	245
Employee commuting	2,502	2,414
Use of sold products - (Regulated)	1,195,930	1,274,543
Use of sold products - (Un-regulated)	325,361	371,789
End of Life	58,279	62,351
Total	2,204,336	2,376,187
Intensity (tCO2e/100m2 of completed floor area)	1.58	1.59

*Our Scope 3 GHG emissions include 10 of the 15 categories included in the GHG Protocol. Other categories are not material to our business.

GHG EMISSIONS PERFORMANCE*

We have seen a reduction in absolute Scope 1 and 2 GHG emissions of 5.30% between 2021 and 2023. However, there has been an increase from 2022 to 2023 of 8.8%. This increase is due to us reducing the use of HVO fuel between 2022 and 2023 due to lack of availability and volatile pricing. Whilst alternative fuels will play a part in our carbon action plan, our focus is on reducing consumption and improving efficiency. We saw a 0.6% reduction in Scope 3 GHG emissions intensity from 1.59 tCO2e per 100m2 in 2022 to 1.58 tCO2e in 2023. This was primarily due to reductions in emissions associated with energy consumed in homes (use of sold product).

📄 Our roadmap to net zero carbon homes on page 40 shows how further reductions will be achieved.

GHG EMISSIONS	SCOPE 1	SCOPE 2	SCOPE 1 & 2	
	TCO2E	LOCATION BASED TCO2E	LOCATION BASED TCO2E/100M2**	ENERGY USE MWH
2021* tCO2e	24,469	4,730	-	133,039
2022* tCO2e	21,519	3,889	1.9	128,171
2023 tCO2e	23,633	4,017	2.4	128,524

*Restated to account for Vistry and Countryside GHG emissions. 100% of our Scope 1 and 2 emissions are UK based. Combined data for completed floor area is not available for 2021. We have followed the GHG Reporting Protocol - Corporate Standard as a methodology to calculate GHG emissions.**of completed floor area.

WASTE AND RESOURCE EFFICIENCY

97% non-hazardous waste diverted from landfill **6.34 tonnes waste per 100m2**

Our approach to waste reduction focuses on design, working with suppliers and implementing standard operating procedures.

During 2023, we ran a waste research project to examine the waste produced during each stage of the build process. The project isolated two standard house types, located in Cam, Gloucestershire. All waste from the project was stored and examined. This has enabled us to understand exactly how much waste was produced by each trade, at each stage in the process. We were also part of an industry research group, facilitated by Supply Chain Sustainability School that identified opportunities to reduce packaging waste. The research findings will be used to develop an updated waste strategy to be launched in 2024.

We have seen a reduction in tonnes per plot of non-hazardous construction waste, as shown in the table opposite. This has been achieved through improved reporting of performance, leading to increased engagement, increased focus as part of SHE inspections and working with our waste contractors who supported our teams to implement waste reduction measures. In 2024, we will launch a revised waste and resources strategy to help us meet more stretching targets, including focussing on circular economy principles.

2023 WASTE PERFORMANCE

YEAR	NON-HAZARDOUS CONSTRUCTION WASTE*	TOTAL NON-HAZARDOUS CONSTRUCTION WASTE DIVERTED FROM LANDFILL
2022	7.5 tonnes per plot 88,487 tonnes	98%
2023	5.5 tonnes per plot 6.34 tonnes per 100m2*	97%

SUSTAINABLE AND LOW CARBON HOUSING

98% new homes at least EPC B **>600 homes zero carbon ready (operational energy) across four sites commenced**
Average SAP Rating 84

We have been developing robust specifications for new building regulations focussed on energy efficiency and overheating. This has included standard designs for both masonry and timber frame specifications. We have developed our standard timber frame designs to help us scale up our factory production to help meet a capacity of c. 8000 factory built timber frame homes per year.

During the year, and with our partners, we have commenced more than 600 homes that are zero carbon ready (in operation) and constructed from timber frames, reducing both operational carbon emissions and embodied carbon. We have developed comprehensive case studies for the Future Homes Hub and collaborated in providing lessons for the wider industry – including delivering professional development sessions for SME housebuilders to help them prepare for challenges of new regulations.

*Total non-hazardous construction waste per 100m2 of legally completed build area. Waste produced and carried from development sites. Excludes waste removed by our groundworker suppliers.



**BUILDING COMMUNITIES:
FUTURE HOMES NORTH WHITELEY**

This is a site of 54 homes built to the AECB standard in both timber frame and masonry, for Winchester City Council, as part of their commitment to become carbon-neutral.

These have a design airtightness of 1.5m3/h/m2 @ 50Pa, and therefore include Mechanical Ventilation with Heat Recovery (MVHR) and special airtightness detailing, including Passivhaus loft hatches.

📄 www.futurehomes.org.uk/north-whiteley





VISTRY'S ROADMAP TO NET ZERO HOMES



BUILDING COMMUNITIES

SOCIAL VALUE AND COMMUNITY IMPACT

We deliver project specific social value plans to ensure our approach is aligned with the needs of our partners and local communities – for example Our South West team worked with 'The Check Out Lounge' which provides prison inmates with valuable skills, training opportunities, employment opportunities and supportive services helping them reintegrate into society through meaningful soft skill sessions.

Read more about this project on page 48.

We have increased the use of the the social value portal. The portal provides a standardised framework that is evidence-based and impact-driven and helps us to measure the impact of our projects.

The full Social Value Portal 2023 report is available on our website.

We have quantified the social value return on investment on 70 projects across the Group during 2023. During 2024, we will extend this to all projects. In 2023, across these 70 projects we delivered £86.2m social and local economic value (SLEV) as per the Social Value Portal (any annual Social Value Portal data is reported on from 1 Nov 2022 – 31 Oct 2023 based in Social Value Portal reporting period).

SOCIAL VALUE TABLE

	THEME	SLEV
	JOBS Promote local skills and employment	£8,056,787
	GROWTH Supporting growth of responsible regional business	£76,728,791
	SOCIAL Healthier, safer and more resilient communities	£1,013,942
	ENVIRONMENT Decarbonising and safeguarding our world	£258,273
	INNOVATION Promoting social innovation	£132,850

SKILLS ACADEMIES

The Vistry Plus Skills Academy (VPSA) has been designed to respond to the nationwide skills shortage affecting the construction industry. The academies are set up on site to deliver and provide entry routes to apprenticeships, employment, training and mentoring to local community members as well as engaging with job centres and schools. We continually adapt the approach of each of our academies, in line with the industry skills shortages, future skills requirements and the local demographic needs we are developing within. There are three broad aspects associated with running the VPSAs:

- Encouraging people into the academies and generating excitement around the sector. This is typically through engagement at job centres and careers fairs.
- Working to get learners successfully through the courses.
- Support given to learners after completing, to support them into employment.

Across our nine current academies, of which four opened in 2023, we had 299 learners complete pre-employment courses in varying disciplines: groundworks; carpentry; brickwork; health & safety; multi trade; and introduction to construction. Along with training courses, the academies have also facilitated school visits and community group taster days.

PLACEMAKING

Behind everything we do at Vistry, our unifying purpose is to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love. This means thinking beyond just building houses to also thinking critically about the social and digital infrastructure, the transport and green spaces that will answer local needs and engaging and empowering the communities around us. To help create places people love, we implement the 'Building for a Healthy Life' approach, and our own in-house 'building communities' approach to placemaking.

BUILDING COMMUNITIES: YOUNG RESEARCHER PROGRAMME

Background

The Young Researcher in Residence programme, delivered in partnership with London School of Economics and Make Space For Girls, promotes an inclusive approach to placemaking by enabling young people, whose voices have traditionally been under-represented in the planning and design process, to take an active role in shaping their local environment via paid micro-apprenticeship placements where they learn the skills and techniques to directly participate in place-making.

The innovative 12 month programme was led and delivered by Countryside Partnerships and co-funded by four of our core development partners-Sigma Capital, MTVH, L&Q and Clarion Housing Group. The programme was locally anchored to five Countryside Partnerships projects: Beam Park, London Borough of Barking and Dagenham; Ashmere, Ebbsfleet Garden City; Clapham Park, London Borough of Lambeth; South Kilburn Estate, London Borough of Brent; Spencer's Park, Hemel Hempstead.

Our activity

57 young people participated in the programme including 20 Young Researchers who were recruited to undertake paid micro-apprenticeships including an intensive six week placement, underpinned by a curriculum composed of readings, lectures, consultation and surveying activities, site and mapping visits investigating public space and imagining new ways of designing public spaces in their localities.

A strategic, programme-level recommendations paper, 'Young Researchers in Residence' co-authored by the Young Researchers, was launched in October 2023. This report encapsulates key findings aimed at creating sector-wide solutions to planning and designing in partnership with young and under-represented groups. Local, site-specific design solutions identified by the Young Researchers in Residence will be integrated into future phases of Countryside Partnership's large scale regeneration projects and will help shape the design of pipeline projects.

Our impact

As well as providing young people with a range of new skills and techniques, the programme aims to provide an introductory insight into roles and careers within the built environment. Importantly, it seeks to promote inclusivity in the built environment. The programme also, uniquely, draws together industry, higher education and charity sectors into one single programme showing a leading way to collaborate across sectors for the same common aim.



3 OUR PEOPLE

PUTTING PEOPLE AT THE HEART OF WHAT WE DO

As our business has evolved and our corporate structure has changed, so has our approach to our people. We want to create an inclusive environment where our people can thrive, develop and excel in what they do. We believe this is the cornerstone to delivering excellence to all of our stakeholders.

During the year, we developed a refreshed People Strategy which examined and updated the internal structure of the business so that it is ready to embrace the future in line with the business model.

Our change of strategic direction resulted in an overhaul of the internal structure/architecture of the business to look forward and embrace the future.

As of 31 December 2023, the Group directly employed 4,523 people (2022: 5,213). For 2022 this number included some 1,988 colleagues who joined the Group following the completion of the Combination with Countryside in November 2022.

AN EMPLOYER OF CHOICE

We are pleased to confirm that we have again achieved certification as a 'Top Employer' with the Top Employers Institute for 2024. This accreditation for 2024 took us to 6% above the benchmark.

As part of this process, we were provided with a dashboard of suggested areas where we could make further improvements to our overall People Strategy. To address this, we continue to enhance people technology to support personal development plans, create communities for knowledge and best practice sharing and use clear KPIs to measure the effectiveness of our development programmes.

During 2023, we launched our digital PDR (personal development review) process and have made a facility available through wage stream for employees to draw down a portion of their monthly salary prior to pay day.

We continue to enhance the digitalisation of our people processes making our employee self-service, MyView system available to all employees. We have also incorporated several of Countryside's people processes and policies to ensure a best practice approach across the enlarged Group.

COMMUNICATION AND ENGAGEMENT

Throughout the year, we have recognised the importance of keeping employees informed of our progress, particularly given the Combination and changes. Our cohort of Employee representatives across the Group have been involved in several collective consultation processes to ensure a fair and transparent approach to the Combination and feedback from employees was also gathered during in-person employee roadshows hosted by members of the ELT in autumn 2023.

Our Vistry Employee Value Proposition - 'Making Vistry' continues to showcase what Vistry stands for as an employer. This is based on Peakon employee engagement survey results and feedback from focus groups and during one-on-one interviews.

This year, the total employee turnover rate (which includes dismissals and a number of redundancies) increased to 30.5% (2022: 21%). Voluntary employee turnover (resignations) decreased to 15.9% (2022: 17.7%). This is reflected in our stability index which has increased to 89% (2022: 82.6%). Our stability index measures the retention of experienced employees and is the percentage of employees who have been employed for more than 12 months as a percentage of all employees at the end of the year.

Our latest engagement score in November 2023, which is measured via our Peakon surveys, decreased to 7.6. This was expected, with the integration of Countryside, the market conditions and numbers of redundancies. We saw a slight decrease from the employee engagement survey carried out from March 2023 which was a score of 7.8.

Employee feedback is important to us to ensure we keep listening to our people and acting on their feedback. A number of actions have been set for 2024 as a result of the survey to ensure we follow up on our people's feedback and to continue to improve the overall employee experience. During 2024 we are seeking feedback from our employees on what it is like to be part of Vistry to enable us to set the right culture that links to our values of Caring, Integrity and Quality. We are also implementing regional and divisional engagement groups to improve two-way communication, feedback and cross departmental working. As part of our recognition strategy, we will be holding Vistry Awards in April 2024 to celebrate and recognise the truly remarkable things that our people do. Our Wellbeing Strategy will be relaunched to highlight the range of benefits available that support all areas of wellbeing, along resources and details of upcoming events and initiatives. Our people play a significant role in the Group's success and undoubtedly their pride in the Group has contributed to our strong HBF 5-star customer satisfaction score. Likewise, our Glass Door rating from an employee perspective remained positive at 4.4.

REWARDS

There is active engagement on workforce remuneration.

During 2023 we:

- Introduced a minimum 4% pay rise for employees. From January 2023 the COL (cost of living allowance) became a permanent part of all annual salaries under £60k.
- Reviewed and enhanced our benefits package including increasing life assurance policies, introducing subsidised health screening and further improving our industry leading maternity, paternity and adoption policies.
- Moved to one Group payroll and dissolved the legacy weekly payroll.
- Implemented new bonus schemes across the new Group and integrated the Countryside colleagues onto the Vistry schemes.
- Continued to be accredited as a Real Living Wage employer following our accreditation in 2021. These rates continue to be applied as a minimum across the Group and we continue to review rates of pay with each annual update.

For 2024, we plan to consider how we harmonise some legacy terms along with measuring total reward for colleagues across the business.

BIODIVERSITY

During 2023, we have continued to develop project specific biodiversity action plans through our ISO14001 environmental management system. We have continued to work with the Bat Conservation Trust to deliver internal training and design advice to support bats in our developments. We have also continued to deliver our 'pollinate in partnerships' initiative, designed to address the population decline of pollinators across 16 developments.

We have focussed on preparations for the Biodiversity Net Gain (BNG) regulations. BNG seeks to leave the natural environment in a measurably better state than it was before development. This has included developing Group guidance notes and internal training, accounting for BNG in land appraisals, working with the Future Homes Hub to engage with government and provide a cross sector view of the legislation and engaging with organisations that can provide a BNG unit for when improvements cannot be realised on site.

AFFORDABLE HOMES

We aim to deliver a year-on-year increase in additional affordable homes beyond policy (Section 106) compliance. The tenures included in affordable housing are: Social Rent, Affordable Rent, Intermediate Rent, Private Rented Sector, Right to Shared Ownership, Right to Buy, Rent to Buy, Shared Ownership, First Homes/Discount Market Sale. In 2023, we delivered 2,470 additional affordable homes.

TOTAL ADDITIONAL AFFORDABLE HOMES COMPLETED	2022	2023
Vistry Group	898	2,470

SOCIAL VALUE IN ACTION: COMMUNITY BAT TALK & WALK

Orton Copse, Peterborough, Vistry South East Midlands

Background

Including the provision of a bat barn, bat pole roosts, and roosts on the new dwellings within the site boundary, it was important to Vistry South East Midlands that they engaged with residents to educate them on all things bats in the area. The local community was therefore invited to join a Bat Talk & Walk with members of the project team and a local expert from the Cambridgeshire Bat Group.

Our activity

The 2 hour session consisted of an informative presentation all about bats, learning about bat feeding habits, how they roost and how they have evolved in their individual habitats. The Social Value Coordinator and Site Manager described the landscaping of the development and how the purpose-built (Homes England) Bat Barn, poles, and the individual roosts, are providing alternative roosting opportunities for the bats since the demolition of the existing buildings.

After the talk, the group progressed outside to the Bat Barn and nearby pond, where individuals were able to 'have a go' with the echo-location bat detectors. 15 or so Common Pipistrelles were heard throughout the evening, commuting and feeding.

14 members of the public attended. 15 bats were detected throughout the 2 hour event.

Our impact

Events such as this enable Vistry to educate residents on habitats local to them, with the view that they will be better understood and preserved, supporting the local environment.

"I appreciate the efforts being made to put on events and involving neighbours surrounding the site. It was amazing hearing the bats on the detectors. The presentation and talk was very informative - what a lot there is to learn"

Pam - resident

SUCCESS STORY



APPRENTICESHIPS & TRAINEE PROGRAMMES

We continue to focus on supporting our early careers and emerging talent cohorts as well as encouraging the upskilling of existing employees. Across the Group we have over 470 apprentice, trainees and graduates, as well people who are upskilling through the use of apprenticeships.

PROGRESS IN 2023

- Qualifications across many disciplines, such as; quantity surveying, accounting, legal, site supervision, civil engineering, business administration, marketing, carpentry and joinery, bricklaying and leadership.
- Awarded gold accreditation membership with the '5% Club'.
- Annual trainee programme called RISE, which offers higher apprenticeships in Commercial, Technical and Construction. Nine people enrolled in our 2023/24 cohort which is offered across four areas: Quantity Surveying; Estimating; Construction and Technical roles.
- New for 2023 - Graduate scheme ('Pathways') which has four pathways: Construction; Commercial; Design & Technical and Real Estate. 11 people enrolled onto our 2023/24 cohort.
- Online work experience programme called 'Destiny'. This provides ten hours of engagement across four weeks. To date, 1,100 participants have enrolled in Destiny. This includes 6% with a special educational need or disability, 30% who received free school meals, and 5% who have been in the care system.
- Collaboration with Hays to be part of their Inspire platform - a free of charge learning resource for primary and secondary schools engaging pupils to link their education journey with future careers and the many opportunities available. Inspire gives an insight into the housebuilding industry and the range of careers available within it, and enables us to promote Vistry as an equal opportunities employer.

LEARNING AND DEVELOPMENT

As one of the UK's largest housebuilders we continue to provide even more opportunities for our people to develop and progress within the business.

Our People Strategy focusses on the development and retention of our people. There are a range of learning solutions including virtual classrooms, physical workshops, and e-learning modules.

PROGRESS IN 2023

- Funded 324 yearly professional memberships on behalf of employees.
- 'Vistry Learn' our integrated Learning Management System (LMS) enabled.
- Over 5,003 people to complete e-learning modules online.

EXECUTIVE AND MIDDLE MANAGEMENT DEVELOPMENT AND SUCCESSION PLANNING

Our 'Leading Better Together' executive framework ensures that our senior and future leaders are fully equipped with the expertise and skills the Group needs to support continued success. During the year, three cohorts totalling 40 senior leaders from across the business have attended our bespoke Cranfield School of Management programme.

The 'Future leaders' programme is aimed at our middle, frontline and trainee managers with potential for senior roles. It provides essential learning pathways to develop key skills for managers and potential leaders as well as supporting the Group's succession planning. During the year, 82 people, over five separate cohorts, participated in the programme.

DISABILITY

It is Group policy to give full and fair consideration to the employment needs of disabled people (and people who become disabled whilst employed by the Group) to ensure their requirements are adequately covered and to comply with any current legislation with regard to disabled persons. This includes:

- the full and fair consideration of applications for employment;
- the provision of training whilst employed, and;
- ongoing opportunities for career development and promotion.

Our approach is supported by our Dignity at Work policy which prohibits bullying, harassment or victimisation.

PROGRESS IN 2023

- Our D&I Committee commenced a review of our facilities with a view to ensuring they are accessible to all employees and visitors.
- We launched a suite of D&I e-learning modules for all employees to help drive education and understanding in this vital area.
- The Group became a Disability Confident Committed employer, which is a government-run scheme for employers to demonstrate their commitment to recruiting, retaining and developing disabled persons.
- The Group introduced Workplace Adjustment Passports. A Workplace Adjustment Passport is a record of the adjustments agreed between a worker who is disabled or who has a health condition and their manager. We are in the process of incorporating these into Vistry's onboarding process.

DIVERSITY AND INCLUSION (D&I)

During the year we have focused on progressing our equality, diversity and inclusion agenda in line with Our vision and Our values.



During the year, we have published our Equality, Diversity and Inclusion report.

At Vistry, we build homes and communities for people from diverse backgrounds and we must reflect this in the make up of our workforce, and by doing so we will continue in 'Making Vistry'.

We have processes in place to attract and retain a diverse workforce and we continue to rigorously review and promote our Diversity and Inclusion policy.

OUR D&I STRATEGY FOCUSES ON 5 KEY AREAS.

- 1 COMMUNICATION:** Providing open and transparent communication.
- 2 ENGAGEMENT & ATTRACTION:** Making everyone feel part of our 'One Vistry' approach and valued as an individual.
- 3 PRACTICES & POLICIES:** Treating everyone fairly and consistently
- 4 ACCESS:** Creating a workplace where all feel welcome and able to achieve.
- 5 EDUCATION:** Building understanding, changing attitudes and behaviours.

Our November 2023 employee engagement survey rated the diversity & inclusion at Vistry Group at 8.2 (out of a maximum score of 10), which is 0.2 above industry benchmark.

PROGRESS IN 2023

- 124 female promotions were made during 2023 which included ten Director roles and three Managing Director roles.
- We significantly improved our family leave offering including doubling our enhanced pay for Maternity leave.
- We have continued to be an active platinum member of Women into Construction organisation which has helped continue to offer work experience in construction-based roles to women.
- Ran a Women's Development Day in collaboration with another construction business to upskill early female talent and share best practice.
- We have continued to run our Women's Network with various events through the year to educate, inspire and inform throughout the organisation.
- We were shortlisted for WM People 'Career Progression for Women' award which recognises initiatives aimed at developing women's leadership potential, including women's networks, training and return-to-work programmes.
- Applications from females across all Vistry job vacancies have increased by 19%.
- We will continue to run an established Diversity and Inclusion Committee, of which women are strongly represented.
- We continue to monitor specific diversity and inclusion questions in our bi-annual engagement survey.

At Vistry, we continue to build on our inclusive culture, where all forms of diversity are recognised for the value they bring in Making Vistry. Our four Diversity & Inclusion Networks – Women's Network, Pride Network, Religion, Ethnicity and Cultural Heritage (REACH) Network and Accessibility Allies Network – have continued to grow to expand their reach across the wider Group. We have recognised and celebrated various key dates on the D&I calendar, including International Women's Day, Pride Month and Black History Month. We continue to collaborate with external organisations to support our vision, including Women into Construction, BuildForce, NHBC, Home Builders Federation, BPIC (Black People in Construction), the Diversity Jobs Group, WM People, the Top Employers Institute, and the Real Living Wage.

The table below shows our gender diversity across the Group as at 31 December 2023:

ROLE	FEMALE	MALE	TOTAL	FEMALE %	MALE %
Non-Executive Directors ¹	3	3	6	50%	50%
Executive Leadership Team ²	2	7	9	22%	78%
Senior Management ³	15	31	46	33%	67%
Other employees	1,488	2,974	4,462	33%	67%
Total	1,508	3,015	4,523	33%	67%

¹ Non-Executive Directors and Executive Directors make up the Board.

² The ELT includes the 3 Executive Directors.

³ Senior management are the ELT's direct reports.

We have recently published our mean gender pay gap of 18.9%, a 7.2ppt increase on the prior year and our first report on the enlarged Group. Our gender pay gap is driven by there being more men at the higher end of the pay scale.

www.vistrygroup.co.uk/sustainable-approach/policies-and-publications

4 MOVING FORWARD IN 2024

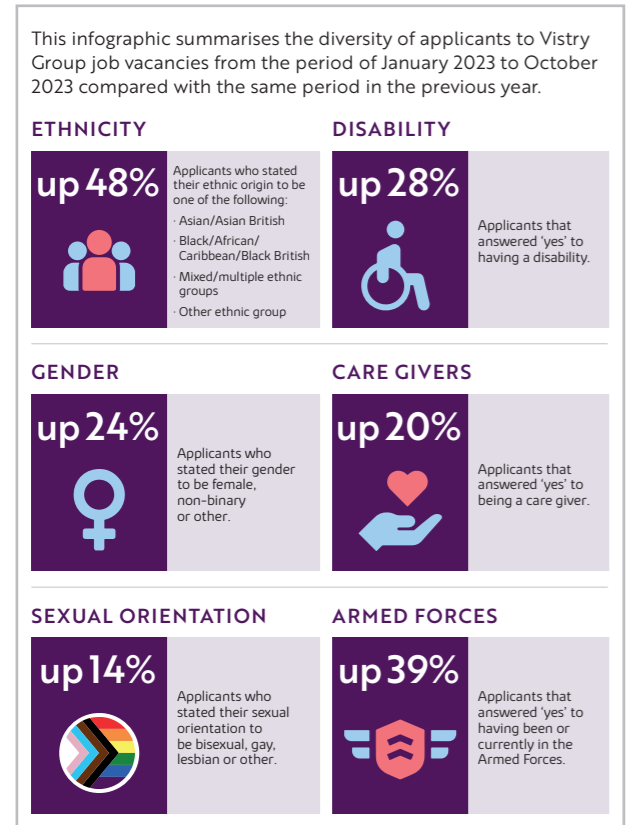
MENTAL HEALTH AND WELLBEING

The Group has a dedicated section on the internal intranet providing mental health guidance and support. This includes links to external organisations and helplines as well as a platform for our people to share their own personal achievements, experiences and stories.

As part of our employee assistance programme, alongside Aviva who provide 24/7 support, all employees have free access to the Thrive: Mental Wellbeing App which was deployed onto all Group owned iPhones and iPads. We have a formal dedicated Mental Health Committee whereby members are charged with raising awareness of mental health issues that affect those in our industry.

The Group has a network of health and wellbeing champions in each business unit with aims of further supporting mental health and wellbeing initiatives, and there are more than 200 trained volunteer Mental Health First Aiders.

DIVERSITY IN JOB APPLICANTS 2023 VS 2022



HEALTH AND SAFETY

During 2023, we carried out 3,928 internal SHE site inspections (2022: 3,016). The Group compliance target is 76% and we achieved 82%. To reinforce our commitment to safety, we are a Building a Safer Future Registered Signatory. We also work closely with Build Force, an organisation set up to create formal pathways between the military community and the construction industry. Their aim is to establish direct links with employers like Vistry and provide visibility on careers in the construction sector and the training required to access them. We also operate an Armed Forces Mentoring & Coaching Programme to help those with a keen interest in health and safety gain important practical experience and make the transition into the construction sector.

ACCIDENT INCIDENT RATE

Whilst it is difficult to completely mitigate risk, we believe injuries are avoidable. We work tirelessly to maintain excellent standards across our sites, making them safer for our workforce. This helps us to maintain an accident incident rate (AIR) that sits below the construction industry benchmark.

Vistry started the year with an AIR of 219, which was already below the Health and Safety Executive (HSE) construction industry benchmark of 329 and we finished the year on 175.

Utility strikes (also known as service strikes) continue to be an industry concern and remains a focal point for Vistry. Our Service Strike Incident Rate (SSIR) at the end of 2023 decreased to 349 compared to the previous year (2023: 454).

This table shows health and safety performance across a rolling 12 month period at the end of December 2023:

	2023
Accident Incident Rate (AIR)	175
Service Strike Incident Rate (SSIR)	349

AIR and SSIR calculations in this table are based on number of reportable accidents divided by number of people on site x 100,000.

OUR SUSTAINABILITY STRATEGY WILL USE THE FOLLOWING ENABLERS, WE WILL:

FOCUS ON PRIORITY ISSUES

Work with our partners to ensure sustainability and social value plans are aligned to their goals. We'll also review our materiality assessment annually to ensure we're focussed on the most important issues.

MAKE SUSTAINABILITY BUSINESS AS USUAL

Include sustainability and social value throughout our standard operating procedures and procurement to ensure it becomes business as usual.

EFFICIENTLY COLLECT ROBUST DATA

Use automated systems to collect and report data, and we'll continually review the scope of data assurance to ensure relevant data receives limited assurance.

CREATE A SUSTAINABILITY TEAM OF 25,000

Provide training opportunities to all of our people and supply chain to help them upskill to play their part in making our strategy a success.

TELL GREAT STORIES

Share case studies and learning from our experience to inspire and support others on their sustainability journey.

BUILDING FOR HEALTHY LIFE

We have followed the 'Building for a Healthy Life' Design Code on all Partnerships projects during 2023 and from 2024, we will extend the code to all new projects. The design code enables those involved with our developments to focus their thoughts, discussions and efforts on the things that matter most when creating good places to live.

Benefits of following the design code include:




- Proactive masterplanning to improve the design of schemes, and placemaking.
- Encourages engagement with the community and a better understanding of the site's context.
- Helps focus on active travel (healthier lifestyles), air quality, and biodiversity.

Two of our developments have won the Building for Healthy Life Award: Rochester Riverside and Cliveden Village.



OUR UPDATED SUSTAINABILITY AND SOCIAL VALUE TARGETS

The table below shows performance targets for the sustainability issues, identified as material through our materiality assessment, and includes the relevant SDGs.

ISSUE	1 ENERGY AND GHG EMISSIONS	2 WASTE AND RESOURCE EFFICIENCY	3 SUSTAINABLE AND LOW CARBON HOUSING	4 SOCIAL VALUE AND COMMUNITY IMPACT	5 PLACEMAKING	6 BIODIVERSITY	7 AFFORDABLE HOMES
SDG			 	 	 		   
TARGETS	<p>Reduce Scope 1 and 2 GHG emissions by 42% by 2030 against a 2022 baseline.</p> <p>Reduce Scope 3 GHG emissions by 51.6% per 100m2 by 2030 against a 2022 baseline.</p> <p>Net zero across Scope 1, 2 and 3 GHG emissions by 2040.</p> <p>Set a target for supply chain (based on spend) to set science-based targets by 2030 aligned with SBTs.</p> <p>Set a target internally and for our supply chain to be signed up and active with the Supply Chain Sustainability School.</p>	<p>Achieve waste intensity of <6.5t/100m2 in 2025 and <1.9t/m2 by 2030.</p> <p>From 2025, divert 98% of waste from landfill and set a target to encourage transition to a circular economy.</p>	<p>Achieve reduction in CO2e in new homes planned from 2025, in line with the Future Homes Standard.</p> <p>Achieve <96L of water per person per day in new homes by 2030.</p> <p>Complete at least one post occupancy evaluation project each year from 2024.</p> <p>Develop capacity to deliver c. 8000 timber frame homes per year in our factories.</p>	<p>Calculate a baseline for social value in 2024 and set an annual target for social value delivered as a % of revenue for 2025 and 2030.</p> <p>Every new project from 2024 to produce a project impact report.</p> <p>300 learners to pass through our skills academies in 2024.</p>	<p>Implement the 'building for healthy life' approach on every new project from 2024.</p> <p>Develop an approach to post occupancy evaluation to ensure a cycle of continual learning during 2024.</p>	<p>In line with Regulations, from January 2024 all new outline and full planning applications submitted will be able to demonstrate at least 10% Biodiversity Net Gain.</p> <p>All new landscaping schemes will be designed to incorporate principles for pollinator and habitat first planting, such as hedgehog highways, bird and bat boxes and wildflowers.</p>	<p>Achieve a year-on-year increase in affordable homes built beyond policy requirements, up to 2024.</p>

EXETER HMP EMPLOYABILITY SESSION SUPPORT & CAREER FAIRS

Background

HMP Exeter hosted the 'Check Out Lounge' to support and equip inmates with the necessary tools and resources to rebuild their lives through meaningful soft skill sessions. Despite the uncertainty they face, candidates displayed remarkable dedication and enthusiasm, demonstrating their eagerness to improve their lives and contribute positively to the workforce.

Our activity

Vistry Cornwall South West's Social Value Coordinator had the privilege of interacting with promising candidates in groundworks, roofing, and labouring. The knowledge and drive was truly impressive and was evident that with the right support and guidance, these individuals could become valuable assets to the workforce.

The event underscored the importance of providing opportunities for offenders to rebuild their lives. The event showcased the value that inmates can bring to industries like construction, emphasizing the need for continued support and initiatives from employers in the sector.

Our impact

Events like this serve as a powerful example of how focusing on skills development and reintegration can transform lives and provide second chances. By supporting initiatives like this we contribute to a more inclusive society and foster the growth of a skilled and diverse workforce as well as mitigating the skill shortages currently being experienced in the region and wider industry.



VISTRY INNOVATION CENTRE (VIC)

The VIC is a unique, sector-leading facility incorporating cutting-edge technologies that will be used to help meet the Company's net zero ambitions as well as the delivery of the Future Homes Standard coming into operation in 2025.



Constructed using 18 different trades and 54 suppliers, the VIC features over 100 different products and smart technologies, providing visitors with the opportunity to witness all the different stages of construction and to learn about the wealth of progressive products Vistry is using both now and in the future to achieve carbon reduction on our roadmap to net zero by 2040.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)


We are committed to minimising the environmental impact and carbon footprint of our operations and managing the risks and opportunities associated with climate change. In accordance with Listing Rule 9.8.6(8) our disclosures in relation to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations are set out in the table below.


WE HAVE ADDRESSED GAPS IDENTIFIED IN OUR PREVIOUS DISCLOSURE AND HAVE:

- Updated our sustainability strategy to include targets linked to opportunities, including a target for the delivery of timber frame homes (see page 48).
- We have improved our understanding of the risks associated with overheating and water stress and included a target in our strategy to improve water efficiency (see page 48) and also addressed part O of building regulations to mitigate overheating risk (see page 48).
- In updating our scenario analysis and risk assessment, we have used the Group Enterprise Risk Model (ERM) to quantify risks. The output of this assessment has been reviewed by our Sustainability Committee.

We have assessed the TCFD's updated October 2021 guidance on implementing its recommendations, including 'The Guidance for All sectors', and confirm that the disclosures are consistent with the TCFD recommendations and recommended disclosures. Externally linked documents in this section provide supplementary information.

TCFD RECOMMENDATION	OUR DISCLOSURE	PRIORITIES FOR 2024	
GOVERNANCE			
Describe the Board's oversight of climate-related risks and opportunities.	<p>The Board has overall responsibility for the oversight of sustainability and climate change and receives quarterly updates on progress.</p> <p>The Sustainability Committee evaluates the approach adopted by the Group to identify and prioritise sustainability issues material to the business strategy, including climate change. The Committee makes recommendations to the Executive Leadership Team (ELT) for approval. A Non-Executive Director is a member of our Sustainability Committee.</p> <p>The ELT and Board have approved our updated sustainability strategy (including climate change and net zero targets).</p>	In 2024, a review of Board level sustainability and climate change competency will be carried out and a future training plan will be developed.	A flow chart illustrating climate change governance is shown on page 36.
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Chief Operating Officer is the Board member with overall accountability for sustainability. He also chairs the Sustainability Committee and oversees our climate-related actions. Data and progress updates are provided by the Head of Sustainability to the Board, Committee and ELT.</p> <p>The Head of Sustainability has day-to-day management responsibility of climate related issues and reports to the Group Commercial Director. The Head of Sustainability has over 15 years of built environment sustainability experience, a post-graduate qualification in Sustainable Construction and is a Chartered Environmentalist (CEnv).</p> <p>Everyone in the Group has access to a sustainability and climate change training modules on our Learning Management System and regular Group-wide communications help to keep them up to date.</p> <p>Manager and Executive bonuses are linked to climate change and in 2023, it was agreed that each regional business will nominate a director to take a lead on management of climate change issues.</p>	Increase support and training for regional sustainability leads.	More information on climate change link to remuneration can be read on page 113.

TCFD RECOMMENDATION	OUR DISCLOSURE	PRIORITIES FOR 2024	
STRATEGY			
<p>Describe the climate-related risks and opportunities identified over the short, medium, and long term.</p>	<p>We appointed WTW, to support us to review and update a climate change risk and opportunities assessment that had previously been completed with Countryside in 2022.</p>	<p>An updated risk and opportunity assessment will be completed.</p>	<p>See page 64.</p>
	<p>We have assessed transition risks and opportunities over the short term (2025) and medium term (to 2030) and we have assessed physical risks over the medium (2030) and long term (2030-2050). We have concluded our strategy is resilient under the scenarios considered.</p>		
	<p>The individual TCFD risks and opportunities set out below are individually not deemed to be material risks, however the cumulative impact of these and the wider climate and sustainability related risk is sufficiently material for inclusion as a Group principal risk.</p>		
	<p>TRANSITION RISKS</p> <p>For transition risks, workshops with internal stakeholders were used to validate materiality and relative priority for potentially higher exposure risks. The meeting covered a subset of risks/opportunities relevant to the interviewees' area of expertise and were split by policy/legal, technology, and market/reputation themes. Workshop discussions were informed by previously completed risk and opportunities assessments and the recently completed double materiality assessment.</p> <p>The transition risks were assessed against impact, likelihood and time horizon criteria aligned to Vistry's ERM scales and were considered under a low carbon economy where temperatures are limited to 1.5°C.</p> <p>Overall transition risk exposure out to 2030 is generally low-to-moderate, with several opportunities present.</p>		
	<p>PHYSICAL RISKS</p> <p>We engaged WTW to support us to identify, assess and quantify physical risks. We considered both chronic and acute risks.</p> <p>We found that overall physical risk exposure under a 1.5°C scenario up to 2030 was generally very low to low, with the exception windstorms, flooding and subsidence that were considered to have a moderate risk. We considered these risks to be mitigated by land viability assessments and building regulations.</p> <p>Under a 4°C scenario by 2050 we found that risk of subsidence and water stress increases to moderate and the risk of subsidence and flooding increases to high. The majority of risk exposure for water stress is in Central and Southern England. These risks would be mitigated by building regulations of the time, land viability assessments and our strategy target to improve water efficiency. The modelling showed no clear trend in the shift of European windstorm activity, therefore this risk does not develop over time or under the different emissions scenarios.</p>		

TCFD RECOMMENDATION	OUR DISCLOSURE	PRIORITIES FOR 2024	
<p>Describe the impact of climate-related risks and opportunities on the businesses, strategy, and financial planning.</p>	<p>DECARBONISATION PLAN</p> <p>In 2021 we launched our net zero homes roadmap in a bid to support a swift transition to a decarbonised economy and society by 2030 and demonstrates how we will meet our climate targets.</p> <p>PARTNERSHIPS WORK</p> <p>We're delivering net zero carbon (regulated energy) homes at scale with our Partners, with three projects of more than 600 plots commencing during 2023. This is providing us with learning opportunities to ensure we are prepared for forthcoming regulations.</p> <p>LAND ACQUISITION AND DEVELOPMENTS</p> <p>Our Sustainability approach ensures we evaluate the long-term climate change adaptation and mitigations risks of the land we acquire. This includes the forecasting of increased building costs associated with high expected energy efficiency levels and lower embodied carbon, through timber frame construction.</p> <p>FINANCIAL PLANNING</p> <p>We are actively designing and delivering new house types to meet forthcoming regulations, incurring costs that are expensed and pricing into our site cost valuation reports (CVRs) the future costs of implementing new technologies. The cost of meeting these regulations is also being factored into our land acquisition appraisals, our impairment testing for goodwill and our viability assessments.</p> <p>While incurring costs to meet the new regulations will impact site-wide margins and our gross margin our ability to manage and reduce such costs will give us a competitive edge when purchasing land that requires plots to be built to the new standards.</p> <p>Physical risks: These risks and their potential financial impact are regularly reviewed and the current cost assessment, which takes account of input from independent experts, will be refined as relevant industry standard pricing emerges over the next couple of years. Given the uncertainty of when and how these risks will materialise there is no provisioning for their cost in our financial statements, but we do use these insights to stress test our current supply chain and potential new methods of construction, as well as using them to re-affirm our commitment to our carbon reduction targets.</p>	<p>A transition plan will be published on our website in 2024.</p>	<p>Principle risk see page 64.</p> <p>Carbon action plan (scope 1 and 2) see our website.</p> <p>Our roadmap to zero carbon homes can be read on page 40.</p> <p>Net zero (regulated) energy home case study on page 39.</p>
	<p>Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>SCENARIO ANALYSIS</p> <p>We stress tested the resilience of our strategy under the following scenarios:</p> <ul style="list-style-type: none"> • 'Low carbon world' - keeping global warming to 1.5°C -2°C in line with RCP2.6 / SSP1-1.9 & 2.6 • 'Hothouse world' / climate breakdown where global warming exceeds 4°C in line with RCP8.5 / SSP5-8.5 	

TCFD RECOMMENDATION	OUR DISCLOSURE	PRIORITIES FOR 2024	
RISK MANAGEMENT			
Describe the processes for identifying and assessing climate-related risks.	The Board oversees risk management and determines the Group's overall risk profile and appetite for risk, including sustainability and climate change risk, in achieving its strategy. This includes an assessment of the Group's emerging and principal risks. The Risk Oversight Committee supports the Board in the management of risk and reports to the Board on its assessment of the effectiveness of the Group's risk management and internal control processes during the year. The day-to-day management of risk is delegated to the our regional and divisional teams, with the risk oversight committee providing independent assessment and consolidation for the co-ordination of the Group's risk management efforts.	Continue to review risk.	Further details of specific climate change risk exposure levels have been outlined on page 64.
Describe the processes for managing climate-related risks.	As part of its annual strategic review the Board considers the Group's five-year financial plan, the core assumptions underpinning this plan and how the current economic, regulatory and sustainability environment may impact this plan. The climate change impacts in relation to the plan are those related to pricing the cost of climate change.	Continue to review risk.	Our risk management process is explained on page 60.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.	Climate risks were identified through workshops with Group representation, facilitated by external consultants WTW. Risks were then assessed using the Group enterprise risk model.	Continue to review risk.	Detail can be read under our ESG principle risk on page 64 for how the outcomes are integrated into overall risk management.
METRICS AND TARGETS			
Disclose the metrics used to assess climate-related risks and opportunities in line with strategy and risk management process.	These were updated following a double materiality assessment and are included in our updated sustainability strategy.	Regional board reports will be issued showing performance against climate change metrics.	These metrics can be read on page 38.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Our Scope 1, 2 and 3 GHG emissions and historical data is set out on page 38.	Complete a reivew of data assurance scope to ensure it is fit for purpose.	Our basis of reporting document can be read on page 38.
Describe the targets used to manage climate-related risks and opportunities and performance against targets.	Our targets are included in our sustainability strategy. These include reducing carbon emissions in line with SBTi targets, improving water and energy efficiency of our homes and increasing the capacity of timber frame factories. Our carbon reduction targets have been approved by the SBTi and select carbon emissions data has achieved limited assurance.	Regional board reports will be issued showing performance against climate change metrics.	Carbon reduction targets on page 38. Independent assurance scope on page 37.

CLIMATE CHANGE RISK AND OPPORTUNITIES:

TRANSITION CATEGORY	RISK	DESCRIPTION	RISK RATING (AFTER MITIGATIONS)*			
			2025		2030	
			IMPACT	LIKELIHOOD	IMPACT	LIKELIHOOD
POLICY AND LEGAL	PRICING OF GHG EMISSIONS	Carbon pricing resulting in increased direct operating costs.	1	5	1	5
	ENHANCED EMISSIONS AND CLIMATE RELATED REPORTING OBLIGATIONS	Additional emissions-related reporting requirements coming into effect resulting in increased spending on emissions-reporting in the upcoming years.	1	5	1	5
	CLIMATE CHANGE LITIGATION	Climate-related litigation claims brought by investors, insurers, shareholders, and public interest organisations resulting in claims payout.	1	1	1	2
	INCREASINGLY STRINGENT PLANNING AND DESIGN REQUIREMENTS	Increase in the stringency of building planning and design requirements resulting in increased development costs.	1	5	2	4
TECHNOLOGY	SKILLS SHORTAGES IMPACTING ABILITY TO INSTALL LOW CARBON TECHNOLOGY	Desire for skilled workers to comply with planning requirements and sustainability targets resulting in shortfall in supply of suitably qualified professionals.	U	5	U	3
MARKET	INCREASED COST OF RAW MATERIALS	Development costs from suppliers passed on to Vistry resulting in increased operating costs (e.g. steel and cement).	3	3	3	4
	COST OF CAPITAL	Credit ratings agencies incorporate further climate and emissions-related criteria into ratings, thus causing increased/ decreased cost and availability of capital.	N/A	N/A	1	3
	EMISSIONS OFFSETS	Demand for carbon credits increased resulting in higher prices.	N/A	N/A	1	3
REPUTATION	INVESTMENT	Failure to meet publicly stated sustainability goals, and failure to meet disclosure requirement could result in damage to the business' revenue and investment streams.	4	2	4	2
	STAKEHOLDER	Increased public awareness means there is a risk of loss of income (due to lower demand) if Vistry fails to meet stated climate targets or is linked to unsustainable practices.	2	2	4	2
	EMPLOYEE	Failure to deliver on targets or effectively incorporate climate change considerations into decisions resulting in difficulty to attract and retain the best talent.	U	1	U	1

5 – ALMOST CERTAIN 4 – LIKELY 3 – POSSIBLE 2 – UNLIKELY 1 – RARE U – UNQUANTIFIABLE N/A

2023 HIGHLIGHTS

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

	CURRENT RISK	2030-2050 1.5°C GLOBAL WARMING (RCP2.6)	2030-2050 4°C GLOBAL WARMING (RCP8.5)	MITIGATIONS	
PHYSICAL	PHYSICAL RISKS: Heat stress, Flooding, Drought, Wind storm, Subsidence.	Moderate* risk from windstorm.	Moderate* risk from flooding, windstorm and subsidence.	Moderate* risk from heat stress, drought, wind storm and high risk from subsidence and flooding.	Land viability assessment, building regulations/industry standards and process and procedure help to mitigate the risks.

*Physical assets are considered exposed if they are located in an area where a climate hazard may occur. The degree of exposure is defined by the severity / intensity of that hazard. The financial value exposed is the full asset value located in an area of material climate hazard intensity. For example, if an asset has a very high flood exposure, this means that the asset location is in an area which could flood. The intensity in this case is represented by the probability (or return period) of that flood, which in the case of 'very high', means 10% probability in 10 years. Although this is equivalent to 100-year likelihood or 'return period', the flooding could happen any time.

The intensity measures differ for different hazards but, if an exposure is moderate or above (score of 3 or above), it means that there could be a material impact if no mitigation is taken. It should be noted that these risks are based on a global scale and that for the UK in particular for chronic hazards such as heat-stress (heatwaves), even an increase from a very low to a low (increase from score 1 to 2 & above), might have wider implications to properties and infrastructure. Therefore, a model sensitivity analysis to stress test these changes has also been included in our assessment for the high carbon emission RCP8.5-SSP5 scenario.

TRANSITION CATEGORY	OPPORTUNITY	DESCRIPTION	OPPORTUNITY RATING (AFTER MITIGATIONS)*			
			2025		2030	
			IMPACT	LIKELIHOOD	IMPACT	LIKELIHOOD
TECHNOLOGY & MARKET	USE OF MORE EFFICIENT TECHNOLOGY	Transition to lower emissions technology resulting in potential for operational savings in the form of more energy efficient processes.	1	5	1	5
	CHANGE IN CUSTOMER DEMANDS	Business delivering on its commitments to low carbon homes resulting in increased demand.	4	5	4	3
REPUTATION	INVESTMENT	Ability to meet publicly stated sustainability goals, and disclosure requirements, resulting in improvements to the business' revenue and investment streams.	1	3	1	4
	EMPLOYEE	Perceived good performance around sustainability resulting in better ability to attract and retain the best talent.	2	1	2	1

5 - ALMOST CERTAIN	4 - LIKELY	3 - POSSIBLE	2 - UNLIKELY	1 - RARE
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RISK RATING SCALES

RATING	IMPACT	DESCRIPTION	FINANCIAL IMPACT
5	INTOLERABLE	Revenue loss of in excess of 10% of revenue Financial loss is unacceptable to management and/or can be recovered in the long term (over 3 years)	> GBP 400m
4	MAJOR	Revenue loss of in excess of 5% of revenue Financial loss is major and/or can be recovered in the medium term (over 3 years)	> GBP 200m
3	SIGNIFICANT	Revenue loss of at least 2.5% but less than 5% of revenue Financial loss is moderate and/or can be recovered in 1 year	GBP 100m- 200m
2	MODERATE	Revenue loss of in excess of 1% but less than 2.5% of revenue	GBP 40m-100m
1	MINOR	Revenue loss of in less of 1% of revenue	< GBP 40m

RATING	LIKELIHOOD	DESCRIPTION	FREQUENCY
5	ALMOST CERTAIN	Is expected to occur this year	>80%
4	LIKELY	Will probably occur 1 or more times each year	60%-80%
3	POSSIBLE	Might occur 1-5 years	30%-60%
2	UNLIKELY	Possibly every 5-10 years	10%-30%
1	RARE	Extraordinary event less than every 10 years	< 10%

*Mitigations are explained on page 64.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In accordance with Section 414CA and 414CB of the Companies Act 2006, the information below is provided to help our stakeholders understand our position in relation to key non-financial and sustainability matters. Further detail is provided below, including information on policy implementation and outcomes and such information is incorporated into this statement by cross-reference.

KEY MATTERS						
EMPLOYEES	SOCIAL AND COMMUNITY	HUMAN RIGHTS	ANTI-CORRUPTION & ANTI-BRIBERY	ENVIRONMENTAL & SUSTAINABILITY/ CLIMATE RELATED FINANCIAL DISCLOSURES	NON-FINANCIAL KPIs	OUR BUSINESS MODEL
RELEVANT POLICIES						
5 7 10 11 12	6 8 11	4 7 11 13 14	1 2 3 11 12	8 9 6		1 - 14
WHERE TO FIND MORE INFORMATION IN THIS REPORT TO SUPPORT THESE DISCLOSURES						
71 Purpose, values and culture	18 Our strategy and business model	71 Purpose, values and culture	37 Ethics	35 Sustainability report	22 Quality scores	18 Our business model
88 Stakeholder engagement	71 Purpose, values and culture	37 Modern slavery		51 TCFD (including requirement A to H of s414CA)	23 Number of new homes completed	
115 Remuneration report	51 TCFD			38 GHG emissions	22 Employee satisfaction and turnover	
43 Our people	40 Social impact			38 Net zero targets	23 Health & Safety	
23 & 46 Health and Safety	90 Stakeholder engagement				23 GHG emissions	
					23 Non-hazardous waste	
PRINCIPAL RISKS ASSOCIATED WITH THE KEY MATTERS CAN BE FOUND ON PAGES 61 TO 67						
1 5 7 12	6 9 10 12	7 12	7	6 10 12		

*Policies may be found at www.vistrygroup.co.uk/sustainable-approach/policies-and-publications

RELEVANT POLICIES

- Anti-bribery and corruption policy:** Our approach to the prevention of bribery and corruption from taking place and the reporting of any such events and their rigorous investigation.
- Anti-fraud policy:** Our procedures in place reduce the likelihood of fraud and we are committed to the prevention, detection, investigation and reporting of any fraud.
- Anti-money laundering policy:** We have procedures in place designed to prevent money laundering from taking place and are committed to the prevention, detection and reporting of any such events.
- Anti-slavery & human trafficking policy:** We are committed to acting ethically and with integrity in all our business dealings and relationships to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.
- Business continuity policy:** Our approach to minimising the impact of serious disruption to our operations, protecting the assets, strength and reputation of the business and safeguarding the well being of employees and others in contact with our operations.
- Climate change policy:** Our approach to mitigating climate change risks associated with the homes and communities we build, whilst at the same time reducing the greenhouse gas emissions associated with our operations.
- Diversity & Inclusion policy:** We are committed to build and maintain an inclusive culture and diverse workforce, which we believe to be essential to the long-term success of the business.
- Environment policy:** Our approach to managing our environmental performance to optimise the impact of our business processes on the natural environment and the community at large.
- Sustainability policy:** We recognise that our operations and supply chain impact the environment and we are committed to minimising this through our systems, which aim to prevent pollution, enhance biodiversity, reduce waste and promote efficient use of energy, water and resources.
- Health, safety and welfare policy:** We strive to effectively manage the health, safety and welfare of our employees, workplaces and others affected by our operations.
- Speak up policy:** We operate processes to encourage employees to speak up about suspected wrongdoing.
- Ethical code of conduct policy:** We are committed to high ethical and moral standards and have created a responsibility framework to deliver our standards and appropriate behaviours.
- Privacy policy:** Our approach to protecting the privacy of all our stakeholders including how we use, collect and store personal data.
- Vulnerable customer policy:** Our approach to ensure that we consider any reasonable steps that may be taken to ensure that all customers are treated fairly and deliver a positive outcome for the customer.

OUR PLACES

Developing sustainable new homes and communities using our expertise in brownfield delivery, regeneration and place making.



Acton Gardens, London West



Grange Park, Thurston



PLACES

We build sustainable communities

RISK MANAGEMENT

As the UK's leading mixed tenure partnership housing provider, we are proud to be delivering some of the biggest and most complicated housing projects. Working with our highly valued partners, we face a range of risks and uncertainties that could impact the vital role we have in addressing the country's need for affordable housing. Therefore, our culture and day-to-day management of risk is integral in everything we do.

RISK GOVERNANCE AND RESPONSIBILITY

On behalf of the Board, the Audit Committee provides oversight of both our risk management framework and internal controls monitoring. This includes final assessment of our principal, emerging and watchlist risks and the level to which further review and attention is required to ensure the process supports and protects our Group strategy and partnership operating model.

The ELT is accountable for identifying, evaluating and managing principal risks through the Risk Oversight Committee (the RO Committee). The RO Committee is made up of representatives from all parts of the Group and on a rotational basis, Non-Executive Directors, alongside the external auditor are invited to participate so there is appropriate transparency and challenge during the meeting and assessment process.

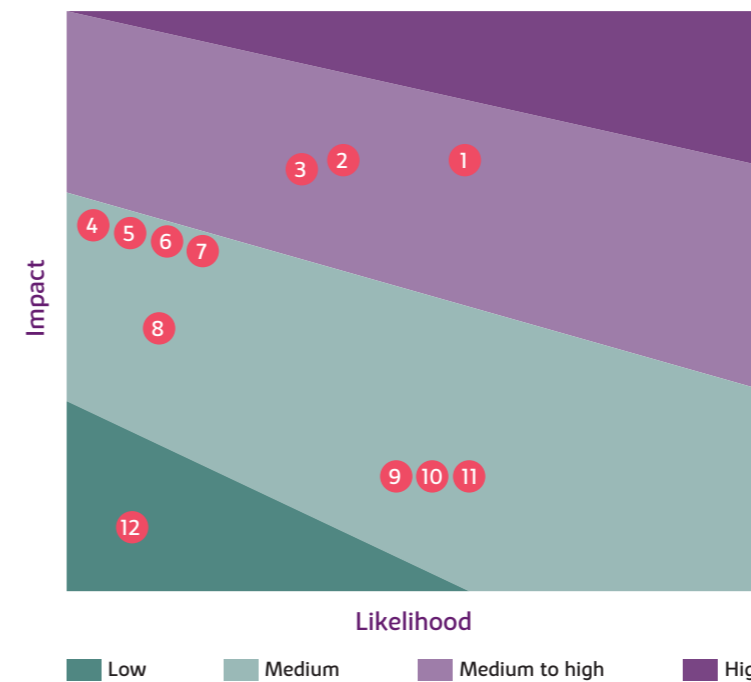
Oversight of our specific operational programme-based risks is delegated to each of our regional businesses and is the responsibility of the respective management team, supported by our divisional leadership team. There are clear reporting and escalation requirements so that material operational risks are flagged and themes can be evaluated quickly by our Group team.

Similarly, manufacturing risks from within Vistry Works are managed by the three Vistry Works factory Managing Directors with similar reporting and escalation requirements to that of regional businesses.

MANAGING OUR RISKS

Our principal risks are identified and managed through a bottom-up and top-down approach that covers the entirety of the Group.

HEAT MAP



Principal risk	Type
1 Economic and sales environment	F
2 Supply chain	O
3 Land and planning	O, F
4 Project delivery and contractual exposure	O, F
5 Change Management	O, F, R
6 ESG	ESG
7 People and talent	F, R, O, ESG
8 Liquidity and funding	F
9 Customer service	R, O
10 Legislation and building safety	F, R, O, ESG
11 Technology resilience and future change	SHE
12 Safety, health and environment	SHE

Risk type: financial (F), reputational (R), operational (O), safety, health and environment (SHE) and ESG (ESG)

This approach to risk management ensures we capture risk quickly to identify anything material impacting the potential success of our programmes, factories, major and special projects across our regional businesses and wider operations. To do this we use common systems and practices with a clear methodology and rules for escalation, supported by our six divisional chairs who maintain regional engagement and scrutinise operational performance. Vistry Group continues to ensure that the reporting of risk is aligned to our culture of 'Speak Up', ensuring there is an additional safeguard for our people to report concerns, should our systems fail in capturing present known threats. Throughout the year, there is regular communication setting out how our people and stakeholders can report risk, supported by both the ELT and the Audit Committee.

RISK CONTEXT AND STRATEGY CHANGE

Establishing the context and having a clear understanding of the environment in which we operate is critical. The impact of each principal risk on the Group is considered across a number of different categories including financial, reputational, operational, health & safety, environment and ESG. Each principal risk is then allocated a risk appetite rating which reflects the amount of risk the Group is prepared to accept to achieve its strategic objectives. This approach helps us better understand how we should treat the risk most effectively and to provide the right level of oversight and assurance. Executive risk owners are then accountable for confirming adequate controls are operating, and that strategies are in place to bring the risk within acceptable tolerance levels.

We assess the movement of risks through the RO Committee, and the Internal Audit & Risk team manage this process and undertake in-depth reviews through the internal audit plan in response to any movements or concerns.

To support the transition to our new strategy, during Q4 2023, the RO Committee convened to reassess all of our principal risks and to review new threats that may now need to be considered, alongside how our risk appetite for each risk may have changed.

This review considered not just whether the risk would have more or less of an impact upon our Group, but also whether there were any immediate threats as part of the transition that required urgent attention. Overall, the Committee were satisfied there is sufficient understanding of the risks and the profile of threats associated to our new strategy, with dedicated groups being formed to further review risks as we move through 2024. This will enable us to identify and respond quickly should new potential risks emerge.


OVERALL ASSESSMENT

The Board is therefore satisfied with the assessment of the Group's principal, emerging and strategic change risks. Risk profiles are within tolerance and there is deemed to be sufficient monitoring and ongoing mitigation to effectively track and manage these risks going forward as set out below. Due to the changing internal and external environment, continued reassessment will take place to ensure processes, controls and management attention adapt in line with these risks as they evolve.



OUR PRINCIPAL RISKS

Below, listed in order of priority are the principal risks that could impact the Group's performance and strategy, together with an overview of the steps we are taking to manage and mitigate such risks

 For further information about our strategy: See pages 18 to 23.

 For further information about our strategy: vistrygroup.co.uk/strategy.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>1. ECONOMIC AND SALES ENVIRONMENT</p> <p>A failure to anticipate and respond to any UK economic decline brought about by uncertainty, loss of consumer confidence, higher interest rates and increasing unemployment, leading to decreased affordability, reduced demand for housing and falling house prices.</p> <p>Risk owner: Chief Operating Officer / CEO Partnerships</p> 	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Whilst our partners continue to invest in affordable housing, we are mindful of any restriction to available capital or reluctance to invest until market certainty returns. Whilst there has been an adverse effect on consumer confidence and demand for new homes, our reliance is significantly reduced since the merger of our Housebuilding and Partnership businesses. We continue to monitor the value we offer to large single partner led transactions that require additional discounting to maintain volume, which could potentially stretch margin. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> The 2024 general election will have an impact on both the UK economy and the interplay with both the housing market and social housing investment. Currently, Housing Associations' planned budgets are under significant pressure and we monitor closely any reduction in overall spend going forward. 	<ul style="list-style-type: none"> Leading capability as the UK's major Partnerships business provides significant resilience to the cyclical nature of the housing market. This is underpinned by a high and sustained level of demand for affordable housing, supported by strong brands and relationships with the largest affordable housing providers. Our greater proportion of Partner Funded sales locks in an increased fixed sales revenue that is unimpacted by short-term fluctuations of market prices. Whilst there is a reduced reliance on Open Market sales, there is ongoing monitoring of lead housing market indicators, notably prospects, sales rates and price achieved, and a review at each monthly ELT meeting. Monthly forecasting processes control investment and commitment of costs, and carefully manage work in progress capital investment to mitigate against short-term economic change.
<p>2. SUPPLY CHAIN</p> <p>A failure to adequately respond to shortages or increased costs of materials and skilled labour, or the failure of a key supplier in the current economic environment, may lead to increased costs and delays in construction services.</p> <p>Risk owner: Chief Commercial Officer</p> 	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Our partnerships strategy provides a greater certainty of future work for our supply chain partners, and during 2023 negotiations with the supply chain were undertaken to realign pricing structures, providing greater certainty for Vistry and our suppliers over the immediate term. We recognise there remains pressure on availability of raw materials, with unplanned delays that continue to hinder our completion rates and build profile. Our people are placed under significant pressure, particularly at key periods during the year, whilst trying to manage customer expectations in the event of unforeseen build delays. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> A rising level of supplier insolvencies and further geo-political events could lead to unforeseen supply chain blockages and delays. 	<ul style="list-style-type: none"> Increased and regular supply chain engagement at both a regional and Group level to better understand live issues impacting supply. Development of long-term supplier and subcontractor partnerships based upon increased scale and targets have been fixed in advance, usually for a period of 12-months. Centralised sourcing of the majority of the Group's requirements from within the UK, including subcontractor materials, ensuring reduced import risks, economies of scale and improved relationships with key trades and suppliers. Regular inflation adjustments to cost to complete forecasts to help highlight and manage risks. Consideration given as to the level of cost increases that can be reflected within future sales prices or negotiated into land purchase prices.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>3. LAND AND PLANNING</p> <p>Lack of developable opportunities due to difficulties in sourcing land or obtaining planning approval. In addition, government policy changes that hinder future speed of planning or place burdensome requirements could impact our ability to achieve growth targets. A failure to bring through a sufficient pipeline of strategic and consented land could also affect future growth.</p> <p>Risk owner: Chief Operating Officer / Chief Commercial Officer</p> 	<p>NEW RISK/CHANGE IN SCOPE</p> <ul style="list-style-type: none"> The Group is now channeling investment into a Partnerships land bank to deliver growth in line with its strategy and medium-term targets, therefore the profile of this risk has changed to reflect the nature of capital light land requirements and the release of land assets from the Housebuilding division. Continued legislative changes including the Levelling Up and Regeneration Act (LURA) and updates to the National Planning Policy adds risk in terms of additional costs and processes for all developers, whilst also ensuring affordability and affordable homes are maximised within any development. We are unable to source the required land or opportunities at the rate we require to maintain our forecasted margin or match the requirements of our enlarged Partnerships business. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> The 2024 general election will have an impact on both the UK economy and the legislative landscape, alongside the priority given to both the build rate of new homes and the proportion of affordable homes. 	<ul style="list-style-type: none"> Robust land viability process and a strategic land function that enables tailor made opportunities to be realised to maximise the partner led mixed tenure approach. Monitoring of emerging legislation to inform land assessments and purchase terms. Close working relationship with partners, housing associations and public bodies to ensure we remain the developer of choice for large regeneration and social housing opportunities. Flexible operating model enabling a mix of pipeline opportunities including Partner Funded, mixed tenure or joint venture (see model on page 18).
<p>4. PROJECT DELIVERY AND CONTRACTUAL EXPOSURE</p> <p>A failure to achieve our build construction and build-cost targets leading to either a reduced margin, contractual penalties, or disputes with our partners. Also, a failure to continue or restart operations due to a major unexpected incident or event out of our control, such as a natural disaster, global pandemic or UK epidemic, or disruption to national infrastructure.</p> <p>Risk owner: Chief Operating Officer / CEO Partnerships</p> 	<p>▲ INCREASED</p> <ul style="list-style-type: none"> The restructuring has led to some geographical boundary changes with a modest loss of retained knowledge that will be recovered during the stabilisation period. A wider Partnerships model across the Group does moderately increase build volumes, however these are fully forecasted and well within current resource capacity. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> A rising level of supplier insolvencies and further geo-political events could lead to unforeseen supply chain blockages and delays. 	<ul style="list-style-type: none"> Monthly build and cost forecasting processes presented through the ELT and OLT as part of the oversight of regional performance. Our commercial and finance IT system embeds a standardised set of Group processes to ensure conformity across our build programme. Closely monitor build performance and delivery against plan including regular onsite visits from the ELT. Robust land viability process and a strategic land function that enables tailor made opportunities to be realised to maximise the partner led mixed tenure approach. A newly created ELT role dedicated to provide partnership support and business development, thereby improving core relationship and risk reduction with regard to large scale partnership transactions. A robust and complete suite of insurance protects our projects from unforeseen events, with a simulated disaster recovery practice event planned for 2024.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>5. CHANGE MANAGEMENT</p> <p>Failure to effectively deliver the required internal change to focus the majority of operations to a high growth, high return Partnerships model through the merging of our Housebuilding operations with the Partnerships business.</p> <p>Risk owner: Chief Operating Officer / Group Business Improvement Director</p> 	<p>NEW RISK/CHANGE IN SCOPE</p> <ul style="list-style-type: none"> To facilitate a standardised operating model and to drive efficiencies, further system integration and process alignment is underway. Without careful management, there is a risk of distraction, delay or reduced clarity of accountabilities and / or higher costs. Our people could be negatively impacted by our integration and alignment programme, potentially increasing the risk of fatigue or employee dissatisfaction. Retained knowledge could also be diluted or lost as a small number of roles exit the Group. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> Boundary changes between regions may unearth new issues or require a period of examination until operational performance returns to full efficiency. 	<ul style="list-style-type: none"> The Group Business Improvement Director is sponsoring new Business Improvement Groups (BIGs) that will set unified processes and standardisation across our Group to increase efficiency and support strategy execution. A change strategy approach has been agreed by the ELT and will be carefully governed and monitored by both the ELT and the Board. Ongoing risk assessment of key integration activities undertaken by Internal Audit who will provide updates and assurance to the RO Committee, ELT and Audit Committee. We operate a multi-channel approach to employee engagement ensuring employees are listened to, and kept abreast of operational, financial and strategic business matters. The channels we operate to engage with our people, listen to their views and gather their feedback are detailed on page 43.
<p>6. ESG</p> <p>A failure to actively demonstrate to our partners the already significant ESG contribution Vistry Group is making to society. This would include a failure to achieve our pathway to net zero carbon targets, a failure to promote the contribution we are making to the UK housing crisis, and a failure to meet the levels of interest and reporting requirements from Government, Investors, customers and clients.</p> <p>Risk owner: Chief Commercial Officer</p>   	<p>▲ INCREASED</p> <ul style="list-style-type: none"> Our new strategy embeds Vistry Group as the leading provider of affordable mixed tenure homes, meaning we are at the forefront of addressing the UK housing crisis. This increases the importance of meeting our targets, as well as communicating this purpose to all stakeholder groups. As a Partnerships business, maintaining our ESG credentials have become more critical in securing funding for projects supported by social housing providers, local authorities, and investors. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> The general election during 2024 could potentially impact the importance of home affordability and the prominence of ESG compliance. 	<ul style="list-style-type: none"> A new Sustainability Committee has been implemented to oversee the business' response to all matters of ESG and climate response. This includes participation of a Non-Executive Director, members of the ELT, alongside a cross-functional representation from across the business. Delivery of a refreshed sustainability strategy approved by the Sustainability Committee, including target setting and performance metrics. Progress against targets are regularly reported to the ELT and Board. Signatory to the Business Ambition for 1.5°C and have approved science-based targets. Ongoing assessment against the roadmap to deliver net-zero carbon homes and delivery of a carbon action plan to reduce Scope 1 and Scope 2 emissions. Disclosures consistent with the TCFD recommendations. See pages 51 to 57. ESG performance targets have been set within both our employee and executive bonus scheme.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>7. PEOPLE AND TALENT</p> <p>An inability to attract, develop or retain good people. In addition, a failure to understand and respond to new skills required to meet our new Partnerships strategy, or to meet the requirements of the changing pace of technology and customer expectations.</p> <p>Risk owner: General Counsel & Group Company Secretary</p> 	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Whilst there have been a small number of redundancies and changes to our operational businesses, our most recent engagement questionnaire highlighted above industry engagement, with only a small decrease to 7.6 in our engagement score. Our growth targets and further integration will impact our people and whilst these will be carefully governed with ongoing feedback, there remains a risk of fatigue or dissatisfaction with the cumulative amount of change. We will need to attract and retain sufficient numbers to ensure we deliver the planned operational growth. Executive talent management is a priority with the Board seeking to recruit up to two additional high calibre Independent Non-Executive Directors to ensure oversight of strategic matters and governance, alongside wider leadership succession planning. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> UK construction workloads on the rise whilst labour, finance and material shortages continue to create frustration for people who may consider leaving the industry. In addition, opportunities for construction workers to move overseas are becoming more common, particularly in countries with relatively low tax and high wages. 	<ul style="list-style-type: none"> Monitoring employee satisfaction through the Group Peakon survey (see page 43). Prioritised engagement and communication across priority employee issues including diversity & inclusion, sustainability and mental health and wellbeing. Measurement of key indicators, including churn, diversity and stability index, and regular reporting to the ELT and Board to ensure we are trending positively and responding to employee impacting issues. Face to face ELT roadshows across the UK were undertaken to personally explain the strategy, changes and the future of our Group, allowing all employees to ask any question through an anonymous system for full transparency. Vistry Group is accredited as a Real Living Wage employer and our response to the cost of living crisis and recent salary reviews prioritised the lower paid.
<p>8. LIQUIDITY AND FUNDING</p> <p>A failure to generate enough liquidity to manage short-term and long-term funding or investment requirements. A failure to manage liquidity requirements impacts preparedness for potential changes in economic environment and ability to take advantage of appropriate land buying or investment opportunities to help deliver improved financial performance.</p> <p>Risk owner: Chief Financial Officer</p>   	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Whilst interest rates have increased the cost of borrowing, the Group continues to generate sufficient reserves to meet covenants and working capital requirements. Following increased investment in land and working capital during 2023 we open 2024 with a net debt position. The benefits of moving to a capital light Partnerships model will lead to an improvement in our cash position, although this will be tempered in the short term by the challenging market conditions for Open Market sales. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> Potential interest rate cut and falling inflation could dampen the mortgage squeeze and allow for improved economic performance. 	<ul style="list-style-type: none"> Vistry operates a centralised treasury function which is responsible for managing liquidity, interest and cash forecasting processes. Rigorous procedures are in place to assess both cash and work in progress, with continual monitoring by the ELT. As set out as part of our scenario testing (see page 69), we have opportunities to reduce our building programming and subsequent work in progress requirements, defer land purchases or reduce overheads to respond to any reduction in available liquidity. The Board reviews the Group's capital allocation policy on a regular basis.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>9. CUSTOMER SERVICE</p> <p>A failure to deliver product quality and service standards that meet our customers' expectations (both private customers and large-scale partners) or fall short of the standards expected from supervisory bodies.</p> <p>Risk owner: CEO Partnerships</p> 	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Quality standards remain at the heart of our business, and we are proud that the Group continues to hold 5-Star accredited builder status. There remains a risk that supply chain or build programming issues could impact our ability to undertake remedial work and/or slow the move in process. Compliance with the New Homes Quality Code (NHQC) will become a reality for the Group during 2024, increasing the number of customer check-points and required disclosure, with some associated risk should the Group fail to comply. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> New shared ownership and bulk transactions will change the way the Group services customers and the communication channels and subsequent obligations, which will require careful management. 	<ul style="list-style-type: none"> All homes built are subject to external provider building control inspections. Multi-quality inspections undertaken by build employees, sales employees, and regional directors. CRM system that puts customers in control when raising issues and communicating with customer care teams. Standardised customer journey operates across the Group together with mechanisms and controls that report key metrics and will comply with the NHCQ.
<p>10. LEGISLATION AND BUILDING SAFETY</p> <p>An inability to fulfil regulatory planning, building, environmental and technical requirements for new homes and communities.</p> <p>In addition, the threat of new unquantified liabilities from past developments becoming material.</p> <p>Risk owner: Chief Commercial Officer</p> 	<p>▲ INCREASED</p> <ul style="list-style-type: none"> Interpretation of recent Habitat Regulations is resulting in planning delays associated with nutrient neutrality, water neutrality and recreational pressure on protected sites, and further continued work is required to mitigate against future delays. In March 2023, we signed the Remediation Developer Contract with the UK Government and therefore are committed to supporting leaseholders by funding or remediating fire safety work in buildings where we have association in terms of original development. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> The 2024 general election will have an impact on both the UK economy and the legislative landscape, alongside the priority given to both the build rate of new homes and the proportion of affordable homes. The UK Competition and Markets Authority (CMA) has launched an investigation into suspected exchanges of competitively sensitive information by the housebuilding sector. 	<ul style="list-style-type: none"> Group Head of Design and Technical oversees home build standards ensuring a standardised approach to our homes where appropriate. A specialist team led a full review of all the Group's current and legacy buildings to ensure all liability has been identified. A provision has been made for the expected costs of any remedial works that may be required. Ongoing assessment continues based on the latest government position and legislative changes. A central planning and policy team supports the entirety of our Group providing support in interpreting planning and government policy legislation and coordinating responses to forthcoming change. We have a proactive approach to environment and habitat and measure performance indications in relation to diversity, environment and new gain requirements. In addition, we have existing and newly formed relationships with wildlife organisations and conservation trusts.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
<p>11. TECHNOLOGY RESILIENCE AND FUTURE CHANGE</p> <p>An inability to protect our IT estate, systems and infrastructure and people from hostile or fraudulent attacks. An inability to adapt to the pace of technological change by failing to embrace new intelligence or capability, or adapt our systems and processes to fully deliver expected improvements across our Group.</p> <p>Risk owner: Chief Financial Officer / Group Chief Information Officer</p> 	<p>NEW RISK/CHANGE IN SCOPE</p> <ul style="list-style-type: none"> The pace of change in relation to new technologies, and in particular Artificial Intelligence (AI) presents both opportunities and threats for the Group. Should we fail to safeguard our Company from malicious use of AI, or adapt our systems, processes and policies to leverage and support effective use of AI, we could fail to achieve expected benefits. The Group uses common platforms and the level of standardisation is increasing as we align systems and processes to execute the exclusive partnership strategy. Our reliance on a smaller number of company-wide IT systems could impact operations should any of these systems fail, become obsolete or be subject to a cyber attack. <p>EMERGING FACTORS:</p> <ul style="list-style-type: none"> Further unanticipated geo-political events could lead to new external cyber threats aimed at a national level or towards individual entities. 	<ul style="list-style-type: none"> Regular training, communicated and simulated phishing attacks to ensure our people remain vigilant to cyber related risk. An IT Governance Committee exists to monitor technology and behaviour and to ensure sufficient investment and continued progress in the identification and resolution of threats. Cyber insurance policy in place and a close working relationship with our corporate insurer who provides simulated scenario events to ensure we have sufficient disaster recovery processes.
<p>12. SAFETY, HEALTH AND ENVIRONMENT</p> <p>A loss of trust in the Group's ability to build communities safely and in an environmentally responsible way. Preventable accidents that harm people, communities, or the environment.</p> <p>Risk owner: General Counsel & Group Company Secretary</p> 	<p>▶ UNCHANGED</p> <ul style="list-style-type: none"> Our unified Group-wide SHE system continues to support a single set of processes across all businesses. 	<ul style="list-style-type: none"> Review and consider health and safety issues at every meeting of the Board, ELT, and Operational Leadership Team meetings. Dedicated SHE Director and team, supported by independent third-party providers undertaking site and office visits and regular audits. Best practice shared across the Group. ISO 45001, ISO14001 and ISO9001 Management Systems in place across our previous Partnerships business which will be rolled out across the entirety of the Group.

VIABILITY AND GOING CONCERN STATEMENTS

The Board has assessed the prospects of the Group and its longer-term viability, taking account of its current position and principal risks.

The assessment has been made using a period of five years commencing on 1 January 2024. The average life cycle of our developments falls within this time period and this aligns with the timeframe focused on for the annual strategic review exercise conducted within the business and reviewed by the Board. The most recent strategic review, including a five-year cash flow model, was approved by the Board in September 2023 at the time that the Group announced its intention to focus its operations fully on its Partnerships model. The early years of the financial plan are prepared in detail based on the development of our existing land bank and expected market, economic and regulatory conditions. There is inherently more uncertainty in the later years of the plan as it incorporates a higher level of assumed housing completions from owned land currently without planning or land not currently owned by the Group. Further information relating to the shorter-term cash forecasts for 2024 that has been identified during the annual budgeting cycle has been overlaid onto the five-year cash flow model.

The assessment took account of the Group's current position and the potential financial and reputational impact of the principal risks on the Group's ability to deliver its business plan. Whilst all the principal risks identified and described on pages 62 to 67 could have an impact on the Group's performance, sensitivity testing to consider the impact of a number of plausible downside scenarios on the Group's funding headroom (including financial covenants within committed bank facilities) has only been undertaken on those specific risks with the greatest potential to impact the Group's financial position. These are detailed in the table opposite.

The base case model assumes revenue growth of between 5% and 10% per annum. Gross margins and capital employed reflect the shift towards a capital light Partnerships model. Operating cash flows are driven by the timing of construction and land spend and receipts from programmed completions on schemes. The forecast assumes that surplus capital is returned to shareholders in line with the Group's stated capital allocation policy.

At 2023 year end the Group had £1,016m in committed financing facilities with well-spread maturities out to 2027, including a £500m revolving credit facility expiring in December 2026, £400m of term borrowings maturing in September 2026 and a £100m US private placement facility expiring in 2027.

The Group regards its current banking arrangements as adequate for its needs in term of flexibility and liquidity and will address the need to re-finance any of these facilities at the appropriate time. During recent re-financings of the Group, appetite from lenders has been shown to be strong and there is no known reason why any re-financing may not be possible if required. As at 31 December 2023, the Group had £511.3m drawn down under facilities. See note 20 of the financial statements for further information.

The Board considered the following key considerations in its assessment:

- The Group's strong market position and multiple brands that offer differing propositions across all housing tenures.
- The lower risk profile of the Partnerships model which will provide more resilient and less cyclic revenues.
- The Group's strong balance sheet, good cash generation capabilities and substantial funding headroom.
- Maintaining financial discipline including a clear capital allocation policy that prioritises investment in operating businesses and sustainable shareholder distributions.
- A high-quality land bank with in excess of 76,000 plots to safeguard future growth commitments.
- The assumption that, if one of the downside scenarios were to arise, the Group would adjust its strategy accordingly to preserve cash. This would include, inter alia, suspending the purchase of land, changing the build profile of existing developments and reviewing the Group's capital allocation strategy including shareholder distribution levels.

SCENARIO TESTING

The financial plan has been tested using the following scenarios to determine whether the Group could continue in operation over the five-year assessment period to December 2028:

SCENARIO	PRINCIPAL RISK MAPPING
Reduction of 10% in volume of total homes built and sold throughout the review period	<ul style="list-style-type: none"> • Economic and sales environment (Risk 1) • Land and planning (Risk 3) • Customer service (Risk 9)
Reduction of 5% in average sales price of private homes throughout the review period	<ul style="list-style-type: none"> • Economic and sales environment (Risk 1) • Land and planning (Risk 3) • Customer service (Risk 9)
Increase of 5% in build costs throughout the review period	<ul style="list-style-type: none"> • Economic and sales environment (Risk 1) • Supply chain (Risk 2) • Project delivery and contractual exposure (Risk 4) • Legislation and building safety (Risk 10)
Increases in work in progress 10% higher throughout the period	<ul style="list-style-type: none"> • Change management (Risk 5) • People and talent (Risk 7) • Liquidity and funding (Risk 8)
A 500bps increase in sterling overnight index average base interest rates	<ul style="list-style-type: none"> • Economic and sales environment (Risk 1)
Severe downside case	<ul style="list-style-type: none"> • All of the above

There are no individual scenarios which are considered to materially impact the Group's viability, and our assessment included modelling the financial impact on the financial plan of the severe downside scenario where the impact of a reasonably plausible combination of the risks was applied in aggregate.

In the event of this severe collection of scenarios occurring, there is still a reasonable expectation that the Group will be able to continue in operation and meet its liabilities provided that mitigating actions were taken. The Board considered a range of potential mitigating actions that may be available. These primarily include overhead reductions, a reduction in uncommitted land investment and a reduction in the level of shareholder distributions. These are considered achievable and have been borne out in practice in previous years when needed.

VIABILITY STATEMENT

Based on the results of this analysis, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, meet its liabilities as they fall due, maintain sufficient available cash across the five-year assessment period to 31 December 2028 and stay within any required banking covenants to ensure the continued availability of committed financing facilities. For the purposes of testing viability, it is assumed that equivalent facilities are available past existing maturity dates and throughout the period included in the review.

GOING CONCERN

The Board considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation paragraph in note 1.4 of the financial statements. In forming this view, the Board reviewed a cash flow forecast using two scenarios – a likely base case and a severe but plausible downside scenario. In the severe but plausible downside scenario the same assumptions were made around volumes and sales pricing as per the viability assessment. In each of these scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the facilities available to the Group. In each of these scenarios the Group was also forecast to be in compliance with the required covenants on the aforementioned borrowing facilities.

The Strategic report outlined on pages 2 to 69 was approved by the Board and have been signed on its behalf by the Chief Financial Officer.

By Order of the Board

TIM LAWLOR
Chief Financial Officer

14 March 2024

GOVERNANCE REPORT

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CHAIR'S GOVERNANCE LETTER TO SHAREHOLDERS

"Our strong approach to governance based on our purpose, values and culture ensures that decision making processes throughout the Group and at the Board are robust, and decisions are made in the right way."



RALPH FINDLAY OBE
Chair

DEAR SHAREHOLDER

I am pleased to introduce you to some key highlights of the Group's governance for the year ending 2023. It has been a year of significant change for the Group during which it has integrated Countryside and announced a strategy update to fully focus on the Partnerships model whilst delivering a robust financial performance.

The corporate governance section of this Annual Report and Accounts explains the governance structures that are in place, details how the Board operates to support the Group's long-term sustainable success and our plans to continue to enhance our governance processes.

STRONG GOVERNANCE: PURPOSE, VALUES AND CULTURE

Earning trust, doing the right thing and acting with integrity, underpins our ability to deliver long-term sustainable value for all of our stakeholders.

The Board approved a refreshed purpose during the year to reflect the new focus of the Group as a responsible developer and sets the tone for the culture we strive for here at Vistry. We have a clear purpose with a set of values that reflect the culture we aspire to. We discuss more on how we embed these throughout the Group in the Sustainability report on page 43.

The Board assesses and monitors the Group's culture through a number of channels which are described on page 82.

Our strong approach to governance based on our purpose, values and culture ensures that decision making processes throughout the Group and at the Board are robust, and decisions are made in the right way. This is achieved through effective systems and processes which enable risk based decision-making whilst striving for continuous improvement in business practices and supported by a strong internal control framework. This governance approach has enabled the Board to make agile and resilient decisions during the year against a difficult macroeconomic environment.

Further information on Board activity and decision making can be found on pages 80 to 82 and 85 to 87.

Our corporate governance statement 2023 is on page 75, where we explain how we comply with the principles and provisions of the UK Corporate Governance Code 2018 (the Code).

BOARD APPOINTMENT AND SUCCESSION PLANNING

The year ending 2023 has seen a period of transition and evolution for the Board. It was announced on 12 January 2024 that I shall step down as Chair with effect from the conclusion of the forthcoming AGM. I was appointed to the Board in April 2015 and as such, my nine-year tenure shall be completed shortly before I step down. During the year, the Nomination Committee undertook a Chair succession planning process which concluded with confirmation that Greg Fitzgerald shall succeed me as Executive Chair and CEO. Greg will ensure consistency and continuity in the execution of the revised strategy, utilising his 40 years of experience and value creation in the sector, including a successful period in a similar role as Executive Chair of Galliford Try.

There were a number of other Board changes during the year. In March 2023, Jeff Ubben was appointed as a Non-Executive Director and Nigel Keen stepped down as an Independent Non-Executive Director. In May 2023, Helen Owers and Paul Whetsell were both appointed as Independent Non-Executive Directors with Paul also appointed as Chair of the Remuneration Committee, and Ashley Steel and Katherine Innes Ker both stepped down as Independent Non-Executive Directors. In January 2024, Jeff Ubben stepped down as a Non-Executive Director and Usman Nabi was appointed to the Board as a representative of our largest shareholder Browning West. It has also been confirmed that Chris Browne will not seek re-election as a Non-Executive Director from the close of the 2024 Annual General Meeting after serving over nine years as a Director. I would like to thank all of the Directors who left the Board in 2023 for their contributions during a period of transformation of the Company.

The Board has commenced a search for an experienced Senior Independent Director who will provide additional oversight on governance matters and serve as an alternative point of communication for investors and the other NEDs. The Senior Independent Director shall also serve as Chair of the Nomination Committee, leading on Board composition and succession planning. In addition, the Board is seeking to recruit up to two additional, high calibre Independent Non-Executive Directors of the Company in due course, taking into account the evolving need for skills and the importance of diversity.

Biographical information in relation to each Director is included on pages 76 and 77.

STAKEHOLDER ENGAGEMENT

The long-term sustainable success of our business is dependent on a wide range of stakeholders and the Board and each of the Directors takes seriously their duties to consider the needs and concerns of all stakeholders in its discussions and decision-making processes.

During the year, our Board has continued its programme of engagement with stakeholders. Understanding their views is invaluable to the work that we do. In the summer of 2023, myself and Paul Whetsell, held engagement meetings with a number of our larger institutional shareholders on the proposed remuneration policy and changes to the remuneration of the CEO. Feedback from those meetings was taken into account in the proposals put to shareholders at the general meeting held on 30 August 2023 (the GM). I, and other members of the Board have also held engagement meetings with shareholders on Board succession and capital allocation. I remain available to meet with shareholders at any time prior to the forthcoming AGM.

It was agreed as part of the 2022 Board evaluation process, that more direct engagement with partners including registered providers would enhance understanding and boardroom discussion. In April 2023, Peter Denton, the Chief Executive Officer of Homes England, joined a Board meeting to outline the strategy of Homes England to accelerate the pace of house building and regeneration across the country and its ongoing relationship with the Group.

I have enjoyed engaging directly with shareholders and stakeholders during my time with the Company and give thanks to them for their co-operation during my tenure.

Further information on our stakeholders, our methods of engagement and our Board decision making can be found on pages 85 to 91 and should be read conjunction with our Section 172(l) statement on page 34.

More information on the GM can be found on our website: www.vistrygroup.co.uk/general-meetings

BOARD DIVERSITY AND INCLUSION

The Board is committed to achieving diversity and inclusion across the Group. As of 31 December 2023, the proportion of women on the Board was 33% with no senior Board member being a woman and no member of the Board from a minority ethnic background. Following the changes to the Board announced post year end, as at the date of this report, the proportion of women on the Board remains at 33% with one member of the Board from a minority ethnic background but no senior Board member being a woman. Therefore, the Board meets one of the diversity targets set out in Listing Rule 9.8.6 and shall take the diversity requirements into account during its current recruitment process for Non-Executive Directors and appointment of a Senior Independent Director.

The ability to attract, retain and develop the employees to drive and support our revised strategy is a key area of focus for the Board.

For more on Diversity within the Group see pages 45 and 46.

SUSTAINABILITY

The Board regularly monitors and oversees progress against our sustainability targets, and in February 2024, approved a refreshed Sustainability Strategy. The Sustainability Committee has enhanced the Board's oversight of climate related risks and opportunities through attendance by a Non-Executive Director. Jeff Ubben attended the Committee during the year and shall be replaced going forwards by Helen Owers.

The Sustainability report is on pages 35 to 50.

CORPORATE GOVERNANCE STATEMENT

We explain how we have complied with the provisions and the principals of the Code on page 75 and throughout the Governance Report.

A copy of the Code is available on the Financial Reporting Council's website at www.frc.org.uk

BOARD PERFORMANCE REVIEW

In accordance with good governance practice, we usually undertake an annual evaluation to ensure that the Board, its Committees and each Director performs effectively. The Code requires that such evaluation is externally facilitated at least every three years. The most recent external evaluation took place in 2020 and therefore an external evaluation was planned during 2023. It was decided to defer the external evaluation until Spring 2024 due to the evolution of the Board taking place at the end of 2023. This shall provide the newly appointed Executive Chair with the perspectives of myself and Chris Browne as outgoing Directors, along with input from those who have more recently joined.

Details of the actions taken to address recommendations resulting from the Board's internal evaluation in 2022, are set out on page 95.

ANNUAL GENERAL MEETING

Our 2024 AGM will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on Thursday 16 May 2024 at 12 noon. Further details about the AGM are provided in the Notice of AGM. Members wishing to vote should return forms of proxy to the Company's Registrar not less than 48 hours, (excluding non-working days), before the time for holding the meeting.

The Directors believe that all the resolutions to be considered at the 2024 AGM are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that all shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own shares in the Company.

OUTLOOK

I believe that your Board remains effective and continues to work very well. I and the Board are mindful that in some respects it has a considered approach to the Code and purposefully elects to 'explain' why in certain areas 'to comply' is not in the best interest of the Group or its stakeholders. This is done with care and deliberation to promote the success of the Company for the benefit of its shareholders and other stakeholders. I am pleased with the thoughtful and considered approach in this regard, and the Board will continually look for ways to learn and improve.

It has been an honour to serve as your Chair for two years through a period of transformation for the Group. I am pleased to leave the business with an excellent management team ably led by Greg and with a clear growth strategy as a responsible developer to address the country's chronic shortage of affordable housing. I would like to take this opportunity to thank all of my Board colleagues (past and present), the Executive Leadership Team (past and present) and all of our workforce across the business for their dedication, hard work and focus.

RALPH FINDLAY OBE
Chair

14 March 2024

GOVERNANCE AT A GLANCE

Maintaining strong corporate governance delivers value to all our stakeholders.

GOVERNANCE HIGHLIGHTS FROM 2023

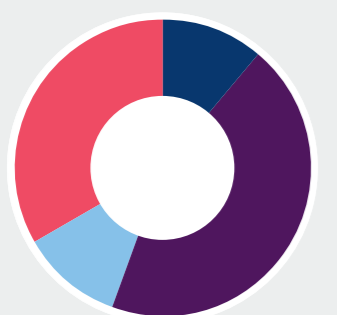
JANUARY	First trading update published following the Combination.
	Signing of Building Safety Contract.
MARCH	2022 Results published.
	A number of Board changes announced.
MAY	Appointment of two Independent Non-Executive Directors.
JUNE	Final dividend of c£110m paid to shareholders for the year ended 31 December 2022.
	Signs up to major new shared ownership scheme.
JULY	Board strategy day.
	Board approved the reopening of the Vistry Works East Midlands timber frame factory.
AUGUST	General Meeting held to approve new Remuneration Policy.
SEPTEMBER	Revised corporate strategy to focus operations fully on high return Partnerships announced.
OCTOBER	Employee roadshows held.
	Purpose refreshed.
NOVEMBER	Sage/Leaf living partnerships deal for delivery of >2,800 units.
DECEMBER	Commenced a £55m share buyback programme.

BOARD GOVERNANCE FOCUS AREAS



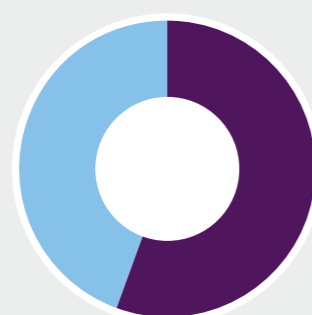
BOARD COMPOSITION AS AT 31 DECEMBER 2023

BOARD BALANCE



- Chair (independent on appointment)
- Independent Non-Executive Directors
- Non-independent Non-Executive
- Executive Directors

BOARD TENURE



- 0 - 3 Years
- > 6 Years

GENDER DIVERSITY



- Male
- Female

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement as required by the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules 7.2 (DTR 7.2), together with the rest of this Corporate Governance report and the Committee reports, forms part of the Report of the Directors (Directors' report) and has been prepared in accordance with the principles of the Financial Reporting Council's (FRC) UK Corporate Governance Code 2018 (the Code). A copy of the Code can be found on the FRC's website: www.frc.org.uk.

The Board confirms that throughout the financial year ended 31 December 2023 and as at the date of this Annual Report and Accounts, we have complied with the provisions of the Code other than where this is referenced below.

CODE APPLICATION

The table below highlights key content within the report which demonstrates the application of the principles of the Code.

CODE PROVISIONS		COMPLIANCE STATUS
BOARD LEADERSHIP AND COMPANY PURPOSE		COMPLIANT WITH PROVISIONS
Board's role	78 to 79	
Purpose, culture and strategy	82 to 84	
Resources, controls and risk profile	60 to 67	
Stakeholder engagement	85 to 91	
Workforce policies	58	
DIVISION OF RESPONSIBILITIES		PROVISION 12
Chair's role*	92	Following the resignation of Ashley Steel on 18 May 2023, there was no Senior Independent Director on the Board.
Board composition and division of responsibilities	76 to 77 and 92	
Role of Non-Executive Director and time commitment	92 and 79	
Company Secretary	92	
COMPOSITION, SUCCESSION AND EVALUATION		PROVISION 21
Appointments and succession planning	96 to 99	The Board has chosen to defer an external Board evaluation until Spring 2024.
Skills knowledge and experience	93	
Board evaluation	95	
AUDIT, RISK AND INTERNAL CONTROLS		COMPLIANT WITH PROVISIONS
Internal and external audit	100 to 108	
Fair, balanced and understandable assessment.	103	
Risk management	107	
REMUNERATION		COMPLIANT WITH PROVISIONS
Remuneration policies and practices	132 to 138	
Developing remuneration policy and pay packages	118	
Remuneration outcomes and discretion	120 and 122	

* It is acknowledged that from the AGM in May 2024, the Company shall not be compliant with Provision 9 of the Code by having the combined role of Executive Chair and CEO. Please see the Nomination Committee report for more information.

BOARD OF DIRECTORS



Key for the Committees

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Chair of Committee
- Non-Executive Director
- Executive Director
- General Counsel & Group Company Secretary

1. RALPH FINDLAY OBE Non-Executive Chair

Appointed to the Board: 7 April 2015
Committee memberships:

N

Key experience:
Ralph became Chair of the Board on 18 May 2022. He is a Chartered Accountant with extensive listed company experience. Prior to joining the Board, Ralph was Chief Executive Officer at Marston's PLC where he served 25 years, having been Finance Director and then Group Financial Controller before becoming CEO. He previously held roles with Geest PLC as Group Chief Accountant, Bass PLC as Treasury Manager and qualified and worked with Price Waterhouse as a specialist in financial services.

Ralph was awarded an OBE for services to hospitality in 2023.

What he brings to the Board:
Commercial, financial and general management experience in a consumer facing industry. Land acquisition and business growth experience.

External appointments:
Listed: Chair of C&C Group plc.

2. ROWAN BAKER Independent Non-Executive Director

Appointed to the Board: 18 May 2022
Committee memberships:

A N R

Key experience:
Rowan is a highly experienced Chief Financial Officer in construction and development. She is currently the Group Chief Financial Officer of Laing O'Rourke and was previously Chief Financial Officer of McCarthy Stone. Prior to joining McCarthy & Stone in 2012, Rowan worked in finance for Barclays Bank plc and in professional services for PwC.

Rowan has a Master's degree in Law from Cambridge University and is a qualified accountant (FCA) and chartered tax adviser.

What she brings to the Board:
Extensive experience of the construction sector and the challenges it faces to improve productivity, deliver greater certainty for clients and overcome a long-standing skills shortage.

External appointments:
Non-Listed: Laing O'Rourke PLC.

3. CHRIS BROWNE OBE Independent Non-Executive Director

Appointed to the Board: 1 September 2014
Committee memberships:

A N R

Key experience:
Chris has held a number of senior leadership positions within the aviation industry, most recently as Chief Operating Officer of easyJet PLC until June 2019 where she also served as a Non-Executive Director from January to September 2016. Chris was previously Chief Operating Officer, Aviation, of TUI Travel PLC, Managing Director of Thomson Airways and Managing Director of First Choice Airways.

Chris has a Doctorate of Science (Honorary) for Leadership in Management and was awarded an OBE in 2013 for services to aviation.

What she brings to the Board:
Commercial and general management experience in a consumer facing and highly regulated industry, plus leadership and operational skills.

External appointments:
Listed: Non-Executive Director of Kier Group plc and C&C Group plc.

Non listed: Non-Executive Director of Constellium SE (NYSE).

4. PAUL WHETSELL Independent Non-Executive Director

Appointed to the Board: 18 May 2023
Committee memberships:

A N R

Key experience:
Paul is a highly experienced Chief Executive Officer and experienced Non-Executive Director. With more than 45 years' experience in the hospitality industry, he is currently CEO of CapStar Hotel Company. Paul founded the original CapStar Hotel Company in 1987, seeing the company through its listing on the New York Stock Exchange in 1996. He has served as Chair & CEO for a number of hospitality corporations including REIT MeriStar Hospitality Corporation, MeriStar Hotels and Resorts and Interstate Hotels and Resorts, Inc. Paul was previously President & CEO of Loews Hotels & Resorts and also served on the board of NVR, Inc., one of America's largest home builders.

Paul currently serves on the board of directors as a Non-Executive Director of Boyd Gaming Corporation Inc. and Hilton Grand Vacations Inc., a leading global timeshare company. He is also the Remuneration Committee Chair for Hilton Grand Vacations and has served on the Board of Trustees of the Cystic Fibrosis Foundation where he was also a board member.

What he brings to the Board:
Experienced Non-Executive Director and Remuneration Committee Chair. Strong board and broad strategic advisory experience having served on numerous boards including a leading American homebuilder.

External appointments:
Listed: Non-Executive Director of Boyd Gaming Corporation Inc. and Hilton Grand Vacations Inc.

5. HELEN OWERS Independent Non-Executive Director

Appointed to the Board: 18 May 2023
Committee memberships:

A N R

Key experience:
Helen has extensive international operational experience from a successful career culminating in her being President of Global Businesses and Chief Development Officer for Thomson Reuters.

Helen is currently Chair of Falmouth University and was previously a Non-Executive Director of Informa plc, the FTSE 100 British publishing, business intelligence and exhibitions group where she was a member of the Nomination and Remuneration Committees and the board member responsible for employee engagement. Helen served on the board of international law firm, Gowling WLG and of PZ Cussons plc where she chaired the Remuneration Committee. In addition, Helen spent ten years as trustee and chair of International at the Eden Project.

What she brings to the Board:
Significant operational expertise and UK listed experience including remuneration.

External appointments:
Non-Listed: Chair of Falmouth University.

Directors who served during the year: Nigel Keen, Katherine Innes Ker and Dr Ashley Steel stepped down as Non-Executive Director on 23 March 2023 and 18 May 2023 respectively. Jeffrey Ubben stepped down as a Non-Executive Director on 12 January 2024.

6. USMAN NABI Non-Executive Director

Appointed to the Board: 12 January 2024
Committee memberships:

N

Key experience:
Usman is the Founder, Managing Partner and Chief Investment Officer of Browning West. Prior to founding Browning West, he was Senior Partner at H Partners Management, LLC, a New York-based investment management firm.

Usman previously held roles as an Analyst at Perry Capital LLC and as a Private Equity Associate at The Carlyle Group, beginning his career as an Investment Banking Analyst at Lazard Frères in the firm's mergers & acquisitions group.

Usman has extensive board and committee experience having previously served on the boards of Domino's Pizza Group plc, Tempur Sealy International Inc, and also Six Flags Entertainment Corporation. As an experienced board member, Usman has led executive search processes for both Chair and CEO positions and also served as Executive Chair at Six Flags during its emergence from bankruptcy in 2007.

Usman earned his BA. from Harvard College and his M.B.A. from Stanford University's Graduate School of Business.

What he brings to the Board:
Experienced Non-Executive Director with strong board and broad strategic advisory experience.

External appointments:
Non-Listed: Managing Partner and Chief Investment Officer of Browning West.

7. GREG FITZGERALD Chief Executive Officer

Appointed to the Board: 18 April 2017
Committee memberships: None

Key experience:
Greg was Chief Executive of Galliford Try PLC from 2005 to 2015, having previously been Managing Director of its house building division. Prior to this, he was a founder and later, Managing Director of Midas Homes, which was acquired by Galliford Try PLC in 1997. As Chief Executive, he transformed Galliford Try PLC from a building contractor into a well-respected house building and construction business, which included the acquisition of Linden Homes in 2007.

Greg was Executive Chair of Galliford Try PLC before becoming Non-Executive Chair. In addition, he served as Non-Executive Director of the National House Building Council.

What he brings to the Board:
Leadership and strategic focus in the house building and construction industry, business growth and value creation.

External appointments:
Non-listed: Chair of Ardent Hire Solutions Limited and Baker Estates Limited.

8. EARL SIBLEY Chief Operating Officer

Appointed to the Board: 16 April 2015
Committee memberships: None.

Key experience:
Earl was previously Vistry Group CFO and became COO on 11 November 2022. Earl re-joined the Company as Group Finance Director in April 2015 having previously worked as Group Financial Controller from 2006 to 2008. Prior to re-joining the Company, Earl held a number of senior finance and operational positions with Barratt Developments PLC over a period of five years and prior to this, worked for Ernst & Young.

Earl is Chair of the Vistry Operational Leadership Team and Vistry Sustainability Committee.

What he brings to the Board:
Leadership, strategic focus, financial and accounting expertise.

External appointments:
None.

9. TIM LAWLOR Chief Financial Officer

Appointed to the Board: 11 November 2022
Committee memberships: None

Key experience:
Tim joined the Group as part of the acquisition of Countryside Partnerships plc in November 2022 where he served as CFO. He has strong financial and commercial expertise having served for seven years as CFO of Wincanton Plc, the largest British third party logistics company, before joining Countryside. Prior to Wincanton Plc, Tim held a number of senior group, divisional and international finance roles at large listed companies, including Serco and Sea Containers. Tim qualified as a Chartered Accountant at Deloitte where he worked for seven years based in the UK and North America.

Tim is responsible for setting the financial strategy and policy of the Group and covers all areas of finance, treasury, investor relation and IT. He holds an MA in Economics from Cambridge University.

What he brings to the Board:
Leadership, strategic focus, extensive corporate and commercial experience, financial and accounting expertise.

External appointments:
None

10. CLARE BATES General Counsel & Group Company Secretary

Appointed to the Board: 4 May 2021
Committee memberships: Secretary to the Board and Board Committees.

Key experience:
Clare is a qualified solicitor with over 20 years' experience. She joined the Group in May 2021 and was previously Deputy General Counsel and Company Secretary at ConvaTec Group Plc from its listing in 2016 to 2021. Prior to ConvaTec, Clare held increasingly senior legal roles at listed businesses after leaving private practice in 2007.

What she brings to the Board:
Governance, regulation, compliance and corporate legal expertise.

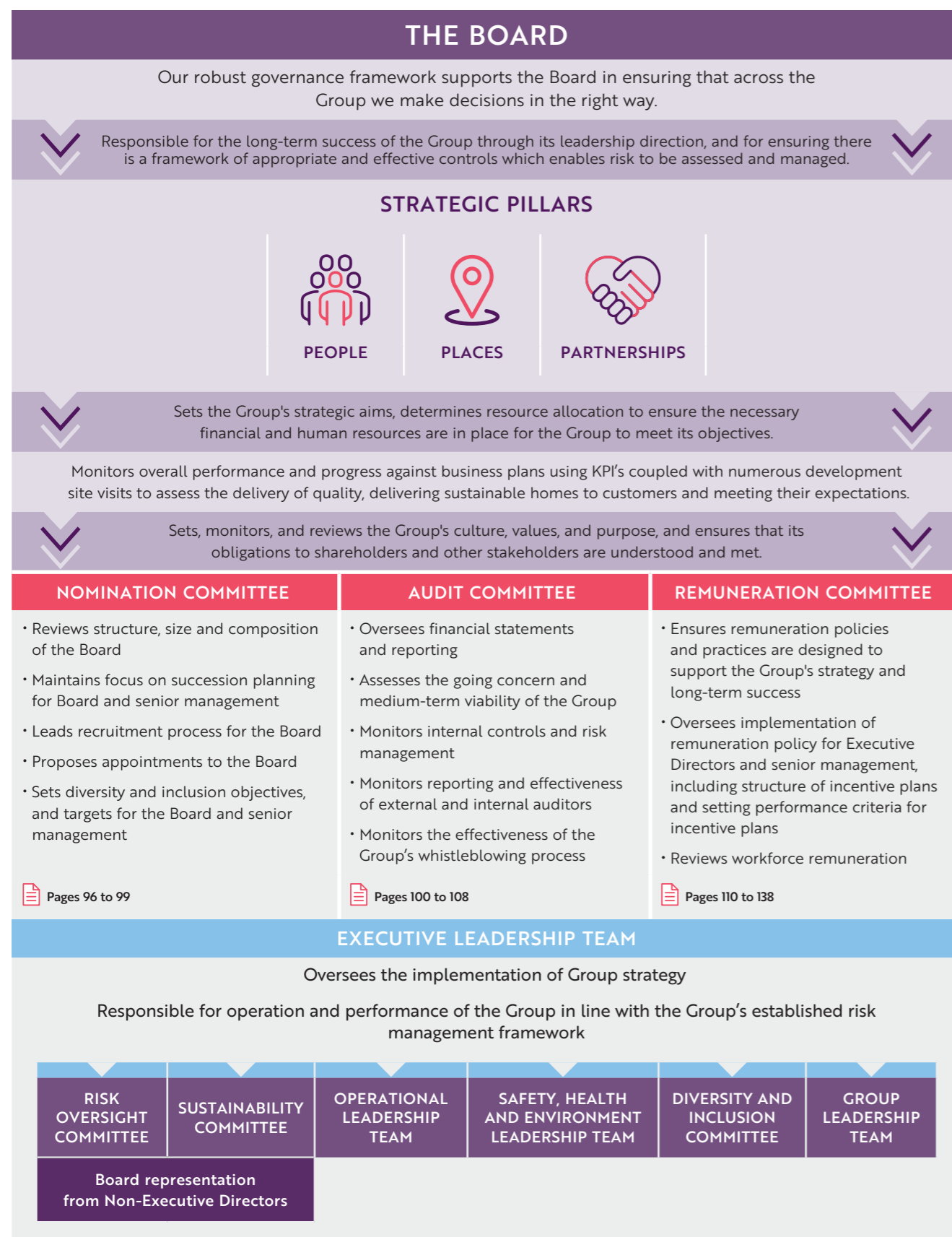
BOARD LEADERSHIP AND COMPANY PURPOSE

THE BOARD AND ITS COMMITTEES

At the date of this Annual Report and Accounts, the Board consisted of nine Directors, namely: the Chair, three Executive Directors, four Independent Non-Executive Directors and one Non-Executive Director. The role of the Independent Non-Executive Directors is to offer advice, guidance and constructive challenge to the Executive Directors, using their wide experience gained in business and from their diverse backgrounds.

Relevant biographical information for each Director is set out on pages 76 and 77.

OUR GOVERNANCE FRAMEWORK



The Board has a schedule of matters reserved for its decision, which is reviewed and approved on an annual basis. This schedule dovetails with a formal structure of delegation of authority which operates across the Group's activities and down through the governance structure. A copy is available at www.vistrygroup.co.uk/investor-centre.

The delegations of authority are reviewed on an annual basis to ensure that they provide appropriate controls and are understood by those responsible for their effective operations.

The principal activities undertaken during the year by the Nomination, Audit and Remuneration Committees are set out in their respective reports in this Annual Report and Accounts. The paragraphs under the heading 'Directors Remuneration Report' on pages 110 to 138 are incorporated by reference into this Corporate Governance report.

For more on Board effectiveness see page 93.

APPOINTMENTS AND SUCCESSION

During 2023, the Nomination Committee continued to review the composition, structure and balance of skills and experience of the Board.

Details of the resultant changes to the composition of the Board that took effect during the year and are planned for 2024 are set out in the Nomination Committee report on pages 96 to 99.

DIRECTOR	ROLE	SCHEDULED MEETINGS	AD HOC MEETINGS
Ralph Findlay	Chair	7/7	3/3
Chris Browne	Independent Non-Executive Director	7/7	3/3
Rowan Baker	Independent Non-Executive Director	7/7	3/3
Helen Owers (member since 18 May 2023)	Independent Non-Executive Director	3/3	1/1
Paul Whetsell (member since 18 May 2023)	Independent Non-Executive Director	3/3	1/1
Greg Fitzgerald	CEO	7/7	3/3
Earl Sibley	COO	7/7	3/3
Tim Lawlor	CFO	7/7	3/3
Jeff Ubben (member until 12 January 2024)	Former Non-Executive Director	5/5	1/1
Nigel Keen (member until 23 March 2023)	Former Independent Non-Executive Director	1/2	1/2
Katherine Innes Ker (member until 18 May 2023)	Former Independent Non-Executive Director	3/4	2/2
Ashley Steel (member until 23 March 2023)	Former Independent Non-Executive Director and Senior Independent Director	3/4	2/2

TIME TO PROPERLY FULFIL ROLES AND RESPONSIBILITIES

Each Director has confirmed and clearly demonstrated that they have sufficient time to properly fulfil their duties including preparing for Board and Committee meetings, reading all papers associated with such meetings, attending meetings scheduled to take place in 2023 and spending separate time with management.

BOARD MEETINGS AND ATTENDANCE

During the year, the Board convened on six occasions including four meetings arranged in addition to the scheduled meetings. The attendance at Board meetings is set out in the following table. The Board has adopted a hybrid model of physical and virtual meetings, with four scheduled meetings in person and two scheduled meetings held virtually. All additional meetings were held virtually.

For 2024 onwards, the Board has agreed a revised calendar of five meetings scheduled each year with additional meetings called as and when necessary to address specific issues that may arise.

In addition, and in accordance with the Code, the Chair and the Senior Independent Director, independently of each other, held meetings at least annually with the Independent Non-Executive Directors without the Executive Directors present. All Directors, other than Ashley Steel, Katherine Innes Ker and Jeff Ubben, attended the Annual General Meeting in May 2023 (the AGM).

The Company Secretary attended all Board meetings. External advisors also attended meetings where independent guidance and expertise was required to facilitate the Board in carrying out its duties. Senior Executives below Board level, including members of the ELT, also attended relevant parts of meetings to make presentations and provide their input on a range of topics.

BOARD FOCUS AND PRINCIPAL MATTERS CONSIDERED IN 2023

The following table summarises the principal matters considered by the Board during 2023, the related Board activity and the link to the Group's strategic pillars. As part of the business of each Board meeting, the CEO submits a progress report on the Group's performance, business developments, risks and their mitigation and a

report from the COO on operational performance and Group functions. At each meeting, the Board receives a report from the CFO providing updates on financial progress and forecasted performance. The Board also receives reports from internal and external speakers on topics relevant to the business and the environment it operates in.

AREAS OF FOCUS	ACTIVITIES	LINK TO STRATEGIC PILLARS	PRINCIPAL RISKS
STRATEGY <ul style="list-style-type: none"> Overseeing the Group's strategy, approving any material changes and monitoring its delivery. Approving any major capital project, corporate action or investment by the Group including investment in land, joint ventures and development arrangements. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Following a strategic review, the Board agreed an evolution in strategy, with the Group to focus its operations fully on its successful high return, capital light partnerships model. See pages 18 to 23 for further information. Oversaw integration activities following the Combination and strategy change including reorganisations, process and systems alignment. Capital allocation policy approved, targeting £1bn capital distribution through to and including year ending 31 December 2026 and elimination of net debt. See pages 28 and 29 for further information. Confirmed re-opening of Vistry Works East Midlands to support the growth of in house timber frame manufacture. Approved the Company's refreshed Purpose. Approved a number of major investments in land, joint ventures and development arrangements. 		5
LEADERSHIP <ul style="list-style-type: none"> Changing the structure, size and composition of the Board following recommendations from the Nomination Committee. Making appointments to the Board, following recommendations from the Nomination Committee. Reviewing the performance of the Board and its Committees, individual Directors and the Group's overall corporate governance framework. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Approved the appointment of Jeffrey Ubben in March 2023 as a Non-Executive Director. Noted the resignations of Nigel Keen, Ashley Steel and Katherine Innes Ker in March 2023 and May 2023 respectively. Approved the appointment of Paul Whetsell in May 2023 as an Independent Non-Executive Director and Chair of the Remuneration Committee. Approved the appointment of Helen Owers in May 2023 as an Independent Non-Executive Director. Reviewed progress against the action plan arising from the 2022 Board evaluation and agreed to delay the external Board evaluation to 2024 pending Board changes. Undertook Chair succession planning process culminating in the approving the succession of Greg Fitzgerald as Executive Chair to take effect at close of 2024 AGM where Ralph Findlay shall step down. 		7

OUR STAKEHOLDERS



OUR STRATEGIC PILLARS



AREAS OF FOCUS	ACTIVITIES	LINK TO STRATEGIC PILLARS	PRINCIPAL RISKS
BUSINESS PLAN AND PERFORMANCE <ul style="list-style-type: none"> Approving annual budget and business plan and regularly reviewing actual performance and latest forecasts against the budget and business plan, including proposed actions by management to address performance issues. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Approved 2023 budget and business plan. Received reports on supply chain challenges and steps being taken by management to manage and mitigate the issues and risks. Received reports on the integration of the Combination and plans for alignment of systems, processes and internal controls. Approved the extension of the external debt facilities. Reviewed the progress of implementation of synergies arising from the Combination. 		1 3 4
FINANCIAL REPORTING <ul style="list-style-type: none"> Approving final and interim results, trading updates, the Annual Report and the release of price sensitive information. Approving the capital allocation policy, determination of any interim distribution and the recommendation (subject to the approval of shareholders in general meeting as required) of any final distribution to be paid by the Company or any other distributions by the Company or purchase of own shares. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Approved viability and going concern statements. Approved final results announcement. Approved Annual Report and Notice of AGM. Recommended a final dividend for shareholder approval in respect of the year ended 31 December 2022. Approved the share buyback programme taking into account stakeholder perspectives. Approved interim results announcement. Approved trading updates in January, May, July and October 2023. 		8
RISK <ul style="list-style-type: none"> Ensuring the Group has effective systems of internal control and risk management in place including approving the Group's risk appetite. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Reviewed the effectiveness of the Group's risk management and internal control systems. Reviewed and approved the Group's risk appetite statement and concluded that the Group had operated within the Group's risk appetite throughout the year. Reviewed the Group's principal risks and uncertainties. Reviewed reports on improvement to internal control framework to align with expected changes to the Corporate Governance Code. Received reports from the Risk Oversight Committee on the process for the management of risks and their associated mitigation plans, and the identification of emerging risks. <p>See pages 60 to 67 for further information on Risk Management.</p>		1 2 3 4 5 6 7 8 9 10 11 12

PRINCIPAL RISKS

- | | | | |
|---|--|--------------------------------|---|
| 1 Economic and sales environment | 4 Project delivery and contractual exposure | 7 People and talent | 10 Legislation and building safety |
| 2 Supply chain | 5 Change Management | 8 Liquidity and funding | 11 Technology resilience and future change |
| 3 Land and planning | 6 ESG | 9 Customer service | 12 Safety, health and environment |



AREAS OF FOCUS	ACTIVITIES	PRINCIPAL RISKS
STAKEHOLDER ENGAGEMENT <ul style="list-style-type: none"> Considering the balance of interests between the Group's stakeholders. Meeting with stakeholders to receive and consider their views. Receiving and considering the views of the Group's shareholders. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Considered investor feedback on 2022 full-year results and 2023 interim results. Received monthly reports on shareholder base and briefings from corporate advisors and independent analysts for capital market perspectives. Met with Peter Denton, CEO of Homes England. Considered shareholder feedback on the changes to the Remuneration Policy. Considered feedback from Peakon employee engagement surveys undertaken during the year and management's action plans to address the feedback. Received reports on employee feedback from the Employee Forum. Received regular reports on engagement with the HBF, government departments and Homes England. <p>See pages 88 to 91 for further information on Stakeholder Engagement.</p>	<p>2 6 9</p>
SUSTAINABILITY <ul style="list-style-type: none"> Overseeing the Group's Sustainability Strategy. Reviewing the Group's Sustainability Strategy and its implementation. <p>Stakeholders considered:</p>	<ul style="list-style-type: none"> Reviewed progress against Sustainability Strategy and targets and agreed priorities for 2023. Implemented a Sustainability Committee with attendance by a Non-Executive Director <p>See pages 35 to 50 for our Sustainability report.</p>	<p>6</p>

OUR CULTURE IN ACTION – TOGETHER, WE MAKE VISTRY

integrity



Vistry partnered with Sage Homes to launch the 'Homestepper' scheme with an initial portfolio of c. 800 new homes. This shared equity product has been successful in helping open market buyers with lower income and smaller deposits afford their own home. To support the new strategy, we have entered arrangements for the pre-sale of over 2,800 units with long-term partners, Leaf Living, for the provision of private rented homes and Sage Homes for provision of affordable homes.

We reopened our East Midlands timber frame manufacturing plant. Combined with the Group's existing two factories in Warrington and Leicester, we have the capacity to deliver 5,000 new timber frame homes in FY24, increasing to c. 8,000 units for 2025 and beyond. Significantly increasing the use of timber frame construction is a key pillar of our Sustainability Strategy. There is a clear environmental benefit to using timber frame over a traditional brick and block build construction method, with the embodied carbon associated with the timber frame construction of a typical low-rise house over a 60-year life shown to be 30% lower than that from a traditionally constructed equivalent house.

We announced our new strategy to focus on partnerships to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love. Addressing the country's chronic shortage of affordable housing is at the core of Vistry being a responsible developer.

We continue to be a voluntary accredited Real Living Wage Employer. Our directly employed and third-party contracted employees are paid the Real Living Wage.

Caring



We have continued to improve our existing family-friendly policies and support agile working, for example, our provision for paternity leave has doubled to four weeks full pay.

We understand the continuing cost of living crisis and launched 'Pay Now' giving access to up to 40% of salary already earned in a month, helping our employees to pay unexpected bills, as well as help with budgeting and saving.

We became platinum members of Women into Construction, which has led to offering work experience to women in build-based roles, leading to a higher proportion of women in permanent site-based roles.

During 2023, we raised over £500,000 for charity through the incredible efforts of our employees, which was donated to Alzheimer's Society as our chosen 2023 charity.

Quality



During 2023, we achieved a HBF 5-star rating based on customer surveys. We also won 40 NHBC Pride in the Job quality awards with a further 15 Seals of Excellence.

Vistry has continued to achieve certification as a 'Top Employer' with the Top Employer's Institute for our high quality people processes. Read more on being an employer of choice on page 43.

We were shortlisted in nine categories at the Inside Housing Development Awards, which recognise quality homes and sustainable places and celebrate the teams, schemes and solutions that have made a positive impact in communities across the UK.

We were awarded Gold accredited membership with The 5% Club, which recognises our significant contribution to the continued development of all our Employees through 'Earn & Learn' schemes such as Apprenticeships, Graduate Schemes and Sponsored Students Course Placements.

PURPOSE, CULTURE & VALUES

The Board is responsible for imparting the culture across the Group and maintains oversight to ensure that it is embedded throughout the business. The alignment of our culture with our purpose, ethos and values is fundamental to everything that we do. During the year, the Board refreshed the Company purpose to align with our updated strategy.

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love.

It is our people who make Vistry and further our purpose through our strong ethos to 'Do the Right Thing' and living our shared values of Integrity, Caring and Quality. Doing the right thing by Our Customers, Our Partners and Our People, together we are making Vistry.

The Company's culture is underpinned by clear policies and processes. Details of the framework which informs the Group's culture can be found on page 58. All of our employees attend an induction programme which sets the tone and helps to embed our culture.

TOGETHER, WE TAKE OPPORTUNITIES



TOGETHER, WE MAKE VISTRY

HOW THE BOARD MONITORED CULTURE DURING 2023

Throughout 2023, the Board used a number of mechanisms to assess and better understand the Group culture, in addition to wider Company engagement mechanisms, such as employee Peakon surveys and the whistleblowing Speak Up hotline (see page 37).

ACTION TAKEN	LINK TO CULTURE	LINK TO STRATEGIC PILLARS
Attendance at the People Forum and feedback to the Board	Helen Owers is the designated Non-Executive Director for workforce engagement and attends the People Forum with employee representatives and makes reports to the Board. Outcomes on the feedback can be found on pages 88 to 89.	
Held Vistry roadshows for employees and attendance at divisional board site visits, with feedback to the wider Board	The CEO, COO and CFO attended ten Vistry roadshows held at Aerospace Bristol, Wembley Stadium, the International Convention Centre and the Pavilions of Harrogate, with attendance from over 4,000 colleagues. They provided an update of the Group's new strategy and addressed c.500 questions from employees gaining a clear understanding of key matters important to employees. Site visits provide direct insight to working environments, standards and the application of Group policies. The Board also visited the reopened Vistry Works East Midlands factory.	
Review of Health & Safety KPIs	The health and safety of our employees and subcontractors is critical, and the Board receives reports at every meeting on key performance indicators for health and safety and the trend for those indicators. The trend analysis enables the Board to understand the culture and behaviours regarding site safety, and the Board is pleased to see a continued improvement in the Accident Incident Rate in 2023.	
Customer satisfaction survey score	The Board receives reports at every meeting on the latest eight-week and nine-month customer satisfaction survey scores. The nine month survey score was included in the annual bonus in FY23 for Executive Directors and employees, with the eight week survey score acting as an area for downward discretion. This supports the ongoing focus on delivering a high quality product and service for our customers.	
Approval of the Group's Modern Slavery Statement	Scrutiny and oversight of the steps taken to prevent modern slavery.	
Attendance at the Group's Risk Oversight Committee and the Sustainability Committee	This has given greater insight into the assessment of risks and implementation of mitigation plans, and the development and implementation of the Sustainability Strategy. As a result, the Board has increased focus on social value impact and the roadmap to net zero homes.	
Review of Speak Up whistleblowing reports and investigations outcomes	Provides insight of employee concerns and behavioural trends relating to the workforce.	

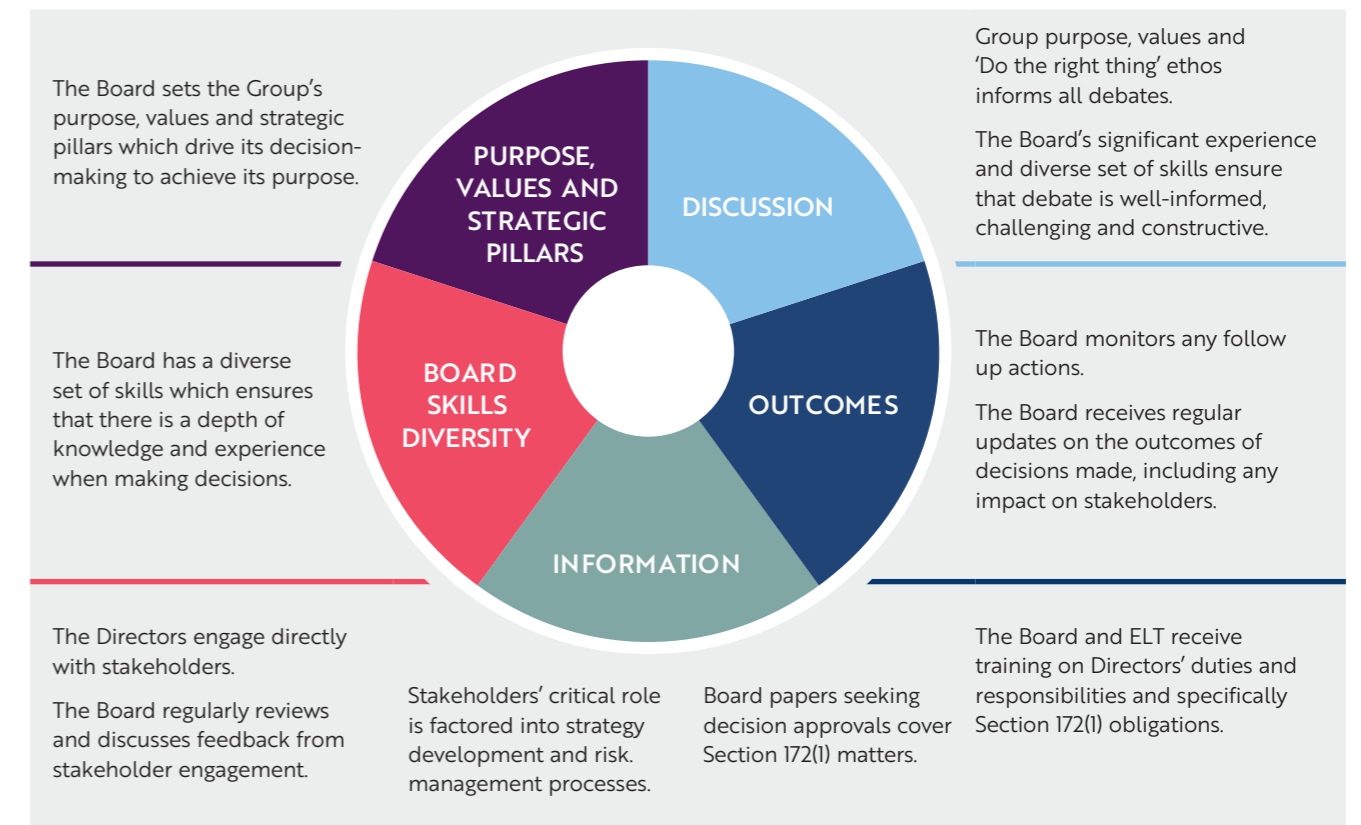
HOW THE BOARD CONSIDERS STAKEHOLDER INTERESTS IN ITS DECISION MAKING AND THE IMPACT ON THE OUTCOME OF ITS DECISIONS

As part of its decision-making process the Board considers the long-term consequences of the decisions it makes and the impact the decision will have on all stakeholders. As very often stakeholders' interests differ, the Board endeavours to balance conflicting needs and, in certain circumstances, prioritise the interests of one or more stakeholders over others. At all times, the principle that

guides the Board's decision making is that the outcome of each decision supports the delivery of the Group's strategy and its long-term success.

The framework to ensure all stakeholder interests are properly considered and that outcomes support the Group's strategy and its long-term success is set out below.

BOARD DECISION-MAKING



S172(I) FACTORS

- 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
- F** the need to act fairly as between members of the company.

Set out below, are three examples of how key stakeholders were considered in principal decisions made by the Board in 2023, and the outcome. A 'principal decision' includes discussion and decision relating to a material or strategic Group matter or any matter that is significant to our stakeholders. This should be read in conjunction with the Section 172(I) statement on page 34.

PRINCIPAL DECISION	STAKEHOLDER CONSIDERATION	SECTION 172(I) MATTERS CONSIDERED
Revised corporate strategy 	<p>In September 2023, the Board approved the revised corporate strategy to focus the business fully on the Partnerships operating model.</p> <p>The Board considered:</p> <ul style="list-style-type: none"> Feedback from investor roadshows and shareholder engagement meetings which supported the growth of the Partnerships business, particularly following the Combination. The Board determined that the change in strategy would create the potential to accelerate value creation for shareholders as a result of a number of factors including focusing on the capital light, high ROCE partnerships model which offers greater resilience to the cyclical nature of the housing market, increased utilisation of in house timber frame capability, supporting significant cash returns to shareholders. Feedback from employees following the announcement of the strategy change which was gathered during in-person employee roadshows hosted by members of the ELT in autumn 2023, through the two Peakon employee engagement surveys undertaken during 2023 and from the Employee Forum. This feedback indicated that employees supported focusing on the Partnerships model, the increased emphasis on delivery of affordable housing and a simplified operating structure, processes and procedures. Prior to the announcement, the Board assessed the proposed management structure of the simplified operating model. Based on the work undertaken at that time, it was acknowledged that there would be a reduction in the number of regional business units through the removal of overlapping geographies which would result in employee redundancies. Partner feedback on the reputation and operational capability of Vistry from key partners such as Homes England, housing associations, PRS providers and local authorities. These partners value Vistry as a responsible developer who enables their delivery of social value through place-making, utilising modern methods of construction. The Board determined that maintaining strong relationships with partners was fundamental to the new strategy and the change in focus would uniquely position Vistry to support such partners to increase supply of affordable mixed tenure housing. 	
Dividend and capital allocation strategy 	<p>In September 2023, the Board approved a revised capital allocation policy to pursue a two times adjusted earnings ordinary distribution cover in respect of a full financial year, with such distributions made through either share buybacks or dividends, the method to be determined by the Board considering all relevant factors at the time, and confirmed a share buyback of £55m.</p> <p>The Board considered:</p> <ul style="list-style-type: none"> The perspectives of shareholders. The proposal to revise the capital allocation policy was discussed with institutional investors. Investors were supportive of a capital allocation framework that evaluates and compares returns generated from investing in the business against returns to shareholders and were supportive of the proposed level of cover. However, there were differing views on the method of distribution with certain income funds favouring dividends and other investors supportive of share buybacks. The Board approved the revised policy and then considered the pros and cons of a dividend versus a buyback programme, and concluded that in light of the suppressed share price that the ordinary distribution in respect of 2023 financial year would be made through share buyback. The interests of our people, many of whom are participants in the Group's various employee share plans. The share buyback purchased 250,000 shares into treasury to be used to satisfy employee share awards that may vest in the future. The Board also acknowledged that ceasing the payment of a dividend would affect the receipt of notional dividends by participants in the long-term incentive plan and deferred bonus plan. 	

OUR STAKEHOLDERS



PRINCIPAL DECISION	STAKEHOLDER CONSIDERATION	SECTION 172(I) MATTERS CONSIDERED
Revised Remuneration Policy 	<p>A revised Remuneration Policy was put to shareholders at an Extraordinary General Meeting in August 2023, which had been approved by the Remuneration Committee. The revised Remuneration Policy increased (i) the maximum annual bonus opportunity to 300% of base salary with increased deferral into shares, (ii) the LTIP opportunity to 300% of base salary and (iii) shareholding guidelines to higher of 200% of base salary or the Executive Director's LTIP opportunity. The revised arrangements were applied to the CEO only for 2023.</p> <p>The Board considered:</p> <ul style="list-style-type: none"> Feedback received from shareholders through an extensive consultation exercise with shareholders representing over 65% of the issued share capital. The Committee acknowledges shareholders expectations regarding the increasing stretch of performance targets employed under incentive plans in light of the increased maximum opportunity of the annual bonus and LTIP. Partners. Whilst formulating the revised Remuneration Policy the Committee considered alternative approaches to remuneration including the implementation of a value creation plan. The Committee and Board determined that the approach in the revised policy provided greater alignment with the strategy and the expectations of Partners regarding social responsibility. People. The revised Remuneration Policy has been implemented for the CEO for 2023, however the Committee intends to review the bonus and LTIP opportunity levels for senior leaders within the business for 2024 to ensure that the pay for performance philosophy is applied across the entire senior leadership team. 	

INTEGRATION OVERSIGHT

The integration of Countryside following closing of the Combination is a key area of oversight for the Board.

The failure to successfully integrate the two businesses was identified as a new principal risk (see page 64).

The Board receives updates on the progress of the integration planning at each meeting. It has also approved a revised delegation of authority to apply across the enlarged Group which reflects the outcome of an assessment of the changes required to the internal controls framework as a result of the new business structures. Internal Audit undertake ongoing risk assessment of the key integration activities and will report and provide assurance to the Audit Committee on an ongoing basis.

INVESTING FOR THE LONG TERM

Much of the Board's decision making is focused around ensuring the sustainable long-term success of the Group.

Each year, the Board considers the Strategic Plan, which assesses the opportunities and risks for the Company over the following five years, and forms the basis of our Viability Statement (see pages 68 and 69).

The Board also devotes a day to considering the long-term strategy of the business, incorporating presentations and discussions on longer term opportunities, risks and threats. Throughout the year, the Board considers material and strategic land acquisition opportunities, and material contracts, for sites that will contribute to profits in the medium term. It has adopted a framework for investment to support sustainable profits and growth in the future.

BOARD ASSESSMENT OF RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

The Board is ultimately responsible for overseeing how we manage both internal and external risks that could impact our business model and strategic goals. The Board also determines the Group's risk appetite, regularly reviews the Group's principal and emerging risks and, on an annual basis, reviews the effectiveness of our risk management and internal control systems and undertakes horizon scanning to identify new emerging risks.

See pages 62 to 67 for details of the Group's principal risks.

STATEMENT OF REVIEW

During 2023, the Board has directly and through delegated authority to the Audit Committee, monitored and reviewed the Group's risk management activities and processes, including a review of the effectiveness of all material risk mitigations and the financial, operational and compliance internal controls.


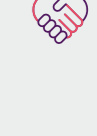
The Audit Committee's activities in these areas are set out in the Audit Committee report on pages 100 and 108.



















Following this review, the Board concluded that the Group's risk management framework and internal controls provided assurance that there were no material control failures in the year.

OUR STAKEHOLDERS AND ENGAGEMENT

Positive stakeholder relationships are integral to the success of our business. If we are to fulfil our purpose, achieve our strategic priorities and create sustainable value over the long term, it is essential that we proactively engage with our stakeholders and understand and respond to their issues. This includes the Board taking stakeholder feedback into account in its decision-making.

 For further information about our strategy: See pages 18 to 23.

STAKEHOLDER	KEY PRIORITIES	COMPANY ENGAGEMENT	BOARD-LEVEL ENGAGEMENT	ACTIONS AND OUTCOMES	HOW WE EVALUATE OUR ENGAGEMENT	LINK TO STRATEGIC PILLARS
<p>PEOPLE</p> <p>Our employees who underpin the delivery of our purpose and strategy.</p> 	<ul style="list-style-type: none"> • Pay and rewards. • Health and wellbeing. • Development opportunities. • Safe, fair and diverse working environment. • Open communications. • Integration outcomes following the Combination. 	<ul style="list-style-type: none"> • Regular updates on the Integration and how it would impact employees. • Opportunity to submit questions on the Integration via DUG, our intranet. • Weekly Vistry Voice podcast hosted by the CEO and members of the ELT. • Regular employee representative meetings including participation in our People Forum, feedback from which is communicated to the Board and actioned. • Confidential Peakon employee engagement surveys carried out twice a year. • ELT roadshows held virtually and in person. 	<ul style="list-style-type: none"> • People Forum – Designated NED for workforce engagement. • The Board attended one collective formal site visit and conducted meetings with divisional management teams. • Non-Executive Directors attended site visits on an individual basis throughout the year. • The Board met with site and sales employees. • The Board visited Vistry Works East Midlands and Vistry Works, Leicester to tour the facilities and meet with factory teams. • The Board reviews the findings of the Peakon employee engagement survey which highlights the issues that matter most to our people. • The Board invites Members of the management team to regularly attend Board meetings and input to discussion items. • The Board and Audit Committee receive data on the Group's 'Speak Up' hotline and, details of related investigations and the resulting outcomes. • The CEO, CFO and COO all take part in the employee roadshows and answer any questions employees may have. The full Q&A is published on DUG. • Members of the Board attend the Company's Risk Oversight Committee which is comprised of employees from across the Group where the principal risks and their mitigation plans are discussed, and emerging risks are identified and debated. • The Remuneration Committee receives reports on workforce remuneration practices and alignment of incentives and rewards with culture. 	<ul style="list-style-type: none"> • Action plans were put in place with individual functions and teams to either enhance or improve engagement they undertake with their teams. • Maternity, paternity and adoption leave was enhanced as part of the Integration. • Introduced Vistry Pay to all employees which allows employees to drawdown a percentage of their salary in advance of pay day. • Salary sacrifice electric car scheme for all employees. • Workforce remuneration overview taken into account in setting Executive Director and senior management pay and incentives. • Establishment of Business Improvement Groups to review processes and drive efficiency to reduce workload. • Extra day holiday granted for all employees to acknowledge their hard work and commitment in 2023 as a result of the employee feedback received through roadshows, People Forum and Peakon survey. 	<ul style="list-style-type: none"> • Peakon employee engagement scores provide a quantified measurement of engagement. • Voluntary employee turnover provides insight into trends on why people chose to leave Vistry. • Reports through our 'Speak Up' hotline allows us to continue to 'Do the right thing' and manage any issues in a timely manner. • Accident Incident Rate measures the Company's safety performance against the industry and can highlight areas we need to improve on to keep our people safe. 	<p>LINK TO STRATEGIC PILLARS</p> 
<p>CUSTOMERS</p> <p>People and organisations who buy our homes and buildings.</p> 	<ul style="list-style-type: none"> • High quality, affordable and sustainable homes. • Energy efficiency. • Building safety and cladding. • Mortgage availability and affordability. • Excellent customer service. 	<ul style="list-style-type: none"> • Customer satisfaction surveys. • Face-to-face and digital engagement. • 'Meet the Builder' and detailed home demonstration and inspection meetings. • Ongoing commercial dialogue. • The 'Unwrapped Home' allowing customers to see how their property is built. 	<ul style="list-style-type: none"> • Reports on customer satisfaction are provided at every Board meeting through the HBF customers satisfaction 8-week and 9-month survey results. • The Board receives reports on brand and product development, and, in particular, development of zero carbon homes and alternative methods of construction, which address the customer perspective. 	<ul style="list-style-type: none"> • We are pleased to have achieved a 5-star rating on our HBF 8-week customer satisfaction score. Customer satisfaction acts as an area of potential downwards discretion in the Group's bonus scheme. 	<ul style="list-style-type: none"> • 8-week and 9-month HBF customer satisfaction scores highlight what customers think of our new homes and whether they are willing to recommend us to a friend. • Number of complaints received during a period and time to resolve. Understanding what the complaints relate to allow us to improve on these items going forward. • Take up of incentives offered by the Group provides insight on whether we have fully understood the needs of our customers and offered the right products to enable them to become homeowners. • Defect resolution. 	 

STAKEHOLDER	KEY PRIORITIES	COMPANY ENGAGEMENT	BOARD-LEVEL ENGAGEMENT	ACTIONS AND OUTCOMES	HOW WE EVALUATE OUR ENGAGEMENT	LINK TO STRATEGIC PILLARS
PARTNERS Local authorities, registered providers and housing associations who work with us in the delivery of our strategy. 	<ul style="list-style-type: none"> The successful delivery of high quality, affordable and sustainable homes. 	<ul style="list-style-type: none"> Engagement with large housing associations through forums. Membership of the Home Builders Federation. Regular meetings with partners. Dedicated affordable housing team that liaises with our registered provider partners. 	<ul style="list-style-type: none"> Peter Denton, Chief Executive Officer of Homes England attended a Board meeting to outline the strategy of Homes England to accelerate the pace of house building and regeneration across the country and its ongoing relationship with the Group. The perspectives of Partners on the Group and their role within the Partnerships focused operating model were provided to the Board through the strategy update discussions. 	<ul style="list-style-type: none"> The completion of substantial partnership agreement with Leaf Living and Sage Homes to deliver 2,800 homes. Only listed developer to receive Homes England strategic grant to support development of affordable homes. 	<ul style="list-style-type: none"> Securing preferred developer status on mixed tenure developments with Partners. Developing sites with at least 50% presold to Partners. Delivering affordable homes for Partners above s106 requirements. 	  
INVESTORS Investors who provide capital to fund our activities. 	<ul style="list-style-type: none"> Sustainable returns. Strategy and delivery. Embedded ESG practices. 	<ul style="list-style-type: none"> Investor meetings and roadshows. Trading updates and bi-annual results announcements and presentations. AGM and General Meeting. Shareholder consultations. 	<ul style="list-style-type: none"> The Chair of the Remuneration Committee took part in extensive consultation with shareholders during the summer with feedback sought on changes to the remuneration policy from investors. The Board receives analyst notes published about the Group and the sector and is regularly updated by the Executive Directors and the Group's brokers on shareholder sentiment, feedback from meetings and the Group's IR programme. The Board, with the exception of Jeff Ubben and those who were stepping down as Directors, attended the 2023 AGM and General Meeting and were available to answer shareholder questions during and after the meeting. The Chair of the Board met with 36 shareholders during the year. 	<ul style="list-style-type: none"> Capital allocation policy confirmed, targeting £1bn capital distribution over next three years and elimination of net debt. Further progressed our sustainability targets. Proposed a new Remuneration Policy following shareholder votes at the 2023 AGM. 	<ul style="list-style-type: none"> Share register movements provide insights into the number of shareholders buying and selling shares in the Company. Results at the AGM help us to gain an understanding of which resolutions generate shareholder concern. 	  
REGULATORS Entities that set the framework, including legislation, we must operate within 	<ul style="list-style-type: none"> Effective implementation of legislation and regulations including building safety, biodiversity net gain, Future Homes Standards and New Homes Quality Code. Trusted partner. 	<ul style="list-style-type: none"> Direct discussions with Government departments. Homes England and local authorities engagement. HBF engagement. Participation in Government consultations. Pre-application engagement with local planning authorities, town and parish councils and local communities. 	<ul style="list-style-type: none"> Reports on engagement with the HBF, government departments and Homes England are provided through the year on key topics such as successful grant for First Homes, new NHQB code and ombudsman and progress of Building Safety Bill. 	<ul style="list-style-type: none"> Vistry signed the Developer Remediation Contract with DLUHC and progressed its building safety remediation obligations. Development of house type specifications to meet Future Homes Standard. 	<ul style="list-style-type: none"> Constructive dialogue with Government departments and other regulators. 	  
HOMES AND COMMUNITIES People who are impacted by what we do. 	<ul style="list-style-type: none"> Quantifiable positive social impact. Increased delivery of affordable homes. Minimal impact from operations. 	<ul style="list-style-type: none"> Regular engagement and meetings with registered providers of social housing, housing associations and the HBF. Undertake and participate in public consultations. Support local community initiatives. 	<ul style="list-style-type: none"> Regular engagement and meetings with Registered Provider, Housing Associations and HBF. Undertake and participate in public consultations. Support local community initiatives. 	<ul style="list-style-type: none"> Sustainability metric included in Annual Bonus scheme including targets for Skills Academies, delivery of affordable homes above s106 requirements and customer satisfaction. Sustainability targets included in external debt facilities. 	<ul style="list-style-type: none"> Achievement against Sustainability targets. Increased production and use of timber frame and associated products manufactured by Vistry Works. 	  
SUPPLY CHAIN Businesses and companies that provide us with materials and services for our building projects. 	<ul style="list-style-type: none"> Long-term relationships. Equitable commercial and payment terms. Modern slavery. Fair pay. 	<ul style="list-style-type: none"> Regular ELT level engagement with key suppliers. Undertake account reviews and gather 360 supplier feedback which is shared with Risk Oversight Committee and the Board. Regular project meetings. Host product development forums. 	<ul style="list-style-type: none"> CEO, CFO and COO maintain relationships with directors of the Group's key suppliers. Reports on supply chain management are provided at every Board meeting and there was increased focus on this in 2023 due to the integration synergies the Group was looking to achieve. The Board receives annual reports on the Group's Modern Slavery Act procedures including steps taken to engage with the supply chain on the topic. 	<ul style="list-style-type: none"> Successful implementation of synergies programme and alignment of supply chain across the Group. Strategic partnerships in place with key suppliers to deliver surety of supply, develop innovation and support sustainability and social value agenda. Proactively managed cost base with our key supply chain partners, resulting in material and labour cost reductions in H2 2023. 	<ul style="list-style-type: none"> Strategic partnerships with key suppliers that support our operations with equitable commercial terms. Achievement of synergies targets in 2023. 	  

DIVISION OF RESPONSIBILITIES

The responsibilities of the Chair, Chief Executive Officer, Senior Independent Officer, Board and Board Committees are clear, set out in writing and regularly reviewed by the Board. There is a clear division of responsibilities between Executive and Non-Executive Directors as shown in the table below.

Each has Board approved roles and responsibilities and specific details of their roles are available on Board of Directors on pages 76 and 77 and on the corporate website at www.vistrygroup.co.uk

ROLE ON THE BOARD	RESPONSIBILITIES
Chair Ralph Findlay	<ul style="list-style-type: none"> Leads the Board and its overall effectiveness in directing the Company. Promotes high standards of governance. Promotes a culture of openness and inclusion to facilitate and encourage open constructive challenge and debate between all Directors. Engages with major shareholders to understand their views on governance and performance against strategy.
Chief Executive Officer Greg Fitzgerald	<ul style="list-style-type: none"> Day-to-day management of the Group. Leads the ELT in delivering the Group strategy, objectives and culture as determined by the Board. Responsible for maintaining dialogue with the Chair, the Group's shareholders and other stakeholders. Ensures the Board is aware of the views of the workforce.
Senior Independent Director Ashley Steel (up to 18 May 2023)	<ul style="list-style-type: none"> Sounding board for the Chair. Serves as an intermediary for other Directors. Available to shareholders if they have concerns when contact through the normal channels has either failed to resolve or would be inappropriate. Leads meetings of the Non-Executive Directors without the Chair present to appraise the Chair's performance.
Non-Executive Directors Chris Browne Rowan Baker Paul Whetsell Helen Owers Usman Nabi	<ul style="list-style-type: none"> Provide constructive challenge and independent perspective. Monitor strategic execution and performance in accordance with the risk and control framework. Serve on the Board's Committees. Promote and support the Group's values and commitment to high standards of corporate governance.
General Counsel & Group Company Secretary Clare Bates	<ul style="list-style-type: none"> Responsible for advising the Board on all corporate governance matters and best practice. Works with the Chair to ensure Directors receive accurate and timely information to enable them to discharge their duties. Ensures there is a smooth flow of information to enable effective decision making. Works with the Chair to design the induction program for new Board members and co-ordinates ongoing Board training.

THE CHAIR AND CHIEF EXECUTIVE OFFICER

In 2023, there was a clear division of responsibility between the running of the Board by the Chair, Ralph Findlay, and the day-to-day management of the Group by the CEO, Greg Fitzgerald.

From close of the AGM on 16 May 2024, Greg Fitzgerald will take on the role of Executive Chair and CEO, further details on this can be found on pages 97 to 98.

THE SENIOR INDEPENDENT DIRECTOR

Up to 18 May 2023, Ashley Steel was Senior Independent Director (SID).

The Board has commenced a search for an experienced SID who will provide additional oversight on governance matters and serve as an alternative point of communication for investors and the other Non-Executive Directors.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The independence of the Non-Executive Directors is kept under review and assessed annually. The Board considers that all Non-Executive Directors, with the exception of Jeff Ubben and Usman Nabi who served during the year, are independent in character and judgement, with no relationships or circumstances that are likely to affect, or could appear to affect their judgement.

COMPOSITION, SUCCESSION AND EVALUATION

BOARD COMPOSITION

Appointments to our Board are made solely on merit with the overriding objective of ensuring that the Board maintains the correct balance of skills, diversity, length of service and knowledge of the sector to successfully determine the Group's strategy. Appointments are made based on recommendations from the Nomination Committee with due consideration given to the benefits of diversity in its widest sense, including gender, social and ethnic backgrounds. The Nomination Committee also review the ongoing commitments of candidates prior to making recommendations for the appointment of new Directors. Directors are required to seek Board approval prior to taking on additional commitments to ensure that existing roles and responsibilities continue to be met and conflicts are avoided or managed.

For details on the Company's compliance with Listing Rule 9.8.6 see page 99.

For Board biographies see pages 76 and 77.

RE-APPOINTMENT OF DIRECTORS

All Directors (other than Ralph Findlay and Chris Browne) are subject to annual re-election and will be proposed for election or re-election (as appropriate) by shareholders at the 2024 AGM. The Chair has confirmed that following evaluation, all Directors continue to be effective and have the time available to commit to their role. The Board strongly supports the election or re-election (as appropriate) of all individual Directors. Ralph Findlay and Chris Browne

have both served on the Board for nine years and will be stepping down at the conclusion of the 2024 AGM.

The Directors' biographies on pages 76 and 77 and the notes to the 2024 AGM Notice that accompanies this Annual Report and Accounts, together provide details explaining why the Directors' individual contributions are, and continue to be important for the Group's long-term sustainable success.

For more on Board appointments see the Nomination Committee Report on pages 96 to 99.

BOARD INDUCTION AND DEVELOPMENT

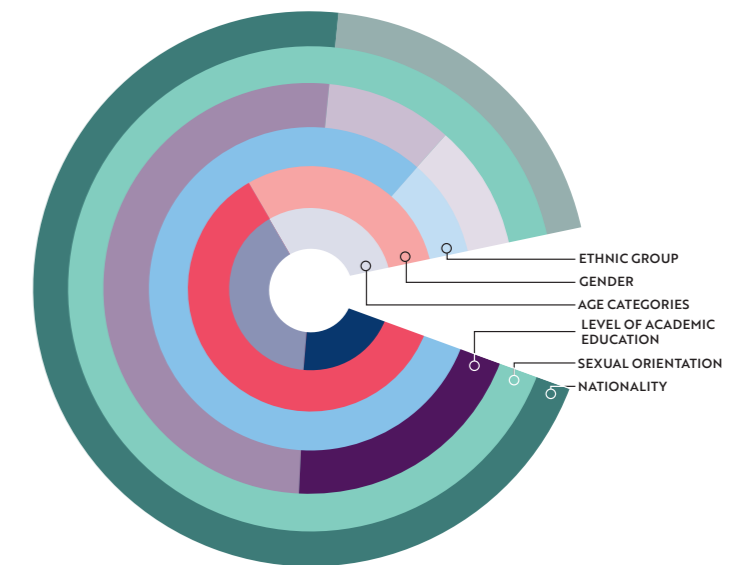
On joining the Board, all Directors participate in a formal induction programme which is monitored by the Chair and is the responsibility of the Company Secretary. The induction provides new Directors with insight into the Group's strategy, culture and operations and informs them about the governance and internal controls processes in place. Its purpose is to ensure that each newly appointed Director is able to contribute to Board discussions as quickly as possible. Each induction is then tailored to the individual Director's needs based on their skills and experience.

The Board has received corporate governance updates, which included ESG matters throughout the year as well as training on sector specific topics. All Directors have access to the advice and services of the Company Secretary and, through her, have access to independent professional advice in respect of their duties, at the Group's expense.

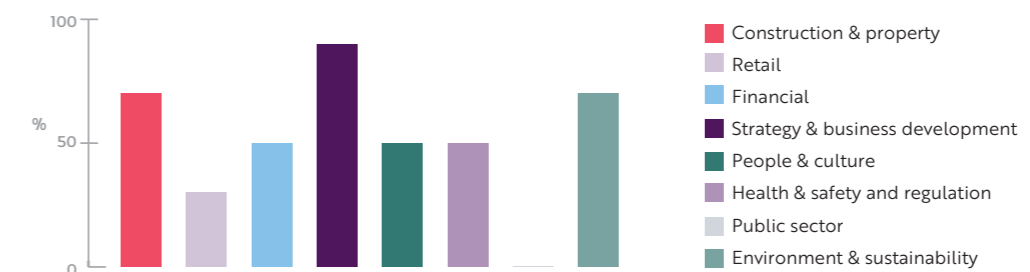
BOARD DIVERSITY CHARACTERISTICS

AGE CATEGORIES	LEVEL OF ACADEMIC EDUCATION
40 to 50	Graduate (University level)
51 to 60	Post-graduate
61 plus	Doctorate
	School leaver
GENDER	SEXUAL ORIENTATION
Male	Heterosexual
Female	
ETHNIC GROUP	NATIONALITY
White	British
Asian, Asian British or Asian Welsh	American

*Ethnicity classifications using the ONS www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021



BOARD SKILLS MATRIX



The data presented is for the Board of Directors listed on pages 76 and 77.

NEW DIRECTOR INDUCTION PROGRAMMES DELIVERED IN 2023

Jeff Ubben, Paul Whetsell and Helen Owers joined the Board in March 2023 and May 2023 respectively. Some of the activities included in their induction programmes are detailed below.

DIRECTOR	DESCRIPTION	INDUCTION SESSIONS INCLUDED	MEETINGS DURING INDUCTION PERIOD
JEFF UBBEN	Tailored Non-Executive Director induction following Jeff's appointment as a Non-Independent Non-Executive Director.	<ul style="list-style-type: none"> Board governance framework and Directors' duties. Overview of the Group's operations. Visit to Vistry Works timber frame factory. 	<ul style="list-style-type: none"> Regular one-to-one meetings with the Chair, CEO, and other members of the Board. Meetings with the General Counsel & Group Company Secretary.
PAUL WHETSELL	Tailored Non-Executive Director induction following Paul's appointment as a Non-Executive Director, Chair and member of the Remuneration Committee and member of the Audit Committee and Nomination Committee.	<ul style="list-style-type: none"> Stakeholder landscape and relationships. Governance matters and Directors' duties, particularly in regards to remuneration. Briefing from external remuneration advisors and external auditors PWC. Meetings with members of the ELT and site visits. 	<ul style="list-style-type: none"> Regular one-to-one meetings with the Chair, CEO, and other members of the Board. Meetings with the General Counsel & Group Company Secretary. Meeting with Willis Towers Watson, the Board's external remuneration advisors.
HELEN OWERS	Tailored Non-Executive Director induction following Helen's appointment as a Non-Executive Director and member of the Remuneration Committee, Audit Committee and Nomination Committee.	<ul style="list-style-type: none"> The Group's strategy and culture. Overview of the Group's operations. Board governance framework and Directors' duties. Meetings with members of the ELT and site visits. Briefing from external auditors PWC. 	<ul style="list-style-type: none"> Regular one-to-one meetings with the Chair, CEO, and other members of the Board. Meetings with the General Counsel & Group Company Secretary.

The Director induction programme shall be reviewed for 2024 to better support new Directors to quickly understand the strategy, shareholder perspectives, the principal risks faced by the Group and the key performance metrics.

BOARD PERFORMANCE REVIEW

It was intended that an external performance review take place in 2023. However, due to the evolution of the Board taking place at the end of 2023, it was decided to defer the external performance review until Spring 2024. This shall allow the newly appointed Executive Chair to obtain the perspectives of Ralph Findlay and Chris Browne as outgoing Directors along with input from the newly appointed Directors and those who remain on the Board.

2022 BOARD EVALUATION PROGRESS AGAINST ACTIONS

In December 2022, the Board undertook an internal evaluation of effectiveness which took the form of a detailed questionnaire and explored the functioning of the Board as a unit and the relationship between Board members. It was established that the Board considered it had worked well and effectively through the strategic issues that arose during the year.

The key findings from the 2022 Board evaluation process, the Board-agreed actions to address recommendations and the current progress against those actions are detailed below.

KEY FINDING	PRIORITY ACTIONS FOR 2023	PROGRESS AGAINST ACTION
STRATEGY/ INTEGRATION	<ul style="list-style-type: none"> Oversee the integration of Countryside, a key activity for the Board and the Group in 2023. This should not be at the detriment of other strategic priorities which were to be reviewed in detail during the year including: <ul style="list-style-type: none"> Continuing development of the investment case Capital allocation Sustainability Customer Brand proposition Culture Political/regulatory issues and changes 	The Board has received integration updates at each meeting as part of the COO Report. A new Capital Allocation Policy was approved in September 2023. Detail on the other key strategic priorities was provided as part of the annual strategic review and the review of the new strategy.
STAKEHOLDERS	<ul style="list-style-type: none"> Receive direct input from and engagement with, a registered provider about their interaction with Countryside Partnerships; this item was deferred from 2022. Receive more frequent feedback and insights from the Group's customer engagement activities. Deepen understanding of shareholders' views. 	Peter Denton, CEO of Homes England met with the Board in April 2023 to provide his perspective. There has been extensive engagement with shareholders during 2023, particularly in relation to the new Remuneration Policy. More insights are required from customer engagement activities.
SUSTAINABILITY	<ul style="list-style-type: none"> Focus on continuing to develop reporting on verifiable baseline data and SBTi targets. Incorporate sustainability metrics into the KPIs. 	A Sustainability Committee has been formed including attendance by a NED. The SBTi has verified both our net zero science-based targets and our near-term science-based targets. The COO provides regular reporting on implementation of sustainability initiatives. A refreshed Sustainability Strategy has been approved.
BOARD COMPOSITION	<ul style="list-style-type: none"> Continue to address Board composition and succession, taking into account natural attrition within the Board and the importance of diversity. Evolve the Board's skills and experience to reflect the enlarged and more complex Group and to support its growth strategy. 	There has been active consideration of Board composition during 2023 with numerous changes. The Chair succession planning process was undertaken during the year which concluded with the announcement of Greg Fitzgerald as Executive Chair from the 2024 AGM. Improving the diversity of the Board, including gender and ethnicity, has been a key area of focus in 2023. A recruitment process to seek to appoint additional Non-Executive Directors and, in particular, a Senior Independent Director remains ongoing.
SUCCESSION PLANNING	<ul style="list-style-type: none"> Continue succession planning for the senior leadership of the Group at both CEO/ELT and sub-ELT levels. Focus on people development, including plans for the development of more diverse leadership. 	Succession planning and people development across the senior leadership of the Group was considered at the meeting in May 2023. Implementation of the new strategy required a restructure of the operational leadership and a refresh of succession planning is underway within the Company to align to the new operating model. Succession planning for the CEO and ELT has been an ongoing process throughout 2023 and shall remain a priority in 2024.
BOARD PAPERS	<ul style="list-style-type: none"> Review the monthly financial information and KPIs to assess appropriateness for the enlarged Group and adapt as required. 	The review of the monthly financial information and KPIs was delayed to allow for reports to reflect the refreshed operational structure.

NOMINATION COMMITTEE REPORT

“The Committee has been focused on Board composition in the year. This is my last year as Chair of the Board and the Committee has undertaken a Chair succession planning process leading to the announcement of Greg Fitzgerald as Executive Chair and CEO from May 2024. We will continue to strengthen the Board’s collective skills and experience and recruit additional Independent Non-Executive Directors and a Senior Independent Director.”



RALPH FINDLAY OBE
Nomination Committee Chair

KEY RESPONSIBILITIES

- Reviews balance and composition of the Board.
- Maintains focus on succession planning.
- Leads recruitment process for the Board.
- Recommends appointment of Directors.
- Sets diversity policy.

2023 HIGHLIGHTS

- Recommending the appointment of Helen Owers and Paul Whetsell as Non-Executive Directors and Paul Whetsell as Chair of the Remuneration Committee.
- Overseeing the Chair succession planning process.
- Overseeing search process for two additional Independent Non-Executive Directors.
- Succession planning update which included individual assessments and development planning at both CEO/ELT and below ELT levels.

2024 PRIORITIES

- Planning for Executive and senior leadership succession across the Group at both ELT and below ELT levels in light of the updated strategy.
- Focus on D&I initiatives to improve the diversity of the workforce including senior leadership succession planning.
- Overseeing search process for appointment of Senior Independent Director.

COMMITTEE MEMBERSHIP, MEETINGS AND ATTENDANCE

The table below sets out the number of scheduled meetings attended out of the meetings members were eligible to attend.

DIRECTOR	JOINED	ATTENDANCE
Ralph Findlay (Chair since 18/5/2022)	7 April 2015	5/5
Chris Browne	1 September 2014	5/5
Nigel Keen (Member until 23/3/2023)	15 November 2016	2/2
Katherine Innes Ker (Member until 18/5/2023)	9 October 2018	2/3
Ashley Steel (Member until 18/5/2023)	10 June 2021	3/3
Rowan Baker	18 May 2022	5/5
Paul Whetsell	18 May 2023	2/2
Helen Owers	18 May 2023	2/2

The CEO attended all meetings and the COO and CFO attended meetings by invitation. The General Counsel & Group Company Secretary acts as secretary to the Committee.

The Committee's Terms of Reference are available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

DEAR SHAREHOLDER

This report provides a summary of the Nomination Committee’s activities during the course of the year.

OUR ROLE

If we are to create sustainable value for all of our stakeholders, we must ensure that we have a skilled, diverse and effective Board and senior leadership team. In 2023, the Committee has continued its keen focus on Board composition, considering and supporting changes to the Non-Executive Directors and continuing to oversee the Chair transition.

As a Committee, we must ensure that we attract the best senior management talent to lead our business. And, having attracted the best, we must also ensure that we develop our people and retain them.

CHANGES TO MEMBERSHIP

During the year, there were a number of changes to the composition of the Committee. Helen Owers and Paul Whetsell were appointed to the Board in May 2023 and joined the Committee. Nigel Keen stepped down from the Board with effect from 23 March 2023 and Katherine Innes Ker and Ashley Steel stepped down from the Board from conclusion of the 2023 AGM; they all ceased to be members of the Committee at the same time.

All members of the Committee during 2023 were Independent Non-Executive Directors, with the exception of the Chair.

BOARD COMPOSITION

The year ending 2023 has seen a period of transition and evolution for the Board. It was announced on 12 January 2024 that I shall step down as Chair with effect from the conclusion of the forthcoming AGM. I was appointed to the Board in April 2015 and as such, my nine-year tenure shall be completed shortly before I step down. During the year, the Nomination Committee undertook a Chair succession planning process which concluded with confirmation that Greg Fitzgerald shall succeed me as Executive Chair and CEO. The succession planning for the Board has been the primary focus of Committee in 2023.

There were a number of other Board changes during the year, as a result in March 2023, it was announced that Jeffrey Ubben was to join the Board as a Non-Executive Director. Jeff was not considered independent due to his role with Inclusive Capital.

Jeff is a Founder, Managing Partner and the Portfolio Manager of Inclusive Capital Partners L.P., who are one of the Company's largest shareholders. On 12 January 2024, it was announced that Jeff stepped down from the Board with immediate effect.

Also, in March 2023, it was announced that each of Katherine Innes Ker and Nigel Keen were to step down and resign as Independent Non-Executive Directors of the Company, and in April 2023, the resignation of Ashley Steel was announced. Nigel Keen stepped down with effect from 23 March 2023 and Katherine Innes Ker and Ashley Steel both stepped down with effect from the close of the Annual General Meeting on 18 May 2023.

In May 2023, Paul Whetsell and Helen Owers were both appointed as Independent Non-Executive Directors with Paul also appointed as Chair of the Remuneration Committee. They both bring significant operational expertise, with Paul's housebuilding sector experience and Helen's UK-listed company experience strengthening the Board.

We are also pleased to have appointed Usman Nabi, Managing Partner of Browning West, as a Non-Executive Director with effect from 12 January 2024. Browning West is an independent investment partnership based in Los Angeles, California and is currently the Company's largest shareholder. Usman is a highly experienced Board member and investor in both the United States and the United Kingdom. He is appointed to the Board as a representative of Browning West and the Company and Browning West have entered into an agreement which clarifies the obligations of, and relationship between, both parties in respect of Usman's appointment. Usman has also joined the Committee.

Chris Browne, Non-Executive Director, has informed the Board of her intention not to seek re-election and to step down from the Board from the close of the 2024 Annual General Meeting. Chris was appointed in 2014 and has served for over nine years as a Non-Executive Director of the Company.

When recruiting new Non-Executive Directors, members of the Committee interview selected candidates, who also meet with the Executive Directors. The Committee then recommends candidates for appointment to the Board. Decisions relating to such appointments are made by the entire Board based on a number of criteria including the candidate's skills and experience, the contribution they can make to our business and their ability to devote sufficient time to properly fulfil their duties and responsibilities.

CHAIR SUCCESSION PLANNING

The Committee has also undertaken a Chair succession planning process in anticipation of the Chair reaching his nine-year tenure during 2024.

The need for continuity and stability in leadership was a paramount consideration of the Committee in light of the significant change and transformation underway within the Group. The Committee debated various options as part of the process including the potential appointment of an Executive Chair.

The Committee carefully considered the UK governance perspectives of an Executive Chair, and in particular, Provision 9 of the Code which provides that the roles of the chair and chief executive should not be exercised by the same individual and that a chief executive should not become chair of the same company. It was acknowledged that robust challenge to an Executive Chair would be required with strong support from a Senior Independent Director on governance matters. Soundings were taken from some of the largest shareholders to understand their perspectives in relation to an Executive Chair and CEO. In January 2024, it was announced that Greg would take up the role of Executive Chair and CEO following the AGM in May 2024. Greg's 40 years of experience and value creation in the sector, including a successful period in a similar role as Executive Chair of Galliford Try, will ensure consistency and continuity in the execution of the revised strategy.

The Committee was mindful that at the end of 2023, the composition of the Board was not compliant with the UK Corporate Governance Code with respect to independence. There was no Senior Independent Director, and the Board was not compliant with the Listing Rules with respect to gender and ethnic diversity. The Board has commenced a search for an experienced Senior Independent Director and, taking into account the evolving need for skills and the importance of diversity, is seeking to recruit up to two additional, high calibre Independent Non-Executive Directors of the Company in due course. The appointment of Usman Nabi in January 2024 has addressed the Listing Rule requirement with respect to ethnicity.

To address this governance concern of having an Executive Chair, we recognise that it is of the utmost importance that we appoint a Senior Independent Director to bolster our Board governance and to provide enhanced oversight on governance matters in conjunction with the Executive Chair. This role will also provide increased engagement with investors and other stakeholders to ensure their perspectives are taken into account in decision making and policy, and will serve as an alternative point of communication for other Non-Executive Directors and support balance in Board discussions. The Senior Independent Director shall also serve as Chair of the Committee from appointment leading on board composition and succession planning.

SENIOR LEADERSHIP SUCCESSION PLANNING

Our employees underpin the delivery of our strategy and they are key to our success. Recognising this, the Group's ability to attract, retain and develop a committed, motivated and engaged workforce is a key area of focus for the Board.

During the year, the Committee received a detailed succession planning update on the senior leadership incorporating the feedback on senior leadership development undertaken by Egon Zehnder. This update, which included individual assessments and development planning at both CEO, ELT and below ELT levels, provided valuable information which the Committee took into account when considering Chair succession planning.

The senior leadership of the Group was reorganised as part of the strategy update, which resulted in a slimmed down ELT. We have been pleased to see a number of internal promotions to the senior leadership during the year. Succession planning for the new senior leadership structure has been refreshed with a focus on diversity and mobility.

A key part of our People strategy is focused on developing and retaining our people to enable them to achieve their career goals and ambitions. During the year, we launched a new appraisal format to enhance the data to support succession planning and career development. An internal mentoring programme was extended across the Group to promote cross divisional development. We continue to support the development of individuals through the Cranfield Leadership Development course and the internal 'Leading Better Together' executive framework.

Further information about our learning and development programmes and other new initiatives launched during the year are set out on page 44.

During 2024, the Committee will continue the longer-term succession planning for both the Executive Directors and senior management, at both ELT and below ELT levels, taking into account evaluations and other key information arising from our leadership development programmes. The ongoing oversight of succession planning for the broader senior management addresses the importance of an appropriate balance of skills, experience and knowledge along with ensuring diverse representation at a senior level.

DIVERSITY AND INCLUSION

We are committed to achieving diversity and inclusion (D&I) across the Group. As at 31 December 2023, the proportion of women on the Board was 33% with no senior board member being a woman and no member of the Board from a minority ethnic background. Following the changes to the Board announced post year end, as at the date of this report, the proportion of women on the Board remained at 33% with one member of the Board from a minority ethnic background but no senior board member being a woman. Therefore, the Board meets one of the diversity targets set out in Listing Rule 9.8.6 and shall take the diversity requirements into account during its current recruitment process for Non-Executive Directors and appointment of a Senior Independent Director.

The table below details the gender and ethnicity of the Board and ELT as at 31 December 2023 in accordance with Listing Rule 9.8.6R(10). Directors and ELT members were asked to self-declare against the Office for National Statistics classification.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	67%	3	4	67%
Women	3	33%	-	2	33%
White British or other White (including minority-white groups)	9	100%	3	6	100%
Mixed/Multiple Ethnic groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-

Note: Executive management includes ELT members but excludes the CEO, CFO and COO.

The Committee has continued to monitor the implementation of the Group's Diversity and Inclusion policy and the plans and activities in place to ensure that we attract and retain a diverse range of employees and create an inclusive working environment.

The Diversity and Inclusion policy applies to the Board and the Company as a whole and can be accessed at www.vistrygroup.co.uk/investor-centre/corporate-governance.

The ongoing oversight of succession planning for senior management addresses the importance of an appropriate balance of skills, experience and knowledge along with diverse representation.

Our Diversity & Inclusion Committee continues to lead the development and delivery of our D&I agenda and it is supported by four active Diversity & Inclusion networks that operate across the Group: Women's Network, Religion, Ethnicity and Cultural Heritage (REACH) Network, Pride Network and Accessibility Allies Network. During the year we have deepened our collaboration with external organisations including Women into Construction, BPIC (Black People in Construction), Diversity Jobs Group and WM People. Initiatives with these organisations, such as Women's Development Days to upskill early female talent, contribute to the business continuing to build a more equal workforce. Our regular Peakon employee engagement survey continues to cover diversity and inclusion and the score returned in relation to this area was at 8.2 in November 2023 which is 0.2 above the Peakon benchmark and an improvement on the score in March 2023 of 7.8.

The Group continued to make a number of senior appointments in the year to women with overall 124 female promotions of which ten were to Director level roles and three Managing Director roles. We will continue to focus on all aspects of diversity within the senior leadership. Further information about our D&I agenda are set out on page 45.

CORPORATE GOVERNANCE

Non-Executive Directors' service contracts are renewed on a three-year basis, with rigorous scrutiny being applied prior to approval of a third three-year term, subject to satisfactory performance and there being no need to re-balance the Board. The third year of the third term extends until the subsequent AGM.

The work of the Committee also comprised more routine business, including nominations for appointment at the 2023 AGM, approval of the Committee report for inclusion in the 2022 Annual Report and discussion of the outcomes and determination of the actions coming out of the Committee's 2022 internal performance evaluation.

As highlighted above, from time to time we engage international search and selection firms including Russell Reynolds and Egon Zehnder. Russell Reynolds and Egon Zehnder have no connection with the Group other than they may be engaged to assist with senior management appointments and leadership development from time to time. Both firms are signatories to the Voluntary Code of Conduct for Executive Search.

PERFORMANCE EVALUATION

In accordance with good governance practice, we usually undertake an annual evaluation to ensure that the Board, its Committees and each Director performs effectively. The Code requires that such evaluation is externally facilitated at least every three years. The most recent external evaluation took place in 2020 and therefore an external evaluation was planned during 2023. It was decided to defer the external evaluation until Spring 2024 due to the evolution of the Board taking place at the end of 2023. This shall provide the newly appointed Executive Chair with the perspectives of myself and Chris Browne as outgoing Directors along with input from those who have more recently joined.

RALPH FINDLAY OBE
Chair of the Nomination Committee

14 March 2024

AUDIT COMMITTEE REPORT

“Monitoring the integration of Countryside and ensuring the control environment and risk management processes remained effective during a period of substantial change were key areas of focus during the year”

ROWAN BAKER
Audit Committee Chair



KEY RESPONSIBILITIES

- Oversees the integrity of the Group’s financial statements and formal announcements, including providing advice on whether the annual report and accounts are fair, balanced and understandable.
- Reviews significant accounting and financial reporting judgements.
- Monitors internal controls and risk management framework.
- Monitors the effectiveness of the internal audit process, including reviewing the internal audit plan and audit reports and agreeing necessary actions.
- Reviews the effectiveness of the external audit process and makes recommendations to the Board with regards to appointing, reappointing or removing the external auditor.
- Reviews and monitors the external auditor’s independence and objectivity.

2023 HIGHLIGHTS

- Reviewed various aspects of the Group’s change in strategy to fully focus its operations on the Partnerships model.
- Monitored the progress of key integration activities following the Combination.
- Oversaw the embedding of the risk management framework and standardisation of controls across the enlarged Group.
- Considered how the impact of regulatory changes in respect of fire safety impacted upon the fire safety provision and associated disclosures.
- Reviewed the Group’s financial reporting, internal control systems and risk management processes.
- Maintained oversight of external and internal audit.

2024 PRIORITIES

- Continue to monitor the progress of the implementation of the new strategy.
- Undertake a tender process to select the external auditor for the 2025 financial statements.
- Continue to monitor any changes in regulations including those related to corporate governance and reporting.

COMMITTEE MEMBERSHIP, MEETINGS AND ATTENDANCE

The table below sets out the number of scheduled meetings attended out of the meetings members were eligible to attend.

DIRECTOR	JOINED	ATTENDANCE
Rowan Baker (Chair since 18 May 2022)	18 May 2022	3/3
Chris Browne	1 September 2014	3/3
Paul Whetsell	18 May 2023	2/2
Helen Owers	18 May 2023	2/2
Nigel Keen (Member until 23 March 2023)	15 November 2016	0/1
Katherine Innes Ker (Member until 18 May 2023)	9 October 2018	1/1
Ashley Steel (Member until 18 May 2023)	10 June 2021	1/1

Regular other attendees include: the CEO, COO, CFO, Group Financial Controller, Internal Audit and Risk Director, the external auditor and the General Counsel & Group Company Secretary (who acts as secretary to the Committee).

Following two meetings, the Committee met with the external auditor and the Internal Audit and Risk Director, without management present. During the year, the Committee Chair also met privately with the external auditor’s lead audit partner.

📍 The Committee’s Terms of Reference are available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the report of the Audit Committee for the year ended 31 December 2023. This report sets out our work and how our responsibilities in relation to audit, risk and internal control have been implemented. In performing our duties, we have complied with the requirements of the Code and followed FRC best practice guidance. We work closely with our finance and internal audit teams, and with PwC, our external auditor, which helps us to ensure that our internal control processes remain robust and continue to adapt, our financial reporting remains clear, and our critical accounting judgements and key sources of estimation uncertainty are appropriate.

COMMITTEE MEMBERSHIP, MEETINGS AND ATTENDANCE

Information about the membership of the Committee during 2023, its meetings and attendance at its scheduled meetings is set out on the adjacent page. Committee membership is determined by the Board following a recommendation from the Nomination Committee and is kept under review as part of the Committee’s performance evaluation. The composition of the Committee changed during the year to reflect changes to the Board’s membership. In compliance with the Code, the Committee is comprised exclusively of Non-Executive Directors, and each member is considered to be independent by the Group. The Committee members bring a wide range of sectoral and other competence and experience that enables the Committee to provide constructive challenge and support to management.

The Board has determined that I have recent and relevant financial and sectoral experience and is satisfied that the Committee had competence relevant to the sector and its overall responsibilities throughout the year.

The Committee’s work is focused on checking the appropriate accounting treatment for, and disclosure of, the issues considered and is based on the information available at the time of the discussions. Unless otherwise noted, the Committee carried out its work using information supplied by management. Detailed papers and information are circulated sufficiently in advance of meetings to allow full and proper consideration of the matters for discussion.

ROLE AND RESPONSIBILITIES

The role of the Committee is to assist the Board in fulfilling its corporate governance responsibilities. The Committee’s key responsibilities are detailed on the adjacent page. As the Group’s risk profile continues to evolve, the Committee adjusts its scrutiny of relevant risk areas and key judgements, including going concern, gross margin recognition and the accounting for material Partner Funded sales contracts.

The Committee follows a formal agenda at each meeting to ensure that all elements of its remit are covered, and meetings are scheduled in line with the Group’s financial reporting timetable. The Committee’s key activities during the year are set out in the following table, and further information on its work, including full descriptions of the risk management and internal control processes, is set out on the following pages. The Committee’s oversight role includes ensuring the integrity of the financial statements and related announcements.

AREA OF RESPONSIBILITY	ACTIONS TAKEN	OUTCOMES
FINANCIAL REPORTING	<ul style="list-style-type: none"> • Undertook fair, balanced and understandable review of the 2023 Annual Report and Accounts. • Reviewed significant accounting judgements for the 2023 audit. • Reviewed the 2023 viability assessments and management’s process and assumptions for assessing viability. • Reviewed the 2023 going concern statement and management’s forecasts and projections for 2024 and 2025. • Conducted a review of the half-year 2023 going concern assessment. • Reviewed the half-year and full-year financial and narrative statements and trading updates, including the alternative performance measures presented. • Considered the accounting policies and practices applied, including in respect of any exceptional transactions during the year and the strategy change. • Reviewed the TCFD statement and the Group’s approach to TCFD. 	<ul style="list-style-type: none"> • Advised the Board in relation to the fair, balanced and understandable assessment of the Group’s position and prospects. • Confirmed to the Board that the Committee was satisfied with the clarity and accuracy of the half-year and full-year financial statements. • Confirmed to the Board the appropriateness of the going concern and viability assessments. • Approved the Group’s 2023 TCFD statement including details of the Group’s risks and opportunities in relation to climate change and scenario analysis.

AREA OF RESPONSIBILITY	ACTIONS TAKEN	OUTCOMES
EXTERNAL AUDITOR	<ul style="list-style-type: none"> Scrutinised the independence and objectivity of the external auditor. Evaluated the performance and approach of the auditor during the 2023 audit and the effectiveness of the external audit process. Monitored compliance with our Group policy on the engagement of the external auditor to supply non-audit services. 	<ul style="list-style-type: none"> Recommended the reappointment of PWC as external auditor for the 2023 financial year. Approved the audit fee for the 2023 financial year. Confirmed compliance with the Group policy on non-audit fees and the independence of the external auditor. Recommended the reappointment of PWC for the 2024 financial year. Commenced process to tender the external audit for the 2025 financial year.
RISK MANAGEMENT AND INTERNAL CONTROLS	<ul style="list-style-type: none"> Formally reviewed the effectiveness of the risk identification process and the approach taken by the Group to address climate-related financial risk. Reviewed and evaluated the effectiveness of the Group's internal financial controls and internal control and risk management systems, including obtaining assurance that controls are operating effectively and are evidenced as such through, for example, the internal self-certification exercise and subsequent testing by Internal Audit. Monitored and reviewed the awareness of the Group's whistleblowing process, the effectiveness of the process, the types of issues raised and how such matters are investigated. Monitored the Group's approach to and controls around cyber and IT security. Monitored and reviewed the effectiveness and performance of the Group's Internal Audit and Risk Director in connection with the 2023 agreed internal audit plan. Reviewed the appropriateness of the 2024 proposed internal audit plan. 	<ul style="list-style-type: none"> Advised the Board in relation to the outcome of its risk management reviews, including its oversight of the risk identification process, to facilitate the Board's assessment of the Group's emerging and principal risks and risk appetite review. Considered the risk management and internal control systems to be effective. Approved the 2024 internal audit plan.

FINANCIAL REPORTING

The Directors are responsible for preparing the Annual Report and Accounts. The Committee is responsible for reviewing and reporting to the Board on the clarity and accuracy of the half-year and full-year financial statements. The key activities table on the previous page sets out the actions and outcomes of the reviews the Committee conducted during the year to ensure that the financial statements present a 'true and fair' view. To facilitate its reviews, the Committee receives regular reports from the CFO and the external auditor, who regularly attend meetings of the Committee.

The Committee's consideration of the 2023 Annual Report and Accounts, including the full-year results announcement, and its detailed review of the year end position by reference to the year end accounts, assisted the Board in making the going concern statement on page 69.

In addition, the Committee reviewed the significant accounting judgements for the 2023 financial statements (see table on pages 103 to 106) and confirmed it was happy with management's process of assessing the Group's long-term viability, that the assumptions included were reasonable and that further mitigating actions that the Group could take were appropriate. This year, the key assumptions in the viability statement included modelling a series of separate downside scenarios against the forecast for 2024–2028, with consideration of the Group's principal risks. The modelling demonstrated that, even in the case of a severe but plausible downside scenario, aggregating all of the individual downside assumptions, the Group had substantial headroom against the expected borrowing facilities across the period (see pages 68 and 69 for further information). The Committee did not ask the external auditor to look at any specific areas during the course of conducting its audit.

FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

One of the key provisions of the Code is for the Board to confirm that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for users to assess the Group's position, performance, business model and strategy. To enable the Board to make this declaration, a formal review is embedded in the year end process to ensure the Committee and the Board as a whole has access to all relevant information and, in particular, management's papers on significant issues faced by the Group. The Committee and the Board as a whole, receive drafts of the Annual Report in sufficient time to facilitate their review and challenge on disclosures where necessary. On this basis, the Committee is able to advise the Board that it can make the required statement that the Annual Report is fair, balanced and understandable.

APPLICATION OF ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

In carrying out its duties, the Committee is required to assess whether suitable accounting policies have been adopted and to challenge the robustness of significant judgements and estimates reflected in the financial results. This process involves reviewing relevant papers prepared by the finance team in support of the policies adopted and judgements and estimates made and confirming that they remain appropriate for the Group. The papers are discussed with the CFO and the external auditor. In addition, the Committee reviews the external auditor's year end report to the Audit Committee on the work it performed and findings from the annual audit.

SIGNIFICANT MATTERS CONSIDERED BY THE COMMITTEE IN RELATION TO THE FINANCIAL STATEMENTS

The following table shows what we consider to be the key accounting matters which required the exercise of judgement during the year:

FOCUS AREA	WHY THIS AREA IS SIGNIFICANT	HOW WE AS AN AUDIT COMMITTEE ADDRESSED THIS AREA
MARGIN FORECASTING AND RECOGNITION	<p>Cost Valuation Reports (CVRs) are used to calculate gross margin for the life of a development. This margin is used to calculate the amount of cost to be allocated to each sale. As a result, the input of materials, labour and sales pricing into the CVR process will have a significant impact on in-year gross profit. The Group has an accounting policy which dictates that only current pricing can be used in life-of-site margin calculations, such that neither inflation nor deflation for future pricing can influence the gross margin attributable to sales made in the year.</p> <p>In September 2023, the Group announced that it would fully focus its operations on its Partnerships model. At the end of the year, the existing Housebuilding land bank was in the process of being transitioned towards a greater proportion of pre-sales. The Group has also been working with its supply chain to secure cost reductions as the new strategy provides greater certainty on future workload and is expected to increase volumes. As a result of these external factors, management have been required to exercise judgement around the appropriate revenue and costs assumptions to be included in CVR calculations. Management have considered and reflected their expectations of pre-sales where they have a high degree of certainty to complete, and have used cost forecasts that take account of negotiations with the supply chain and prevailing market conditions at the year end date within their CVR calculations.</p>	<p>The Committee reviewed a technical paper prepared by management considering how the Group's accounting policy and approach complied with accounting standards. The Committee challenged the judgements taken and noted that the Group had applied its accounting policy consistently from year to year and had used the same approach for both reductions to and improvements in full life margins.</p> <p>The Committee reviewed the disclosures made in relation to accounting estimates in the financial statements.</p> <p>The Committee discussed with the external auditor the procedures which they had undertaken and checked that no significant findings had been raised.</p>

FOCUS AREA	WHY THIS AREA IS SIGNIFICANT	HOW WE AS AN AUDIT COMMITTEE ADDRESSED THIS AREA
<p>ACQUISITION ACCOUNTING</p> <p>More detail on the acquisition accounting in relation to the Combination with Countryside, can be found in note 26 of the financial statements on pages 194 and 195.</p>	<p>On 11 November 2022, the Group completed the Combination with Countryside.</p> <p>In the 2022 financial statements, management presented the provisional fair values of the acquired assets and liabilities.</p> <p>IFRS 3 Business Combinations allows 12 months from the date of acquisition for the fair value exercise to be finalised. New information became available during the first half of 2023 which resulted in a £22.9m increase in goodwill. This primarily arose due to a full write-down of inventory at one particular site which was now deemed unviable due to a significant increase in cost estimates which were underestimated at the time of the Combination. No further changes have arisen and therefore the fair values became final on 11 November 2023.</p>	<p>The Committee reviewed management's approach and concluded that it was reasonable.</p> <p>The Committee discussed with the external auditor the procedures which they had undertaken and checked that no significant findings had been raised.</p>
<p>USE OF ADJUSTED MEASURES</p> <p>For more detail see pages 30 to 33.</p>	<p>Non-IFRS or adjusted measures provide an appropriate and useful assessment of business performance and reflect the way the business is managed. They are also used in determining annual and long-term incentives for remuneration and are widely used by our investors.</p> <p>There is a risk that their inappropriate use could distort the performance of the business.</p> <p>The Group primarily uses adjusted measures to cover three main areas:</p> <ul style="list-style-type: none"> • The exceptional costs associated with integration and restructuring activity for the Group and other items that are one-off in nature and are material enough to disclose separately, including changes in the fire safety provision. • The amortisation of acquired intangible assets. • The share of joint venture operating results. 	<p>The Committee satisfied itself of the continued treatment of amortisation of acquired intangible assets and the share of joint venture operating results as adjusting items to arrive at adjusted performance measures. Additionally, the Committee agreed with management's view that the costs associated with integration and restructuring, and fire safety provisioning, are exceptional in nature.</p> <p>The Committee reviewed the revised presentation of adjusted measures on the face of the income statement and the associated disclosure explaining the reasons that the adjusted measures are used and how they are derived from IFRS measures.</p> <p>The Committee discussed with the external auditor the procedures which they had undertaken and checked that no significant findings had been raised.</p>
<p>PROVISIONS FOR FIRE SAFETY</p> <p>More detail can be found in note 22 of the financial statements on pages 189 and 190.</p>	<p>Fire safety in tall buildings continues to be an area of focus for Government and the wider public, leading to regulatory changes. This brings uncertainty when forecasting the total scope and cost of remedial work to existing buildings and the impact on the viability of new buildings.</p> <p>The assessment of the provision for remedial fire safety and cladding work is an area where significant judgement is applied. The treatment of additional charges and movements in the provision as exceptional is consistent with the prior year treatment.</p>	<p>The Committee reviewed the underlying analysis to understand the potential remedial work required, the number of buildings affected and management's methodology for quantifying the most likely case for cost to remediate.</p> <p>The Committee agreed with management's judgement to recognise incremental provisions for the costs of providing a second staircase in buildings taller than 18 metres (previously 30 metres). The Committee discussed with the external auditor the procedures performed over this analysis to address the risk of any material misstatement of the provision.</p> <p>The Committee has reviewed the disclosures in the financial statements in the context of the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and is satisfied that the disclosures made correctly reflect the Group's position.</p>

FOCUS AREA	WHY THIS AREA IS SIGNIFICANT	HOW WE AS AN AUDIT COMMITTEE ADDRESSED THIS AREA
<p>IMPAIRMENT REVIEW</p> <p>More detail can be found in notes 11 and 15 of the financial statements on pages 174 and 178.</p>	<p>Goodwill forms a significant part of the Group's balance sheet and its carrying value must be supported by prospective income streams.</p> <p>Management undertakes an annual review, or at other times if circumstances indicate a possible issue, to determine if the carrying value of goodwill is impaired. This impairment review requires the exercise of considerable judgment and application of assumptions by management, including estimates used in deriving future cash flows and discount rates applied to these cash flows, reflecting current market assessments of the specific risks.</p> <p>Management also consider whether there are any events or circumstances that would indicate that the carrying amount of the investments in subsidiary undertakings may not be recoverable.</p>	<p>The Committee agreed with management's conclusion that the Group now has only one Cash Generating Unit (CGU) following the restructuring. The Committee has reviewed cash forecasts that are used to support the Group's goodwill balance. These take account of the potential impacts of climate change through the incremental costs to implement the Future Homes Standard 2025 and the 1.5°C carbon reduction commitment. The outcome of the review was discussed with management. Having considered such outcome, the Committee concurred with management that there was significant headroom from the discounted cash flows above the book value of the Group's net assets</p> <p>The Committee considered management's review of the carrying value of investments in subsidiary undertakings, noting the underlying performance of the Group and increase in market capitalisation during 2023, and concurred that there was no trigger event.</p> <p>The Committee also considered detailed reporting from, and held discussions with, the external auditor on the matters concerned, whose view was consistent with management's conclusions. The Committee concluded that there was no requirement to impair goodwill or investments in subsidiaries, that the disclosures are appropriate and, on this basis, approved the note disclosure in the financial statements.</p>
<p>GOING CONCERN AND VIABILITY STATEMENTS</p> <p>More detail can be found on pages 68 and 69.</p>	<p>There are many external factors impacting the Group currently, both positively and negatively. These include high inflation, an uncertain interest rate environment and a housing market in which Open Market sales levels remain subdued compared with historical benchmarks but demand from partners for affordable homes is strong.</p> <p>In this context, the Directors are required to consider whether or not it is appropriate to prepare the financial statements on a going concern basis, and whether or not the Group remains viable in the medium-term.</p>	<p>In September 2023, the Committee members, as part of the main Board, reviewed the revised five-year strategy for the Group and had the opportunity to further understand and challenge the risks associated with delivering the Group's growth strategy.</p> <p>The forecasted cash flows and income statement prepared by management and approved by the Board, have formed the baseline for the modelling used to assess the Group as a going concern and its medium-term viability, as well as the assessment for the impairment of goodwill.</p> <p>The Committee reviewed a series of stress tests performed by management on these cash flows and income statement and satisfied themselves of the impact these tests would have on the ability of the Group to remain a going concern, remain compliant with banking covenants and be viable in the medium-term. The Committee has formed an opinion on the likelihood of these stressed events occurring, the proposed mitigations in a severe but plausible downside scenario, and has also reviewed the circumstances required for the Group to not be able to access cash or committed funds.</p> <p>The Committee also reviewed the key terms of the Group's financing arrangements and has concluded that the borrowing facilities available to the Group are appropriate.</p> <p>Together, these points have allowed the Committee to form an opinion as to the ability of the Group to remain a going concern for at least 12 months from the date of this report and make its recommendation to the Board.</p> <p>In addition, the Committee also reviewed management's view of the Group's ability to remain viable, for the agreed five-year period, following the forecast realisation of a number of key risks. The Committee approved and recommended the going concern and viability statements to the Board.</p>

FOCUS AREA	WHY THIS AREA IS SIGNIFICANT	HOW WE AS AN AUDIT COMMITTEE ADDRESSED THIS AREA
SEGMENTAL REPORTING	Historically, the Group reviewed the performance of Housebuilding and Partnerships separately and reported on these externally as two separate segments. Following the announcement of the new strategy to focus solely on Partnerships and the subsequent restructuring of the Group's operating divisions, the Group now only monitors and reports one operating segment.	The Committee reviewed the technical accounting paper prepared by management and considered the requirements of IFRS 8 Operating Segments. They concurred with management that the disclosure of one operating segment was appropriate and consistent with the way that information is provided to the Board. The Committee discussed with the external auditor the procedures which they had undertaken and checked that no significant findings had been raised.
FAIR, BALANCED AND UNDERSTANDABLE	The Board is required to state that the Group's external reporting is fair, balanced and understandable. The Committee is requested by the Board to provide advice to support the assertion.	The Committee received a report from management summarising the processes that had been undertaken to ensure that the Group's external reporting is fair, balanced and understandable. In addition, the Committee received a verbal update as to the level of internal review of the reporting (subject matter experts, the ELT) and the level of external review (external audit and Company brokers). After consideration of the Annual Report against the fair, balanced and understandable criteria, the Committee recommended to the Board, which accepted the recommendation, that taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the Group's position, performance, business model, strategy and principal risks and its disclosures in relation to TCFD and ESG.
LAND HELD FOR DEVELOPMENT AND WORK IN PROGRESS	The Group has a significant investment in working capital predominantly in land and housing work in progress. It is important that the value of this working capital is recorded at the lower of cost or net realisable value to avoid the level of working capital being overstated in the financial statements.	The Committee has reviewed the key accounting judgements of management in this area primarily through consideration of management's appraisal of likely revenue generated when these inventories are combined as residential properties for sale and sold (the CVR process). The Committee has received regular updates from the internal audit team, and discussed with the external auditor, the CVR process and is satisfied that the process is functioning as intended and that any concerns over future sales not exceeding current inventory valuations would be identified by management and reflected in their judgement as to the valuation to be recorded in the financial statements

EXTERNAL AUDITOR

PricewaterhouseCoopers LLP (PwC) was appointed as external auditor at the 2015 AGM, following the completion of a competitive audit tender process supervised by the Committee. The current lead audit partner is Richard French.

The Group has complied with the provisions of the Competition & Markets Authority Order, including the provisions in relation to the external auditor's appointment highlighted above, and the appointment of the external auditor for non-audit services.

Our 2024 AGM Notice contains a resolution for the re-appointment of PwC as auditor to the Group.

In making this recommendation, the Committee took into account, amongst other matters, the independence and objectivity of PwC, the ongoing effectiveness of the external audit process and cost.

There are no contractual restrictions on the choice of external auditor. The AGM Notice also contains a resolution to give the Directors authority to determine the auditor's remuneration, which provides a practical flexibility to the Committee.

The external audit contract is put out to tender every ten years. PwC was appointed at the 2015 AGM; accordingly a retendering process for the 2025 financial year has commenced and is anticipated to be completed by mid-2024.

INDEPENDENCE, QUALITY AND EFFECTIVENESS

The Committee is responsible for overseeing the external audit, its quality and effectiveness and in fulfilling this responsibility:

- Reviewed and challenged the proposed audit plan at the Committee meeting in September 2023, noting the scope of work to be undertaken and the key audit matters being addressed by the external auditor at the time and the proposed level of materiality.
- At the meeting in March 2024, prior to the announcement of the full-year results, the Committee reviewed the external auditor's fulfillment of the agreed audit plan and the work performed by the auditor to test management's assumptions and estimates in relation to key audit risks, including consideration of the efficiency of the year end process. It was recognised that continuity has been maintained within the audit team, business knowledge continues to improve year-on-year, and that communication between the Group and external auditor has been constructive and timely.
- Reviewed and approved PwC's letter of engagement and audit fee.
- Reviewed the independence and objectivity of the external auditor, which was confirmed in an independence letter containing information on procedures providing safeguards established by the external auditor. The Committee took into account regulation, professional requirements and ethical standards, together with consideration of all relationships between the Group and PwC and its staff.
- Will undertake an internal evaluation of the external audit process following the completion of the audit process, giving regard to the FRC's Guidance to Audit Committees. The review will be conducted in the early part of the year using a detailed questionnaire circulated to senior members of the Company and the divisions' finance teams.
- Relations with the external auditor are managed through a series of meetings and regular discussions and the Committee ensures a high-quality audit by challenging the external auditor's work.

NON-AUDIT SERVICES AND AUDIT FEES

The Committee keeps under review its policy which requires the Committee to approve all audit related and non-audit services proposed to be undertaken by the external auditor, with the exception of compliance work undertaken in the ordinary course of business, which is treated as pre-approved. When a request for approval is made, the Committee has due regard to the nature of the audit related or non-audit service, whether the external auditor is a suitable supplier, and whether there is likely to be any threat to independence and objectivity in the conduct of the audit. The related fee level, both separately and relative to the audit fee is also considered.

For an analysis of fees paid to PwC for audit and non-audit services, see note 5 of the financial statements. Certain non-assurance services were provided by PwC during the year in relation to the Combination in addition to a de-minimis technical accounting subscription service.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Group's risk management framework and risk appetite. The Group's risk management process and system of internal controls, which complies with the requirements of the Code, were in place for the full financial year and up to the date of approval of the Annual Report and are in line with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Committee supports the Board in reviewing the effectiveness of risk management, assessing and reviewing the Group's principal and emerging risks and keeping the internal control system under review. These controls and processes include:

- A defined organisational structure with appropriate delegation of authority across all levels of the organisation, which has been fully reassessed for the new strategy.
- Formal authorisation of all land purchases, bulk sales and formation of new joint ventures, with clear guidelines on appraisal criteria and process.
- The distribution of a Group Finance Manual which outlines accounting policies to be followed.
- The preparation and review of monthly management accounts including balance sheet reconciliations.
- Comprehensive reporting against annual budgets, KPIs and regular forecasting.

INTERNAL AUDIT

The Internal Audit function's role is to systematically, independently and objectively assess the adequacy and effectiveness of the risk management systems and key internal controls over the Group's operations, financial reporting, IT systems, and risk and compliance processes. The function is a critical component of the Group's corporate governance framework providing support and assurance to the Board, Committee and management in the execution of the Group's strategy. It provides recommendations to address key issues identified and improve processes and controls and delivers important insight on issues of culture and employee values and behaviours.

The Internal Audit team has a blend of experience consisting of core expertise in risk and assurance, alongside industry experience from within the Group. This enables the team to provide general risk and business specific assurance. The Internal Audit team also oversees business unit control compliance and undertakes commercial and cost auditing using specialist skilled resource. It continues to maintain a budget for co-sourced expertise to be brought in to provide more specialised reviews, such as IT, and to take advantage of focused data analytics.

During 2023, internal audits were undertaken in accordance with the Committee's agreed plan for the year. Audit scopes were reassessed to consider changes in risk profile and potential changes to the controls framework as a result of the change in the Group's strategy and related restructuring. Regular updates were provided to the Committee on the status of ongoing audits and action closure. The Committee monitored progress against the plan, discussed the results of all audits undertaken and monitored relevant actions to address recommendations.

The Board and ELT also agreed a plan to address expected legislative corporate governance updates, alongside the long-awaited revision to the FRC Corporate Governance Code. Subsequently the legislation was withdrawn and the FRC Corporate Governance Code now contains a much reduced set of corporate governance updates, for which Vistry Group participated in the consultation. Whilst the impact is reduced, we continue to develop additional processes that are value adding and enhance existing controls and safeguards to fully align to these new requirements. These include:

- A significantly enhanced fraud risk assessment with a new supporting process for the identification, review and reporting of both known and potential fraud risks.
- A formal reassessment of all our controls to achieve a greater level of standardisation and definition which is supportive of the Group's Partnerships strategy. Members of our ELT have sponsored each discipline and there will be refreshed processes rolled out during 2024.
- Standardised financial and non-financial reporting packs developed providing granular performance indicators across all metrics at regional, divisional and Group level.
- Continued investment in single systems across our Group that support automation of control, with alignment to our quarterly declaration for each region to ensure system usage and standardisation.
- A dedicated auditor within the Internal Audit team focusing on regional controls and self-assessment follow up and testing.

We are also preparing a process for measuring and reporting control breaches that will allow for notification and explanation through a reporting hierarchy, based upon our risk management processes and be fully compliant with the code requirements.

Given the size and complexity of the Group and changes to our strategy, the Audit Committee considered and approved both the headcount and organisational design of the Internal Audit & Risk team to ensure appropriate scale and expertise. It has been agreed that this will remain under review during 2024 so that the level of assurance can be flexed to match any change in requirement.

In the coming year, a key priority for the Internal Audit team is to support the standardised awareness of controls as they are disseminated across the Group whilst at the same time driving continuous improvement across our risk management processes.

The Committee approved the 2024 Internal Audit Plan that provides a balance of thematic reviews across the whole Group, alongside specific audits of regional businesses and individual projects with a focus on the commercial aspect due to faster build and quicker turn of capital. Specific areas of focus for the Internal Audit team have been agreed as follows:

- System usage and the compliance to new standard processes
- Commercial audits across our riskiest and most complicated projects
- Processes and controls for grant funding, shared ownership and bulk sales
- Compliance to our customer journey, sales processes and the new NHQC standards
- Major projects including remediation of liabilities associated with build safety requirements
- Our timber frame factory and the order and demand management
- Staff wellbeing and HR processes

ENTERPRISE RISK MANAGEMENT

The framework and processes the Group operates to manage risk are set out on pages 60 and 61.

During the year, the Committee monitored and reviewed the Group's risk management activities and processes through reports at each Committee meeting. The Committee reviewed the work of the Risk Oversight Committee's bottom-up and top-down process utilised to identify risks, the movement of principal risks, identification of emerging risks and the risk appetite. Following the strategic change, the Committee was updated on how the approach of the Risk Oversight Committee was evolving to reflect the key challenges impacting the Group from external factors, integration and economic factors.

WHISTLEBLOWING

Throughout 2023, the Committee has reviewed the operation of the independent third party managed whistleblower hotline to enable employees and third parties to report matters of concern. The Committee has continued to receive reports on ongoing and concluded investigations. The Committee also considered the actions taken by management as a result of the investigations.

ROWAN BAKER
Chair of the Audit Committee

14 March 2024

OUR PARTNERS

Facilitating long-term stewardship for our partners that grows value.



PARTNERSHIPS
We collaborate to create
life chances

REMUNERATION COMMITTEE REPORT

“The Committee seeks to ensure a clear link between Executive Directors’ pay, the execution of our strategy and delivery of long-term increased shareholder value”



PAUL WHETSELL
Remuneration Committee Chair

KEY RESPONSIBILITIES

- Sets and reviews remuneration policy.
- Determines remuneration and incentives of the Executive Directors and the Chair.
- Sets performance criteria for incentive plans.

2023 HIGHLIGHTS

- **Remuneration policy:** conducted a thorough review of the appropriateness of the remuneration policy in light of the transformative combination with Countryside Partnerships PLC which completed in November 2022. A revised Remuneration Policy was approved by our shareholders in August 2023 that is appropriate for a business which is significantly larger and more complex, thereby supporting the incentivisation and retention of our Executive team.
- **Shareholder consultation and General Meeting:** extensive shareholder consultation exercise undertaken by the Chair and Remuneration Committee Chair to understand the views of our major shareholders on our proposed approach to remuneration.
- **Remuneration packages:** approved 2023 salaries, 2022 bonus, LTIP outcomes for Executive Directors and ELT and 2023 LTIP awards levels for Executive Directors and Senior Management.
- **Workforce remuneration:** supported with the cost of living challenge with salary increases up to 7.75% to our lowest paid employees. We again achieved certification as a ‘Top Employer’ with the Top Employer Institute recognising our people strategies and workplace environment.
- **Effectiveness:** considered external trends in light of the ongoing cost of living challenge and received updates on the UK executive remuneration landscape.
- **Governance:** approved the 2023 Remuneration report for inclusion in this Annual Report and Accounts.

2024 PRIORITIES

- Focus on setting stretching targets for our new Policy, which is highly leveraged towards variable remuneration to drive greater alignment with shareholder experience and incentivise growth.
- Monitor the effectiveness of the revised approach to incentives in driving enhanced performance of the Group.
- Develop our approach to sustainability in incentives in the context of the enlarged Group.
- Continue to be informed on pay within the wider Group with particular focus on how workforce pay keeps pace with inflation and market conditions.

COMMITTEE MEMBERSHIP, MEETINGS AND ATTENDANCE

The table below sets out the number of scheduled meetings attended out of the meetings members were eligible to attend. A number of ad hoc meetings of the Committee were also held during the year.

In March 2023, Nigel Keen stepped down from the Board and as Chair of the Remuneration Committee. Following our 2023 AGM, we welcomed Helen Owers to the Board and the Committee. Ashley Steel and Katherine Innes Kerr stepped down from the Board and Remuneration Committee following the AGM in 2023. On behalf of the Committee, I would like to thank them all for their valuable contributions.

DIRECTOR	JOINED	ATTENDANCE
Paul Whetsell (Chair from 18/5/2023)	18/5/2023	2/2
Nigel Keen (Chair until 23/3/2023)	15/11/2016	1/1
Ashley Steel (Chair until 23/3/23 to 18/5/2023)	10/6/2021	1/1
Chris Browne	1/9/2014	3/3
Katherine Innes Ker (Member until 18/5/2023)	9/10/2018	1/1
Helen Owers	18/5/2023	2/2
Rowan Baker	18/5/2022	3/3

Regular other attendees included: the Chair, CEO, COO, CFO, representatives from Willis Towers Watson and the General Counsel & Group Company Secretary (who acts as secretary to the Committee).

📍 The Committee's Terms of Reference are available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Remuneration Committee report for the year ended 31 December 2023, my first as Chair of the Remuneration Committee having joined the Board and the Committee in May 2023.

The Remuneration Report intends to provide shareholders with a comprehensive picture of the structure of our revised Remuneration Policy which was approved by shareholders at our General Meeting in August 2023, the implementation of the Policy in 2023 and its application during 2024. The Remuneration Report will be subject to shareholder approval at the forthcoming AGM.

AGM VOTE IN MAY 2023

I firstly want to acknowledge the result of the vote on the Remuneration Report at the 2023 AGM in May. While the resolution was passed, a significant majority of our shareholders were unable to support it with the main areas of concern being the base pay of the newly appointed CFO and the application of upwards discretion on the 2020 LTIP out-turn.

The Board and Remuneration Committee consulted extensively with shareholders and proxy agencies representing over 65% of our shareholder base before and after the AGM, to listen to their feedback on both the decisions made, and an appropriate way forward. I would like to express my appreciation for the time taken to meet with me, the level of engagement and the constructive feedback given during those meetings.

POLICY REVIEW AND GENERAL MEETING IN AUGUST 2023

The Combination which our CEO successfully led, has resulted in a significant change to the size, scope and complexity of our business and has provided a transformative opportunity for the Group to accelerate its strategy of focusing our enlarged operations fully on our high growth, capital light Partnerships model, earnings resilience and a sector leading return on capital employed. Furthermore, as outlined in the Group’s strategic report, the integration is making excellent progress, and the Group is extremely well positioned to maximise the opportunities from the continued demand for open market and mixed tenure across the country.

Since my appointment, the Board and the Committee have been focused on developing a Remuneration Policy that reflects a business that has grown significantly in size and scope, including operationally, by revenue and by size of the workforce. Further, it was critical that the revised Policy which was presented and approved by shareholders at our General Meeting in August 2023, supports the retention and motivation of our CEO and management team to continue to drive the creation of shareholder value over the long term.

During the shareholder consultation process, it was clear that our shareholders have different perspectives on what the most appropriate approach is for the Group. As a Committee, we sought to balance these views with the commercial objectives of the business. Our revised Policy aims to further develop a high-performance culture with an incentive structure that is highly leveraged towards variable pay. The main changes to the Policy are as follows:

Annual bonus maximum: Maximum annual bonus opportunity has increased from 150% to 300% of base salary. The increase to the maximum under the annual bonus applied to the CEO in respect of his bonus arrangements for 2023. The maximum bonus award for the other Executive Directors remained at 150% of base salary in 2023.

Increased bonus deferral: Increase the level of possible deferral, so that at least one-third of any annual bonus would be deferred for two years (representing an increase from a set level of one-third, as per the position under the previous Policy). Two-thirds of any annual bonus payable to our CEO will be deferred for two years under the Deferred Bonus Plan from 2023 (representing an increase from one-third, as provided for under the 2022 Policy).

Strengthened deferred bonus leaver conditions: Allow the Committee to decide to apply strengthened leaver conditions to some or all awards granted under the deferred bonus from 2024. This will mean that deferred bonus awards are generally forfeited on leaving employment, subject to the good leaver exceptions as set out in the revised Policy. The Committee has determined that this treatment will apply to 50% of any deferred bonus awards granted to Greg Fitzgerald in 2024.

LTIP maximum: Maximum LTIP opportunity has increased from 200% to 300% of base salary. The amended LTIP limit will first apply to grants to be made in 2024.

Shareholding guidelines: The existing shareholding and post-cessation guidelines have been formally incorporated within the revised Policy and have been strengthened for any Executive Director who receives an LTIP opportunity of greater than 200% of base salary. See pages 124 and 130 for more information.

Given the increase in incentive opportunity levels for the CEO, we heard clear feedback on engagement that shareholders rightly expect incentive targets to be commensurately stretching. As a Committee, we have continued to evolve our disclosure and reporting in this area so that we clearly detail to shareholders the merits of our approach to remuneration and the rigour of our target-setting process. More information on our target setting process, as well as our targets (where not commercially sensitive) is provided in the relevant sections in the Remuneration Report.

The Committee was pleased that the majority of our shareholder base supported the proposals, but we also acknowledge that a significant proportion of shareholders voted against the resolution. The Committee understands the broader sensitivities around executive pay at this current time and is committed to ongoing open and constructive dialogue with our shareholder base on all executive pay matters.

REMUNERATION PAID IN RESPECT OF 2023

In determining the Executive Directors' remuneration outcomes for the year ended 31 December 2023, the Committee maintained a clear and rigorous focus on aligning pay with performance but was equally focused on taking into consideration the experience of all our key stakeholders, including shareholders and our wider workforce.

The key drivers of our decisions are outlined below.

CORPORATE PERFORMANCE

Throughout 2023, we have made significant strategic progress. Key strategic achievements include:

Strategic refresh: In September 2023, the Group announced its updated strategy to fully focus its operations on its high growth Partnerships model, increasing its delivery of mixed tenure housing across the country. The ongoing acute need for affordable mixed tenure housing across all areas of the country continues to drive demand and we have received positive endorsement of our strategy from a wide range of our partners.

Customer: Our HBF 8-week customer satisfaction score continued to increase with the Group retaining 5-star ratings for a fifth consecutive year, and consistent achievement in our score for HBF 9-month survey being above benchmark reflecting customer satisfaction once customers have settled into our homes and developments.

ESG: Following the Combination, the Group has course corrected its sustainability strategy to ensure it is appropriate for an organisation of our size and structure. The Group has reset its science based targets, commenced projects with over 600 zero carbon ready (in use) homes, improved our waste and resource efficiency, quantified the social value return on investment of project specific plans, increased the proportion of homes delivered that are affordable to 26% and again achieved certification as a 'Top Employer' with the Top Employers Institute.

Synergies: Following the Combination we announced a target of £25m of synergies in 2023. This target was exceeded with the Group delivering c.£50m in cost synergies during 2023. This was primarily driven by the integration of two operational structures and procurement benefits from integrating the supply chain.

Financial performance: The Group delivered a strong performance relative to the sector in challenging and uncertain market conditions with progress and success achieved across all areas of the business including:

Profit: Adjusted profit before tax of £419.1m was ahead of the guidance given in October 2023, up slightly from the prior year (31 December 2022: £418.4m).

Net (debt)/cash: The Group had a net debt position as at 31 December 2023 of £88.8m (31 December 2022: net cash £118.2m). This was a significant reduction from the Group's net debt position as at 30 June 2023 of £328.7m.

Build: Total completions for FY23 were 16,118 (2022: 17,038), the business demonstrated a very resilient performance considering the challenging market conditions faced by the sector with completions down only 5.4% on 2022 proforma.

Operating margin: The adjusted operating margin decreased 2.4ppts to 12.1% (2022: 14.5%). With the strategic shift towards the Partnerships model, full-year margins were revised downwards where there was a commitment to an increase in the proportion of pre-sold, discounted homes on a site.

ROCE: Whilst adjusted operating profit increased 8%, average capital employed increased 27%, resulting in a 3.7ppts reduction in ROCE to 21.3% (2022: 25.0%). The increase in capital employed of £279.5m related principally to additional investment in work in progress.

STAKEHOLDER EXPERIENCE

Shareholders: The Board is pleased that the shareholder experience over 2023 has been extremely positive, with the Group's share price increasing 43% over the course of 2023 which again has significantly outperformed the UK sector.

We paid a final ordinary dividend in June 2023 for financial year 2022 of 32 pence per share. During the year, the Board reviewed the enlarged Group's capital allocation policy and in September, approved a revised policy to pursue a two times adjusted earnings ordinary distribution cover in respect of a full financial year, with such distributions made through either share buybacks or dividends. A share buyback of £55m was commenced in December 2023 and completed on 23 February 2024.

Our people: The Committee is extremely mindful of the current cost of living challenge and its impact on the financial and emotional wellbeing of our employees. The Committee was pleased to note that during the year, the Group decided to award a total salary increase for the workforce for 2023 of between 4% and 7.75% depending on salary, ensuring that the lowest paid employees received the highest percentage increase. Other interventions to support our colleagues included:

- A year end salary increase for the workforce applying from 1 January 2024 of 3%, with those on a salary of £40,000 or less receiving an increase of 5%, ensuring that the lowest paid employees continued to receive the most support.

- A discretionary general employee bonus which met the threshold profit gateway to enable the payment of bonus for all eligible employees with final outturns varying across the business based on divisional and personal performance.

- Continual review of the benefits offered to employees which gave rise to enhancements including further improving our industry leading maternity, paternity and adoption policies, and introducing an electric vehicle salary sacrifice scheme, critical illness insurance and flexible access to earned pay through wage stream.

- Again achieving certification as a 'Top Employer' with the Top Employer Institute recognising our people strategies and workplace environment, with accreditation for 2024 taking the Group 6% above benchmark.

- Following a decrease in our Peakon employee engagement score (from 2022: 8.6 to 2023: 7.6) due to the integration activities, market conditions and a number of redundancies, we have undertaken Peakon feedback reviews across the business, to better understand employee feedback and implement actions in response.

BONUS

The 2023 Bonus Scheme set for Executive Directors in respect of performance in 2023 was based on achievement of stretching targets against Profit (50%), Capital Employed (25%), Synergies (20%) and ESG (5%). The synergies metric was new for 2023 to ensure appropriate focus on the integration of Countryside.

In respect of profit, the business performed well despite the uncertain market. Overall adjusted profit before tax of £419.1m was marginally ahead of threshold, as well as a slight improvement on prior year, therefore 5.28% of the total bonus was payable for this element. The Group amended its definition of capital employed at June 2023 to exclude the fire safety provision. However, targets for the bonus scheme were set earlier in 2023 before this change and were therefore based on the previous definition. When calculated on this basis, capital employed at 31 December 2023 was £2,136.2m. This represents performance above maximum, with this element of the bonus paying out in full. This exceptionally strong performance was driven by proactive balance sheet management and prudent renegotiation of terms across our supply chain.

As outlined above, the Group delivered synergy savings of c.£50m which was ahead of our original guidance of £25m and the maximum target, so this portion paid out in full. The sustainability metric constituted three individual measures including: number of graduates progressed through our skills academies; delivering more additional affordable homes than the year prior; and finalising ESG targets with the SBTi. Each of these three measures were achieved in full and thus 5% of the total bonus was paid under the ESG scorecard.

The formulaic outcome given the above performance was 55.28% of maximum. In light of business and stakeholder context set out above, the Committee was comfortable that the formulaic outcome set out was fair and appropriate, therefore no discretion was exercised in relation to the outcome.

LONG-TERM INCENTIVES

The 2021 LTIP award was subject to total shareholder return (TSR) (33%), adjusted EPS (33%) and ROCE (33%) targets measured over three financial years.

In respect of TSR performance, Vistry's TSR was exceptionally strong with the Group performing at the top of the peer group triggering maximum (33.3%) vesting for this portion of the award. ROCE was 21.3% which was ahead of threshold and thus 14.7% of the total LTIP was payable under the ROCE measure. Adjusted cumulative EPS over the period was 378p which was just below maximum and thus 28.3% of the total LTIP vested for this portion.

The formulaic outcome given the above performance was 76.3% of maximum. In light of business and stakeholder context set out above, the Committee was comfortable that the formulaic outcome set out was fair and appropriate therefore no discretion was exercised in relation to the outcome.

Full details on the targets set and performance against them can be found on page 120 in respect of the 2023 Bonus Scheme and page 122 for the 2021 LTIP award.

2024 REMUNERATION POLICY IMPLEMENTATION

The Remuneration Policy was approved by a shareholder vote at our General Meeting in August 2023. A summary of the implementation of the Policy in 2024 has been set out below:

Base salary increases of 3% will apply to Earl Sibley and Tim Lawlor bringing their base salaries to £551,050 and £503,464 respectively from 1 January 2024. These are the first salary increases applied to these roles since the completion of the Combination in November 2022 and represent a rate that is below the wider workforce average for 2024. No increase will be applied to Greg Fitzgerald's base salary for 2024 so it will remain at £800,000. No change in remuneration is being proposed for 2024 when Greg Fitzgerald takes on the additional role of Executive Chair on conclusion of the 2024 AGM.

A full review of the approach to performance measurement and target setting was undertaken during the year to ensure the measures used to assess performance under our incentive plans are appropriate in the context of the enlarged business, and that the targets are commensurately stretching against the backdrop of the new Policy that was approved by our shareholders in August 2023.

For the 2024 annual bonus, we are proposing a slight change to the measures used, such that payments will be subject to adjusted profit before tax (60%), average month end net debt (15%), capital employed (20%) and ESG (5%). This increase on profit and introduction of average month-end net debt to the annual bonus is directly aligned to our stated strategy of maximising value and returns to our shareholders over the longer term while providing focus on cash management throughout the year.

The maximum bonus opportunity for the CEO in 2024 shall remain at 300% of base salary, and the maximum bonus opportunity for the CFO and COO shall increase from 150% to 175% of base salary. Two thirds of any bonus paid to the CEO shall be deferred for two years under the Deferred Bonus Plan with one third deferred of any bonus paid to the CFO and COO in line with our shareholder approved Policy.

As disclosed in the notice of General Meeting, the CEO's 2024 LTIP award will be 300% of base salary. In line with our approved Policy, awards of 225% of base salary will be made to the CFO and COO. These award levels will result in an increase to both in-employment and post-employment shareholding guidelines for our Executive Directors as explained on page 130.

For 2024, we are proposing a slight change to performance measurement under our LTIP. We will continue to use relative TSR (30%), ROCE (30%) and EPS (30%) and will be introducing a measure linked to carbon reduction over the performance period accounting for the remaining 10%. This supports our net zero carbon pathway and reflects the importance of sustainability to our business, being core to our purpose.

Full details on performance measures and targets against them (where not commercially sensitive) are set out on page 129.

I hope you find that this report clearly explains the remuneration approach we have taken and how we will implement the Policy in 2024. I look forward to your support at the AGM in respect of the resolution relating to this report.

PAUL WHETSELL
Chair of the Remuneration Committee

14 March 2024

COMMITTEE ACTIVITIES

A summary of the Committee's focus and activities during 2023 are set out in the table below.

AREA OF FOCUS	ACTIVITIES
POLICY	• Development of the Group's revised Remuneration Policy in light of the Combination.
REMUNERATION PACKAGES	• Approved Executive Directors and ELT salaries for 2024. • Approved 2023 bonus outcomes for Executive Directors and ELT. • Approved 2023 LTIP award levels for Executive Directors and senior management.
PERFORMANCE TARGETS	• Reviewed and set financial targets for 2023 annual bonus and 2023 LTIP, in the context of multiple internal and external reference points for performance over the relevant period.
EQUITY INCENTIVES	• Confirmed the outcome of 2020 LTIP awards. • Received updates on performance of in-flight LTIP awards. • Updated the rules of the deferred bonus plan and LTIP plan rules to reflect changes to the Remuneration Policy.
WORKFORCE REMUNERATION	• Received updates on workforce remuneration policies and practices, and how these align with the Group's strategy and culture.
EFFECTIVENESS	• Considered external trends and possible implications for senior management remuneration across the Group. • Received updates on the UK executive remuneration landscape and governance developments.
GOVERNANCE	• Approved the 2023 Remuneration report for inclusion in this Annual Report and Accounts. • Reviewed the Committee's Terms of Reference.

DIRECTORS' REMUNERATION REPORT

REMUNERATION AT A GLANCE

This section of the Directors' Remuneration report provides details of how our Remuneration Policy was implemented during the year ended 31 December 2023, and how it will be implemented during the year ending 31 December 2024. It has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UKLA's Listing Rules. In accordance with the Regulations, the following sections of the Remuneration Report are subject to audit: the single total figure of remuneration for Executive Directors and Non-Executive Directors, and accompanying notes (page 119), awards made during the year (page 121), exit payments made in the year (page 123), payments to past Directors (page 123) and the statement of Directors' shareholdings (page 123). The remaining sections of the report are not subject to audit.

REMUNERATION IN 2023

EXECUTIVE DIRECTORS TOTAL PAY FOR 2023

See page 119

Director	Total Pay (Value £000)
Greg Fitzgerald	£3,172K
Earl Sibley	£1,576K
Tim Lawlor	£950K

2023 LTIP GRANT

See page 121

Director	Grant (Number of shares)
Greg Fitzgerald	£1,510K
Earl Sibley	£1,070K
Tim Lawlor	£978K

2021 LTIP OUTCOME

See page 122

Director	Outcome (Number of shares)
Greg Fitzgerald	£1,254K
Earl Sibley	£711K

2023 BONUS ACHIEVEMENT

See page 120

Director	Actual Bonus (Value £000)	Maximum Bonus Achievable (Value £000)
Greg Fitzgerald	£1,327K	£2,400K
Earl Sibley	£444K	£803K
Tim Lawlor	£405K	£733K

2024 LTIP AWARD

See page 114

Awards made at 300% and 225% of base salary for the CEO, COO and CFO respectively, subject to the following performance metrics:

2024 ANNUAL BONUS

See page 113

The maximum bonus opportunity level for the CEO, COO and CFO will be 300% and 175% of base salary respectively. The bonus is subject to the following performance measures:

MEASURE	WEIGHTING 2024 (AS % OF MAX)
FINANCIAL	
TSR	30
EPS	30
ROCE	30
NON-FINANCIAL	
Carbon reduction	10

MEASURE	WEIGHTING 2024 (AS % OF MAX)
FINANCIAL	
Adjusted profit before tax	60
Net debt (average month-end net debt)	15
Capital employed	20
NON-FINANCIAL	
ESG – Affordable housing and people metrics	5

IMPLEMENTATION OF REMUNERATION POLICY IN 2024

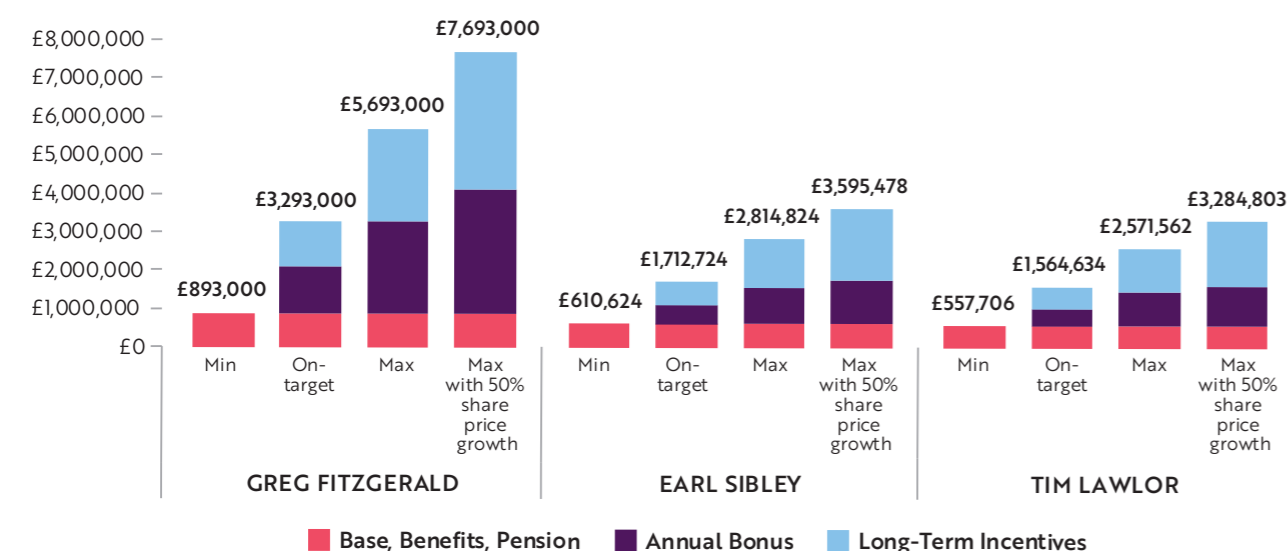
COMPONENT	MINIMUM	ON-TARGET	MAXIMUM	MAXIMUM WITH 50% SHARE PRICE GROWTH
BASE SALARY	Annual cash salary for 2024			
PENSION	2024 pension levels			
BENEFITS	2023 actual benefit figures			
ANNUAL BONUS	0% payout	50% of max opportunity	100% of max opportunity	100% of max opportunity (300% for CEO, 175% for CFO and COO), value of 1/3rd deferred (2/3rd in case of CEO) increased by 50%
LONG-TERM INCENTIVES	0% vesting	50% vesting of award	100% vesting of award	100% vesting of award (300% for CEO, 225% for CFO and COO), with value increased by 50%

2024 REMUNERATION SCENARIOS

The charts below include an estimate of the potential 2024 reward opportunities for each Executive Director based on the following assumptions:

- Minimum performance reflects the most up-to-date base salary figures and pension figures plus benefits paid in 2023.
- Target performance reflects the most up-to-date base salary and pension figures, benefits paid in 2023, annual cash bonus at 50% of maximum and LTIP vesting at 50% of maximum.
- Maximum performance reflects the most up-to-date base salary and pension figures, benefits paid in 2023, annual cash bonus at 100% of maximum and LTIP vesting at maximum of 100%.
- The proposed policy maximum with 50% share price increase assumes the maximum value with a 50% increase in share price for LTIP awards and annual bonus awards deferred into shares.

ILLUSTRATIVE SCENARIO ANALYSIS



THE CODE - PROVISION 40 ALIGNMENT

The table below explains how the Remuneration Committee has addressed the factors set out in Provision 40 of the Code. The Remuneration Policy is designed to ensure a strong link between remuneration, the strategy and delivery of objectives.

PRINCIPLE	ALIGNMENT TO THE CODE
<p>CLARITY</p> <p>Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<p>Our Remuneration Policy, plan rules and guidance notes are drafted in a clear and succinct format. The People Forum and employee roadshows provide the opportunity for our people to raise questions on the Group's remuneration practices.</p> <p>Our Remuneration Policy is available at www.vistrygroup.co.uk/investor-centre/corporate-governance and a summary of our Remuneration Policy is included in this Annual Report.</p>
<p>SIMPLICITY</p> <p>Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<p>Our remuneration arrangements for ELT and senior leadership are purposefully simple, comprising of fixed pay (salary, benefits, pension/pension salary supplement), a short-term incentive plan (Annual Bonus scheme, with a Deferred Bonus Plan) and a long-term incentive plan (LTIP). Targets are reviewed and aligned to strategy.</p> <p>The 2024 Annual Bonus scheme and 2024 LTIP award includes ESG targets based on metrics which are meaningful and clear for our employees and aligned to the strategy.</p>
<p>RISK</p> <p>Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.</p>	<p>Risks are identified by the Committee and mitigated through the application of the Remuneration Policy including: malus and clawback provisions; discretionary powers to amend outcomes; and minimum shareholding requirements. Appropriate discretion can be applied, in the case of the annual bonus for three years from the date on which the outcome is determined, and for LTIP awards discretion extends until the fifth anniversary of the grant date.</p>
<p>PREDICTABILITY</p> <p>The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.</p>	<p>The CEO's annual bonus maximum award quantum is 300% and the LTIP award quantum is 300% of base salary. The CFO and COO's annual bonus maximum award is 175% and the LTIP award quantum is 225% of base salary. Maximum bonus is only payable if stretching targets are met and excellent Group performance is achieved.</p> <p>At least one third (and two thirds for the current CEO) of the annual bonus and whole of the LTIP vesting is in shares.</p> <p>The Executive Directors have shareholding requirements including a two-year post-cessation shareholding requirement. The value of share awards are less predictable than cash due to potential fluctuations in the share price. However, it means that Director remuneration is better aligned to the shareholder experience.</p>
<p>PROPORTIONALITY</p> <p>The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.</p>	<p>Incentive scheme targets are carefully considered by the Committee to ensure they reward performance and are correctly calibrated. Targets used in the Group's incentive schemes are then monitored and progress measured by reference to many of the Group's reported KPIs. For the annual bonus for 2024, these include adjusted profit before tax, average month end net debt and capital employed. For the LTIP, these include earnings per share and ROCE.</p> <p>Annual bonus arrangements link to the Group's strategic pillars and, for 2023, the metrics used were adjusted profit before tax, year end capital employed (being total equity less goodwill, intangible assets and net cash and defined benefit pensions asset/liability), synergies and ESG – affordable housing and people metrics with a carbon reduction underpin. Year end capital employed motivates a disciplined balance sheet and supports the management of capital and cash. Monitoring measures are in place to ensure that nothing beyond the normal period end behaviours and actions occur in arriving at the outcome.</p> <p>The LTIP takes a longer-term perspective, and for the 2023 awards, the metrics were based on the financial and share price performance measures of relative total shareholder return, adjusted earnings per share and ROCE, equally weighted at one third of awards. The inclusion of the ROCE metric ensures that sustainable investment decisions are made. Information in relation to the 2023 LTIP awards is set out on page 121. The Committee's ability to apply discretion ensures that outcomes will not reward poor performance.</p>

PRINCIPLE	ALIGNMENT TO THE CODE
ALIGNMENT TO CULTURE	<p>Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love. This is reflected in our ESG metric in the annual bonus, and our ROCE metric in the LTIP ensures sustainable investment. Incentive targets selected by the Committee reflect the importance of driving behaviours that underpin the culture of the business and support the sustainable success of the Group. A synergy metric was included in the 2023 annual bonus to ensure appropriate focus on the key integration of Countryside. For the third year, ESG measures have been applied in setting performance targets for the 2024 annual bonus arrangements. The ESG metric is made up of a scorecard of affordable housing and skills academies measures. Customer satisfaction based on both the HBF 8-week and 9-month survey scores remain important KPIs and are agreed areas for consideration of downward discretion in the 2024 annual bonus. Further details about the 2024 annual bonus are set out on page 129. From 2024, the LTIP will include an element measuring carbon reduction aligned with our Sustainability Strategy.</p> <p>The Group values are Integrity, Caring and Quality which are reflected in our incentive remuneration measures through the inclusion of customer satisfaction and health and safety as areas for downward discretion in the annual bonus (to drive increased service and build quality and maintain the safety of our sites) and through the malus and clawback provisions that apply to all incentive plans. Further information on our culture is included on pages 82 to 83.</p> <p>As set out under 'Proportionality', annual bonus arrangements link to the Group's near-term strategic pillars and the LTIP takes a longer-term perspective, with the metrics and targets set by reference to the strategic plan.</p>

KEY REMUNERATION DECISIONS DURING 2023

During 2023, the Committee determined the performance measures and set targets for the 2023 annual bonus and approved 2022 bonus payments. It also determined the performance measures and set targets for and approved LTIP awards made in 2023 and confirmed the partial vesting of the 2020 LTIP awards. Malus and clawback provisions for incentive awards and a two-year post vesting holding period for LTIP awards continued to be applied in 2022.

The Deferred Bonus Plan (DBP) was used to make share awards to Executive Directors and other senior management equivalent to the value of one third of their annual bonus over a vesting period of two years. Malus and clawback provisions apply which are consistent with the terms of the annual bonus plan and LTIP.

The Committee developed a revised Remuneration Policy for the Group following the Combination, which was put forward for shareholder approval on 30 August 2023. Shareholders approved an increase in the CEO's salary to reflect the increased scope of his role given the size of the business, with effect from 1 January 2023. The CEO's maximum bonus potential for FY23 was increased to 300%, reflecting the new Remuneration Policy. In order to implement the revised Remuneration Policy, consequential amendments were made to the LTIP and DBP rules for shareholder approval. A summary of all of the changes to the Policy is set out in the Chair's letter on page 111.

Towards the end of the year, the Committee considered the structure for the 2024 annual bonus and completed the 2024 remuneration review, which included consideration of the economic environment, alignment with the experience of stakeholders, the link between executive remuneration and pay, and employment conditions throughout the Group (including oversight of the general proposals for our people for 2023). It was agreed that the CEO would not be included in the salary review for 2024. The conclusion of the review was that a base salary increase for the COO and CFO from 1 January 2024 would be at 3% in line with the standard increase across the workforce for those earning £40,000 or more. The increase for employees earning less than £40,000 was 5%, with a taper applied so that those earning just over £40,000 were not disadvantaged.

IMPLEMENTATION OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2023

SINGLE FIGURE EXECUTIVE DIRECTORS' REMUNERATION (AUDITED)

		Base Salary £000	Benefits ¹ £000	Pension ² £000	Sub-Total (Fixed Pay) £000	LTIP £000	Annual Bonus ⁵ £000	SAYE £000	Sub-Total (Variable Pay) £000	Total Remuneration £000
Greg Fitzgerald	2023	800	37	56	893	952	1,327	-	2,279	3,172
	2022	726	31	87	844	551 ⁴	1,089	-	1,640	2,484
Earl Sibley ⁷	2023	535	21	36	592	540	444	-	984	1,576
	2022	430	20	41	491	313 ⁴	645	-	958	1,449
Tim Lawlor ⁸	2023	489	19	32	540	-	405	5 ⁶	410	950
	2022	67	1	5	73	-	100	-	100	173

Notes:

- Taxable benefits include medical insurance, payment of a car allowance and provision of a leased vehicle.
- Greg Fitzgerald, Earl Sibley and Tim Lawlor receive a non-bonusable and non-pensionable pension salary supplement.
- LTIP 2021 measured over a three-year period to 31 December 2023 and vested to the extent of 76.3% on 8 March 2024. The figure included is an estimate based on the average share price over the last quarter of 2023 of £7.88. The share price on grant of this award was £9.28 and at the end of the three-year period was £9.175. Notional dividends accrued up to 31 December 2023 have been applied to the vested award. The value of these notional dividends accrued is £139,996 and £79,383 for Greg and Earl respectively.
- LTIP 2020 measured over a three-year period to 31 December 2022 and vested to the extent of 57% on 1 March 2023 at a share price of £7.855. The share price on grant of this award was £12.79 and at the end of the three-year period was £6.255. Notional dividends accrued up to 1 March 2023 have been applied to the vested award.
- 55.28% annual bonus was achieved for the year (see page 120). One third (two thirds for the CEO) of the annual bonus will be deferred into shares in accordance with the Deferred Bonus Plan 2022 rules. Deferral amounts for Greg, Earl and Tim are £884,480, £147,874, and £135,104 respectively. Greg's deferred bonus is subject to continued employment.
- Tim Lawlor was granted 3,065 SAYE at an option price of £5.872 (representing a 20% discount to the prevailing market price of £7.34 during 2023), resulting in an equivalent benefit of £4,500.
- Earl Sibley assumed the role of COO with effect from 11 November 2022, therefore his 2022 figures are reflective of the change in his remuneration package from this date.
- Tim Lawlor was appointed to the Board on 11 November 2022.

NON-EXECUTIVE DIRECTORS' REMUNERATION (AUDITED)

The following table shows the remuneration for the Non-Executive Directors who served during 2023:

Non-Executive Directors	SALARY / FEES £000			
	2023	Total 2023	2022	Total 2022
Ralph Findlay ¹	234	234	169	169
Rowan Baker ²	70	70	42	42
Chris Browne	59	59	57	57
Paul Whetsell ³	43	43	-	-
Helen Owers ³	36	36	-	-
Jeff Ubben ⁴	36	36	-	-
Katherine Innes Ker ⁵	28	28	57	57
Nigel Keen ⁶	33	33	67	67
Ashley Steel ⁵	34	34	63	63

¹ Appointed Chair on 18 May 2022.

² Appointed on 18 May 2022.

³ Appointed on 18 May 2023.

⁴ Appointed on 23 March 2023.

⁵ Resigned on 18 May 2023.

⁶ Resigned on 23 March 2023.

In addition to their fees, the Non-Executive Directors were entitled to claim non-taxable expenses incurred whilst fulfilling their role. There were no reimbursements of expenses that were taxable.

PAYMENTS TO EXECUTIVE DIRECTORS FOR EXTERNAL DIRECTORSHIPS (UNAUDITED)

Greg Fitzgerald is Non-Executive Chairman of Baker Estates Limited. During the year, Greg Fitzgerald received a fee of £145,000 in relation to this appointment, together with loan interest payments of £485,451. He is also Non-Executive Chairman of Ardent Hire Solutions Limited, for which he received a fee of £130,000 during the year. Neither Tim Lawlor nor Earl Sibley currently hold any external directorships.

ANNUAL BONUS PAYMENT IN RESPECT OF 2023 (AUDITED)

The maximum opportunity for the CEO, COO and CFO for the year ended 31 December 2023 was 300% for the CEO and 150% of base salary for the COO and CFO, with one third (two thirds for the CEO) of any bonus award being paid in shares, deferred for two years. Provisions that enable the recovery of sums paid (clawback) continue to apply, as set out in the Policy table. All targets were set in January 2023.

A breakdown of the performance against the measurement criteria is shown below.

MEASURE	WEIGHTING (% OF MAX)	THRESHOLD (10%)	ON TARGET (50%)	STRETCH AND MAXIMUM (100%)	OUTCOME AND AWARD ACHIEVED (% OF MAX)
FINANCIAL MEASURES (95%)					
Adjusted profit before tax (acts as gateway to bonus)	50	£418m	£490m	£510m	£419.1m (10.6%)
Year end capital employed	25	£2,427m	£2,313m	£2,267m	£2,136.2m (100%)
Synergies delivered	20	£19m	£29m	£39m	c.£50m (100%)
NON-FINANCIAL MEASURES (5%)					
ESG - Affordable housing and people metrics, with carbon reduction underpin ¹	5	n/a	n/a	n/a	100%
TOTAL BONUS PAYABLE	55.28				

¹ The ESG scorecard targets included (i) additional affordable homes growth in excess of 2022, (ii) skills academy learners with a threshold performance of 233 and a maximum performance of 275, on a straight-line basis; and (iii) carbon reduction underpin to finalise SBTi targets and set an implementation plan. The sustainability scorecard measures were achieved in full: (i) the number of additional affordable homes delivered was more than double 2022 delivery (ii) the number of learners through skills academies was 299 against a maximum target of 275 (iii) During the year we have created a new Sustainability Strategy, following a double materiality assessment and obtained revised targets for the enlarged Group from the SBTi.

Executive Director	Maximum bonus % salary	Target bonus % of salary	Actual bonus % of salary	Total 2023 bonus £000
Greg Fitzgerald	300	150	165.9	1,327
Earl Sibley	150	50	82.9	444
Tim Lawlor	150	50	82.9	405

In determining the Executive Directors' 2023 annual bonus outcome, the Committee maintained a clear and rigorous focus on aligning pay with performance, coupled with consideration of performance against the metrics. The Committee considered the market backdrop noting the Group has delivered a strong operational and financial business performance during 2023, alongside the integration of Countryside and initial execution of the transformational new strategy to focus solely on Partnerships. The Committee also noted that customer service on the 8-week survey basis maintained a 5-star rating, the achievements of construction quality awards and a good track record for health and safety. In the face of an inflationary market with high cost inflation in the first half lessening in the second half being accompanied by a modest reduction in open market house prices, the Group managed its cost base well to support the 2023 result. In addition, it has accelerated the transition of housebuilding to partnerships. The overall reported performance is marginally ahead of the guidance given in October at £419.1m. This level is between the threshold of £418m and target of £490m resulting in a 10.6% outturn of the maximum. The performance against the target for capital employed was due to continued focus on good working capital management. The announcement of the acquisition of Countryside highlighted a target of £25m of synergies in 2023. The outturn for 2023 was c£50m which was in excess of the maximum target in the bonus scheme of £39m. The proposal is for 100% of the bonus to be payable in respect of this element. The three elements of ESG scorecard were met due to increased focus on the delivery of sustainability targets throughout the Group, resulting in 100% outturn of the maximum. The overall outturn for bonus payable in respect of the year ended 31 December 2023 was 55.28%. The Committee considered whether to exercise its discretion and agreed not to adjust this outcome as it was comfortable that the awards made were both fair and appropriate given the performance of the Group in the year and wider stakeholder experience outlined earlier in this report.

LONG-TERM INCENTIVE PLAN (LTIP) (AUDITED)

Long-term incentive awards are made in the form of performance shares or nil-cost options under the Vistry Group LTIP, which was approved by shareholders at the General Meeting held on 2 December 2019, as amended on 30 August 2023. All awards prior to 2020 were granted under the rules approved at the 2010 Annual General Meeting. Each award is made subject to the achievement of performance criteria as explained below and will ordinarily vest after three years. A two-year holding period following vesting was introduced for 2017 awards onwards, which extends the time between awards being granted and when they can be exercised to five years. Provisions that enable the withholding of payment or the recovery of sums paid (malus and clawback) were further strengthened with the adoption of the LTIP rules.

Discretions available to the Committee contained in the LTIP rules are set out in the Policy table on pages 132 to 138 and in the exit payments policy contained within the Remuneration Policy which is available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

AWARDS GRANTED DURING 2023 (AUDITED)

The table below shows the awards granted to Executive Directors in 2023 in the form of nil cost options. The awards were based on a closing share price of £7.2250 on 24 March 2023. This has been used to determine the face value of the awards. The award is subject to a three-year performance period ending on 31 December 2025 and exercisable in 2028, following a two-year holding period.

Executive Director	Type of award	Award as % of salary	Number of shares awarded	Face value of award £000
Greg Fitzgerald	Performance Share Plan	200	209,056	1,510
Earl Sibley	Performance Share Plan	200	148,096	1,070
Tim Lawlor	Performance Share Plan	200	135,307	978

The performance measures for all 2023 awards are total shareholder return (TSR) (33.3%), adjusted EPS (33.3%) and ROCE (33.3%). Achieving threshold performance for the financial and TSR performance measures would result in 25.0% of the total award vesting.

The performance targets are:

- **TSR** – threshold performance equal to the annualised median of the index and maximum performance equal to the annualised upper quartile of the index, using a relative ranking approach, measured over the three consecutive financial years commencing on 1 January 2023 to 31 December 2025.
- **Adjusted EPS** – threshold performance at absolute EPS of 94 pence and maximum performance at absolute EPS of 123 pence, both as measured in the third year of the performance period (2025).
- **ROCE** – threshold performance at 25.6% and maximum performance at 28.3%, both as measured in the third year of the performance period (2025).

The 2023 constituents of the TSR index, which may be subject to change, are as listed below:

TSR comparator group			
Barratt Developments plc	Bellway plc	The Berkeley Group plc	Taylor Wimpey plc
Crest Nicholson Holdings plc	Persimmon plc	Redrow plc	

DEFERRED BONUS AWARD GRANTED IN 2023 (AUDITED)

The table below shows the awards granted to Executive Directors under the Deferred Bonus Plan 2023 in the form of conditional awards on 27 March 2023. The awards equate to one third of the bonus payable to Executive Directors in respect of 2022. The awards were based on a share price of £7.2250 being the closing share price on 24 March 2023. The awards are not subject to any additional performance conditions nor are they subject to continued employment and vest in accordance with the plan rules.

Executive Director	Type of award	Award as % of bonus	Number of shares awarded	Face value of award £000
Greg Fitzgerald	Deferred Bonus Award	33.33%	49,751	359
Earl Sibley	Deferred Bonus Award	33.33%	29,476	213
Tim Lawlor ¹	Deferred Bonus Award	33.33%	4,566	33

¹ Tim Lawlor was appointed to the Board on 11 November 2022. Therefore, his bonus payable in respect of 2022 was from the period 11 November 2022 – 31 December 2022.

AWARDS VESTING IN RESPECT OF 2023 (AUDITED)

The LTIP awards made in 2021 were measured over a three year period to 31 December 2023 and vested as to 76.3% of the maximum award on 8 March 2024 at a share price of £11.20.

Performance measure	Weighting	Threshold (25% Vesting)	Maximum (100% Vesting)	Actual	% Achieved against weighting	% Vesting
Adjusted EPS	33.33%	320p	392p	378p	85.3%	28.4
TSR	33.33%	Performance equal to the annualised median of the index	Performance equal to the annualised upper quartile of the index	Upper quartile	100%	33.3%
ROCE	33.33%	20.8%	23%	21.3%	43.7%	14.6%

Straight line vesting occurs between threshold and maximum.

The adjusted EPS of 378p has been re-based using the same rate of corporation tax as was used in setting the 2021 targets.

Total vesting 76.3%

When considering the outturn, the Committee considered the transformation of the Group over the three year period of the LTIP, notably including the acquisition of Countryside Partnerships PLC in November 2022 and the new strategy to focus solely on partnerships in September 2023. Both the Combination and the change of strategy were taken forward for the long-term benefit of the Group and its stakeholders. There were no adjustments to targets following the Combination. The TSR element was achieved in full reflecting the positive response to the new strategy by shareholders resulting in the Group performing at the top of the peer group. The TSR peer group was Vistry Group PLC, Redrow plc, Taylor Wimpey plc, Barratt Developments plc, Bellway plc, The Berkeley Group plc, Crest Nicholas Holdings plc, Persimmon plc and Countryside Partnerships PLC. ROCE is monitored to reflect the underlying performance of the Group, with exceptional items and the amortization of acquired intangible assets excluded from the calculation. The ROCE element surpassed the threshold with it achieving 43.7% of the maximum. The adjusted EPS element is cumulative EPS over the period 2021 to 2023, resulting in a vesting of 85.3% of the maximum. The Committee noted that the Combination had been acknowledged as dilutive to EPS which had been accepted for the long-term benefit of the Company. The overall level of vesting for the 2021 award is 76.3%. The Committee considered whether to exercise its discretion and agreed not to adjust this outcome as it was comfortable that the awards made were both fair and appropriate given the performance of the Group in the year and wider stakeholder experience outlined earlier in this report.

HISTORICAL LTIP AWARDS (AUDITED)

The table below summarises the historical long-term incentive awards made to the Executive Directors.

Year of grant	Performance period	AWARD SIZE (% SALARY)			PERFORMANCE CRITERIA %				Percentage of award vesting
		CEO	COO	CFO	Customer Satisfaction	TSR	EPS	ROCE	
2017	01/01/2017-31/12/2019	200	-	125	33.3	22.2	22.2	22.2	81.6
2018	01/01/2018-31/12/2020	200	-	125	25	25	25	25	25
2019	01/01/2019-31/12/2021	150	-	125	-	33.3	33.3	33.3	45.3
2020	01/01/2020-31/12/2022	200	200	200	-	33.3	33.3	33.3	57
2021	01/01/2021-31/12/2023	180	180	180	-	33.3	33.3	33.3	76.3
2022	01/01/2022-31/12/2024	200	200	200	-	33.3	33.3	33.3	Ongoing
2023	01/01/2023-31/12/2025	200	200	200	-	33.3	33.3	33.3	Ongoing

PENSIONS (AUDITED)

All Executive Directors receive pension salary supplements of 7% of their respective base salaries from 1 January 2023 in alignment with the workforce.

None of the Executive Directors have a prospective right to defined benefit pensions and there are no special early retirement or early termination provisions for Executive Directors, except as noted in the exit payments policy in the Remuneration Policy available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

Any new appointments include eligibility for membership of the Group's defined contribution pension arrangements.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

There were no payments for loss of office made in the year.

PAYMENTS TO PAST DIRECTORS (AUDITED)

In March 2023, Graham Prothero received a bonus payment of £772,500 which was 100% of his maximum opportunity of 150% of annual salary in respect of the year ending 31 December 2022. Two thirds of the bonus was paid in cash and the remaining one third was a share award under the Deferred Bonus Plan, which will vest after two years. In March 2023, Graham's LTIP award for 2020 vested in accordance with the performance achieved of 57%, details of which are set out in the Company's 2022 Annual Report and Accounts. This award is still subject to a two year holding period. In March 2024, Graham's 2022 Deferred Bonus Plan share award will vest and 26,471 shares (less tax and NI) will be released.

DIRECTORS' SHAREHOLDINGS AND SHARE INTERESTS

DIRECTORS' BENEFICIAL SHARE INTERESTS (AUDITED)

The Directors' interests in the share capital of the Company are shown below. All interests are beneficial.

	31 DEC 2023					31 DEC 2022				
	Ordinary Shares	Deferred shares ⁴	LTIP shares (vested) ⁵	LTIP shares (subject to performance conditions) ⁶	SAYE options (subject to continuous employment)	Ordinary Shares	Deferred shares ⁴	LTIP shares (vested) ⁵	LTIP shares (subject to performance conditions) ⁶	SAYE options (subject to continuous employment)
Executive Directors										
Greg Fitzgerald	1,639,193	86,629	225,223	497,949	-	1,639,193	36,878	163,137	397,816	-
Earl Sibley	36,052	50,388	101,680	312,336	2,208	35,823	20,912	66,473	226,007	2,208
Tim Lawlor	64,976	4,566	-	135,307	3,065	64,843	-	-	-	-
Non-Executive Directors										
Ralph Findlay	2,868	-	-	-	-	2,868	-	-	-	-
Rowan Baker	-	-	-	-	-	-	-	-	-	-
Chris Browne	9,832	-	-	-	-	9,832	-	-	-	-
Paul Whetsell ¹	15,000	-	-	-	-	-	-	-	-	-
Helen Owers ¹	1,000	-	-	-	-	-	-	-	-	-
Jeff Ubben ²	-	-	-	-	-	-	-	-	-	-
Katherine Innes Ker ³	850	-	-	-	-	850	-	-	-	-
Nigel Keen ⁴	-	-	-	-	-	-	-	-	-	-
Ashley Steel ³	3,059	-	-	-	-	3,059	-	-	-	-

¹ Appointed to the Board on 18 May 2023.

² Appointed to the Board on 23 March 2023 and stepped down from the Board 12 January 2024.

³ Stepped down from the Board on 18 May 2023.

⁴ Conditional awards.

⁵ Vested nil cost share options but not yet exercised.

⁶ Nil cost share options.

After 31 December 2023, there were the following changes in Directors' shareholdings: Baker Estates Limited, closely associated with Greg Fitzgerald, sold its entire shareholding of 893,348 shares in the Company in January 2024. Greg bought 10,525 on 19 January 2024. His current shareholding is 756,370. There were no other changes in the holdings of ordinary shares of any of the Directors between 1 January 2024 and 12 March 2024 (being the latest practicable date prior to the publication of this Annual Report) other than the normal monthly investment in partnership shares through the Vistry Group PLC Share Incentive Plan.

The Directors' interests in share options and awards under the LTIP are detailed on the adjacent page. There were no changes in the holdings of share options and awards under the LTIP between 1 January 2024 and 12 March 2024 (being the latest practicable date prior to the publication of this Annual Report and Accounts).

SHAREHOLDING GUIDELINES (AUDITED)

Guidelines have been approved for Executive Directors in respect of ownership of Vistry Group PLC shares. During 2023, the Board expected each Executive Director to retain 100% of the net value derived from the exercise of LTIP awards as shares, after settling all costs and income tax due, until such time as they meet the guidelines. The shareholding guidelines were strengthened in the new Policy for any Executive Director who receives and LTIP opportunity greater than 200% of their base salary. Where this applies, the shareholding guideline will apply at the higher of (i) 200% of base salary, or (ii) the Executive Directors LTIP opportunity. This means for the CEO his guidelines were increased to 300% of base salary.

Shares no longer subject to performance conditions but subject to deferral or a holding period count towards the guideline (on a net of tax basis).

Executive Director	Shareholding as at 31/12/23	Historical acquisition cost	Salary as at 01/01/24	Shareholding achieved %	Shareholding guideline %
Greg Fitzgerald	1,795,109	£13,232,337	£800,000	1,654	300
Earl Sibley	112,086	£999,665	£551,050	181	200
Tim Lawlor	67,259	£451,359	£503,464	90	200

Greg Fitzgerald continued to meet the shareholding guidelines during 2023. As disclosed above, as at the date of this report, Greg's ordinary shareholding (excluding vested shares but subject to deferral or a holding period) is 756,370, therefore he now holds shares with a historical cost equal to over 10 times basic annual salary. Earl Sibley and Tim Lawlor continued to increase the number of shares held during 2023 and are making good progress towards meeting shareholding guidelines.

DIRECTORS' INTERESTS IN LTIP SHARES¹ (AUDITED)

Executive Director	Award date	Vesting date	Interest as at 31/12/23	Interest as at 31/12/22	Value of shares at date of award (£000)	Vesting & exercised in year	Lapsed in year	Expiry date	Market value at vesting (£000)	Gain on exercise (£000)	Shares retained on exercise
Greg Fitzgerald	08/09/17	08/09/20	91,369	91,369	1,300	-	-	08/09/27	-	-	-
	05/03/18	05/03/21	30,759	30,759	1,332	-	-	05/03/28	-	-	-
	04/03/19	04/03/22	41,009	90,529	1,019	-	-	04/03/29	-	-	-
	02/03/20	02/03/23	62,086	108,923	1,393	-	46,837	02/03/30	-	-	-
	08/03/21	08/03/24	135,109	135,109	1,254	-	-	08/03/31	-	-	-
	04/03/22	04/03/25	153,784	153,784	1,452	-	-	04/03/32	-	-	-
	27/03/23	27/03/26	209,056	-	1,510	-	-	27/03/33	-	-	-
Earl Sibley	08/09/17	08/09/20	40,263	40,263	375	-	-	08/09/27	-	-	-
	05/03/18	05/03/21	9,377	9,377	650	-	-	05/03/28	-	-	-
	04/03/19	04/03/22	16,833	37,161	418	-	-	04/03/29	-	-	-
	02/03/20	02/03/23	35,207	61,767	790	-	26,560	02/03/30	-	-	-
	08/03/21	08/03/24	76,616	76,616	711	-	-	08/03/31	-	-	-
	04/03/22	04/03/25	87,624	87,624	828	-	-	04/03/32	-	-	-
	27/03/23	27/03/26	148,096	-	1,070	-	-	27/03/33	-	-	-
Tim Lawlor	27/03/23	27/03/26	135,307	-	978	-	-	27/03/33	-	-	-

¹ All awards were granted as nil cost options.

DIRECTORS' INTERESTS IN SHARE OPTIONS (AUDITED)

Executive Director	Date of grant	Scheme	Interest as at 31/12/22	Granted in year	Lapsed in year	Exercised in year	Interest as at 31/12/23	Exercise price per share (£)	Option exercise period
Greg Fitzgerald	-	-	-	-	-	-	-	-	-
Earl Sibley	01/06/2021	SAYE	2,208	-	-	-	2,208	8.152	06/24-12/24
Tim Lawlor	27/04/2023	SAYE	-	3,065	-	-	3,065	5.872	06/26-12/26

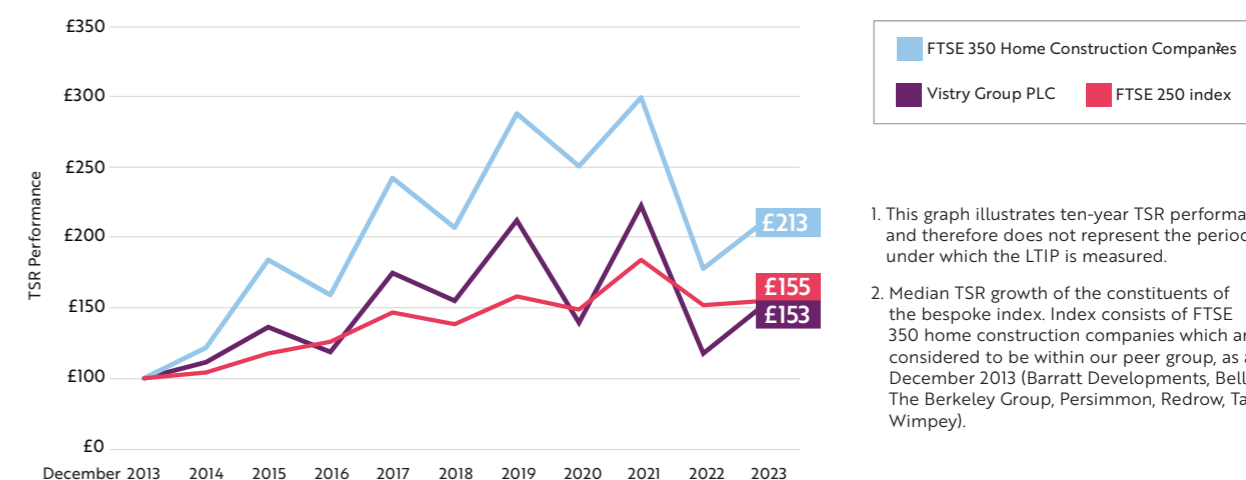
The Vistry 2023 SAYE options were granted at a 20% discount to the prevailing market price of £7.34 on the date of grant. There was no payment required to secure the grant of any share options. There was no change in the terms and conditions of any outstanding options granted under the SAYE Scheme during the year. Share options held in the SAYE Scheme, which are not subject to performance conditions, may under normal circumstances be exercised during the six months after maturity of the savings contract.

PAST PERFORMANCE REVIEW

As required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the following graph shows the TSR on an ordinary share held in Vistry Group PLC (previously named Bovis Homes Group PLC) over the last ten financial years, compared to the FTSE 250 index and the median of the FTSE 350 housebuilding companies (as listed as at 31 December 2013) over the same period. As a constituent of the FTSE 250 operating in the home construction sector, the Committee considers both these indices to be relevant benchmarks for comparison purposes.

The middle market price of the Company's shares on 29 December 2023 was £9.13 (2022: £6.26). During the year ended 31 December 2023, the share price recorded a middle market low of £6.36 and a high of £9.46.

TOTAL SHAREHOLDER RETURN PERFORMANCE GRAPH¹

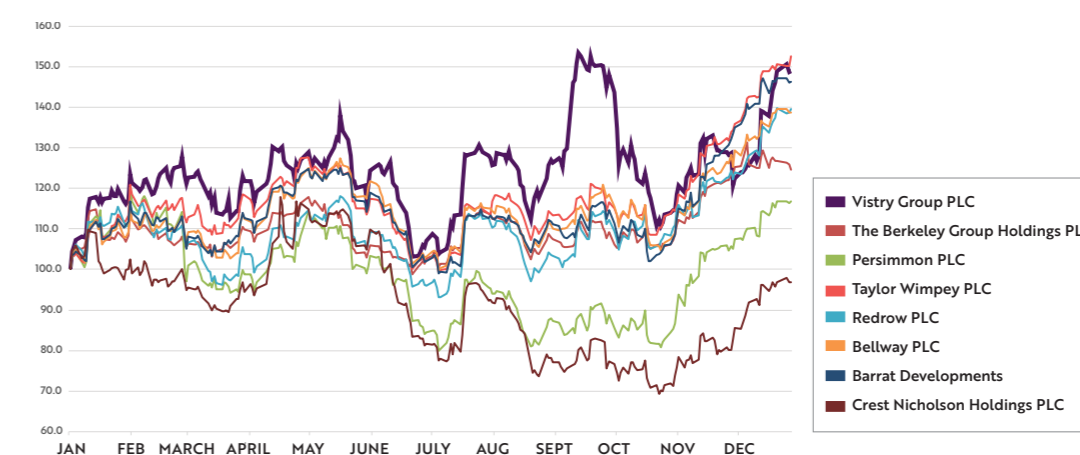


- This graph illustrates ten-year TSR performance and therefore does not represent the period under which the LTIP is measured.
- Median TSR growth of the constituents of the bespoke index. Index consists of FTSE 350 home construction companies which are considered to be within our peer group, as at 31 December 2013 (Barratt Developments, Bellway, The Berkeley Group, Persimmon, Redrow, Taylor Wimpey).

The Board has chosen these comparative indices as the Group is a constituent of the FTSE 250 and its major competitors are included within the bespoke index.

SHARE PRICE CHART FOR 2023

The chart below illustrates the Company's share price performance relative to its peer group.



TOTAL CEO REMUNERATION

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single figure total £000	1,440	1,596	1,505	1,029	1,376	2,180	2,175	1,342	2,356	2,484	3,172
Annual bonus against maximum %	97.8	88.7	59.8	10	100	89	100	30	100	100	55.28
LTIP vesting against maximum %	50	66.7	66.7	35.9	0	0	81.6	25	45.3	57	76.3
Recruitment award vesting against maximum %	n/a	n/a	n/a	n/a	n/a	100	n/a	n/a	n/a	n/a	n/a

Note: Columns for 2013-2016 relate to David Ritchie and those for 2017-2023 related to Greg Fitzgerald.

ANNUAL PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The table below sets out the change in remuneration for the Company's Directors from 2020 to 2023. As the Company has no direct employees we have chosen to compare the change in remuneration with the Group's employees (as per prior years).

Executive Directors	Salary/Fees % change				Benefits % change				Annual Bonus % change			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Greg Fitzgerald ⁽¹⁾	10.19	4.25	0.00	2.50	19.40	0.00	0.00	94.00	21.21	4.21	400.00	-69.00
Earl Sibley ⁽²⁾	24.42	4.75	0.00	18.00	5.00	0.00	0.00	82.00	-31.62	4.72	402.54	-65.00
Tim Lawlor ⁽³⁾	0.00	-	-	-	0.00	-	-	-	-	-	-	-
Non-Executive Directors												
Ralph Findlay ⁽⁴⁾	38.46	125.68	0.00	2.00	-	-	-	-	-	-	-	-
Rowan Baker	4.00	-	-	-	-	-	-	-	-	-	-	-
Chris Browne	4.00	4.66	0.00	2.75	-	-	-	-	-	-	-	-
Paul Whetsell ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Helen Owers ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Jeffrey Ubben ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	-
Katherine Innes Ker ⁽⁷⁾	4.00	4.66	0.00	2.75	-	-	-	-	-	-	-	-
Nigel Keen ⁽⁸⁾	4.00	4.72	0.00	2.30	-	-	-	-	-	-	-	-
Ashley Steel ⁽⁷⁾	4.00	15.67	-	-	-	-	-	-	-	-	-	-
Average pay of employees of the Group	5.07	4.22	2.78	6.13	1.00	1.00	1.00	1.00	60.00	-5.00	369.00	3.00

¹ Salary and bonus potential changed following the GM held on 30 August 2023.

² Assumed the role of COO on 11 November 2022, therefore the percentage change reflects the difference between the 2022 and 2023 salary figures disclosed in the Single Figure Table on page 119.

³ Appointed to the Board on 11 November 2022 and there were no changes to his remuneration package for 2023.

⁴ Appointed Chair of the Board on 18 May 2022, therefore 2023 was the first full year's fee. The increase in the Chair's fee was 4% in line with the other fee increases.

⁵ Appointed to the Board on 18 May 2023.

⁶ Appointed to the Board on 23 March 2023 and stepped down on 12 January 2024.

⁷ Stepped down from the Board on 18 May 2023.

⁸ Stepped down from the Board on 23 March 2023.

CEO PAY RATIO

Our CEO pay ratio has been calculated using 'Option A', because this uses total full-time equivalent total remuneration for all UK employees for the relevant financial year to rank the data and identify employees whose remuneration place them at median, 25th and 75th percentile. This consistent with the method used for prior years, allowing for a more meaningful analysis of the data. The remuneration figures for the employees at each quartile were determined with reference to the year ended 31 December 2023. The data used to calculate the median, 25th and 75th percentiles was determined as at 31 December 2023. The Committee has reviewed the results of the calculations and is satisfied that they are representative of the respective quartiles and that there would be little difference if calculated on any other basis.

The increase in the CEO pay ratio for the median and 75th percentile is due to the change in Remuneration Policy for 2023 to reflect the enlarged Group, which saw an increase in the CEO's base salary and maximum bonus potential. No meaningful trend in CEO pay ratio can be interpreted at this time. A reduction in the CEO pay ratio for the 25th percentile reflects the increased total pay and benefits for this group in comparison to the prior year. The Remuneration Committee reviews the ratios and considers them to be appropriate and consistent with the relative roles and responsibilities of the CEO and employees of the Group.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option A	86.0:1	58.0:1	40.0:1
2022	Option A	93.0:1	54.0:1	34.0:1
2021	Option A	70.2:1	44.5:1	31.6:1
2020	Option A	44.7:1	30.9:1	20.5:1
2019	Option B	78:1	56:1	43:1

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

	CEO	25th percentile	Median	75th percentile
Salary	£800,000	£25,506	£43,709	£68,077
Total pay and benefits	£3,172,000	£36,722	£54,613	£79,944

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below details Group-wide expenditure on pay for all employees (including variable pay, social security, pensions and share based payments) as reported in the audited financial statements for the last two financial years, compared with adjusted profit before tax and dividends paid to shareholders. Adjusted profit before tax has been chosen as a metric to compare against as it shows how spend on pay is linked to the Group's operating performance and dividends paid represent the annual return on investment to shareholders. See note 6 of the financial statements for full reconciliation of total spend on pay.

	Total Spend on Pay £m	Adjusted Profit before tax £m	Dividends Paid £m	Total Share Buyback £m
2023	409.0	419.1	110.4	5.3
2022	283.1	418.4	138.9	35.2

Year-on-year changes:

Total spend on pay increase of £125.9m (44.5%)

Adjusted profit before tax increase of £0.7m (0.2%)

Cash dividend decrease of £28.8m (-20.7%)

IMPLEMENTATION OF REMUNERATION POLICY FOR THE YEAR ENDING 31 DECEMBER 2024

The Remuneration Policy was approved at the General Meeting which was held on 30 August 2023. The key changes in the way that the Remuneration Policy is proposed to be implemented in 2024 are:

- Following a 2023 salary review, including taking into account the link between Executive remuneration and pay, and employment conditions throughout the Group (including oversight of the general proposals for staff for 2024), it was determined that base salary increases of 3% would be made to the COO and CFO from 1 January 2024, which was below the wider workforce average. The CEO's salary was increased following the General Meeting on 30 August 2023 with the change taking effect from 1 January 2023. As such the CEO was not considered in the salary review for 1 January 2024. The average salary increase of the workforce was 5.07% in 2023.
- Non-Executive Director fees were reviewed and were increased. The fees to Non-Executive Directors were increased by 3% to £61,058, below the wider workforce average. The fee for Chairs of Committees were increased to £15,000. The fee for the Senior Independent Director will be reviewed at the time an appointment for the role is made. This is to take into consideration the broader scope of the role.
- The metrics in the annual bonus scheme have been adapted to incorporate a new financial measure of net debt in addition to adjusted profit before tax, capital employed and the ESG scorecard. The deferral of one third (two thirds for the CEO) of any bonus payment shall be satisfied through the grant of conditional awards under the Deferred Bonus Plan with a two year vesting period.
- The 2024 LTIP award vesting financial criteria shall remain as TSR, adjusted EPS and ROCE with the introduction of an ESG metric of carbon reduction to align with the Group's sustainability strategy.

EXECUTIVE DIRECTORS' BASE SALARIES AND BENEFITS

The salaries of the Executive Directors with effect from 1 January 2024 are set out below.

Executive Directors	Position	2024 Base salary	% Increase from 2023
Greg Fitzgerald ¹	CEO	£800,000	n/a
Earl Sibley	COO	£551,050	3%
Tim Lawlor	CFO	£503,464	3%

¹ Greg Fitzgerald was excluded from the 2024 salary review.

When reviewing base salary, the Committee took account of increases awarded to the workforce, in addition to benchmarking data for equivalent roles in FTSE250 and sector peers, the individual performance of Executive Directors and the impact on their total compensation.

The salary increases for the COO and CFO were below the wider workforce average. Benefits will continue on the same basis as for 2024.

APPROACH TO ANNUAL BONUS FOR 2024

The Committee remains of the view that it is important for the Group's incentive arrangements to reflect the enlarged Group's positioning in the sector and to support the recruitment and retention of the talent required to ensure a successful and sustainable business, delivering positive outcomes for all stakeholders. The maximum bonus opportunity level for the CEO in 2024 will be 300% of base salary, with two thirds of any bonus award being paid in shares through awards granted under the Deferred Bonus Plan with a vesting period of two years. The maximum bonus opportunity level for the COO and CFO in 2024 will be 175% of base salary, with one third of any bonus award being paid in shares through awards granted under the Deferred Bonus Plan with a vesting period of two years.

The Committee determined that the annual bonus scheme for 2024 should maintain the focus on financial metrics with a profit metric being the most important element in terms of performance based on shareholder expectations and a key component of guidance and consensus with a weighting of 60%.

An average month net debt metric has been introduced to increase focus on the cash management profile across the year with a weighting of 15%, and the capital employed metric will be at 20%. Average month end net debt will be calculated as the mean average of the month end net cash/debt position.

ESG metrics continue to be included to support the Group's evolving sustainability strategy. The ESG scorecard includes a weighting of 5% attributable to a sustainability scorecard. The ESG scorecard is across (i) the delivery of a fixed number of affordable housing above s106 requirements (ii) achievement of set number of learners through skills academies and trainees (increased year-on-year in line with the Group's strategy) Customer satisfaction scores for the Group remain important KPIs for the Group and as such HBF Customer Satisfaction 9-month survey score below 80% and the HBF Customer Satisfaction 8-week survey score less than 5-stars for are agreed areas for consideration of downwards discretion along with health and safety, personal performance and gross profit shortfall post FY24.

Provisions that enable the withholding of payment or the recovery of sums paid (malus and clawback) apply to the annual bonus in circumstances of (i) a material misstatement of results; (ii) an error in assessing a performance condition or in the information on which the award was granted; (iii) serious misconduct; (iv) a material failure of risk management; (v) circumstances of corporate failure (vi) serious reputational damage; or (vii) any other circumstances that the Committee considers to be similar in nature or effect. Malus can apply prior to the bonus payment date and clawback can apply for a two year period thereafter.

The Committee has decided not to disclose the detail of financial performance targets in advance as being closely indicative of the Group's strategy they are considered commercially sensitive. Such targets will be disclosed retrospectively in the 2024 Remuneration Report.

The 2024 performance measures and weightings are described below:

MEASURE	WEIGHTING 2024 (as % of max)	WEIGHTING 2023 (as % of max)
FINANCIAL		
Adjusted profit before tax	60	50
Net debt (average month end net debt)	15	
Capital employed	20	25
Synergies delivered		20
NON-FINANCIAL		
ESG – Affordable housing and people metrics	5	5

¹ Carbon reduction is now a metric in the 2024 LTIP and is therefore no longer an underpin for the 2024 bonus scheme.

LTIP APPROACH FOR 2024

The key features of the long-term incentive arrangements (as outlined on pages 121 to 122) are expected to remain broadly similar as those for 2023 with the addition of an ESG target to align with the Group's Sustainability Strategy.

Provisions that enable the withholding of payment or the recovery of sums paid (malus and clawback) can apply to LTIP awards in certain circumstances, consistent with those that apply to the bonus, disclosed on the previous page. Malus can apply prior to the award vesting date and clawback can apply for a two year period following vesting. A two year holding period following vesting extends to five years, the time between awards being granted and when they can be exercised.

PERFORMANCE MEASURES AND TARGETS FOR 2024 LTIP AWARDS

The performance measures for all 2024 awards will be TSR (30%), adjusted EPS (30%), ROCE (30%), and carbon reduction (10%). The TSR measure will be split for 2024 between the current comparator group (20%) and FTSE 250 (10%). The threshold vesting will be set at 25% for each measure. Vesting will be on straight line basis between threshold and maximum.

Performance Condition	Weighting %	Threshold	Maximum
TSR against FTSE 250 (excluding investment trusts)	10	Annualised median of index	Annualised upper quartile of index
TSR against comparator group of housebuilder companies	20	Annualised median of index	Annualised upper quartile of index
Adjusted EPS	30	107p	119p
ROCE	30	28%	32%
Carbon reduction - reduction of absolute Scope 1 and 2 (operational) GHG emissions	10	13% reduction against 2022 baseline	25% reduction against 2022 baseline

TSR will be measured using a relative ranking approach over the three year period (2024-2026). The TSR comparator group is Barratt Developments plc, Bellway plc, The Berkeley Group plc, Crest Nicholson Holdings plc, Persimmon plc, Redrow plc and Taylor Wimpey plc. Adjusted EPS and ROCE will be measured in the third year of the performance period (2026). The EPS targets are set based on earnings excluding amortisation and exceptional items. The targets for both EPS and ROCE are set by reference to consensus and to align to the medium targets of the Group. The EPS targets reflect consistent strong growth across the business in the performance period. The ROCE targets reflect continued investment in the mixed tenure partnerships model. The maximum moves forward the ROCE over the medium term showing progression towards delivery of 40% ROCE, which is a key priority of the Group. The carbon reduction targets are set against SBTi approved 2022 baseline of 24,991 tonnes CO₂e carbon usage, and are aligned to the Group's Sustainability Strategy path to net zero carbon by 2040.

Given the changes made in our recent Policy, the performance targets were considered in significant detail with discussion at two meetings of the Remuneration Committee. A number of reference points were taken into account to enable the Committee to take a fully informed view on the level of stretch built into the targets including the Company's Plan, external forecasts, historic performance and external market practice on targets and ranges. We were also cognisant of the views of our shareholders expressed during our consultation with them during 2023. Following significant discussion, we are of the view that the targets support our aim to develop a high-performance culture with an incentive structure that is highly leveraged towards variable pay driving long-term shareholder value creation.

IN-EMPLOYMENT AND POST-EMPLOYMENT SHAREHOLDING GUIDELINES

Executive Directors are expected to retain the lower of: (i) one times' the in-employment shareholding guidelines (which is the greater of: (i) 200% of base salary; or (ii) the Executive Director's LTIP opportunity); or (ii) the actual shareholding at cessation for two years post-cessation. The shares to be held exclude shares purchased by the Executive Directors. For the purpose of assessing the guidelines, shares no longer subject to performance conditions, but subject to deferral or a holding period count towards the guidelines (on a net of tax basis).

NON-EXECUTIVE DIRECTORS' REMUNERATION FOR 2024

Following a review which considered the economic environment, alignment with the experience of stakeholders, competitive positioning based on benchmarking data, responsibilities, time commitment for each role and the Group's size and complexity, the fees for the Non-Executive Directors and Committee Chairs have been increased with effect from 1 January 2024. The base fee of the Non-Executive Directors increased by 3% which is below that of the wider workforce average. Committee Chair fees increased by 37.4% which was considered appropriate taking account of competitive positioning, the individual's responsibilities, the time commitment required.

ROLE	FEES 2024 £	FEES 2023 £
Chair	234,000 ¹	234,000
Senior Independent Director	10,400 ²	10,400
Non-Executive Director	61,058 ³	59,280
Audit Committee Chair	15,000	10,920
Remuneration Committee Chair	15,000	10,920

¹ On conclusion of the 2024 AGM, the Chair role will be combined with the CEO role. The Executive Chair and CEO role will continue to receive an unchanged salary of £800,000 in 2024.

² The SID fee will be reviewed at the time an appointment is made for the role. This is to take into consideration the broader scope of the role.

³ Usman Nabi has waived his right to receive a fee for his role as a Non-Executive Director.

REMUNERATION OF SENIOR MANAGEMENT AND OTHER BELOW BOARD EMPLOYEES

In addition to responsibility for Executive Directors, the Committee is also involved in considering the remuneration arrangements for the ELT, in conjunction with the CEO. Alignment is delivered by ensuring that senior management and Executive Directors participate in the same bonus and incentive schemes as far as possible, with similar performance measures and targets. The Committee has visibility of the remuneration of management teams below the ELT and has oversight of payment and employment conditions throughout the Group and takes these into account when setting executive pay. Engagement with the workforce took place during the year in connection with the communication of bonus arrangements across the Group and their alignment, through a Peakon staff engagement survey containing questions on remuneration and People Forum. The increase in the CEO's remuneration package was also widely discussed at the employee Roadshows held by the ELT and attended by around 4,000 employees, where employee questions were answered.

ADVISERS TO THE COMMITTEE

The Committee appointed Willis Towers Watson (WTW) as its adviser in December 2018, following a selection and interview process. WTW provide independent advice on all aspects of executive remuneration and attend Remuneration Committee meetings when invited by the Chair of the Committee. The Committee reviews the advice, challenges conclusions and assesses responses from its advisors to ensure objectivity and independence. WTW have no connection with the Group other than providing advice and service to the Group pension schemes. WTW is a founder member of the Remuneration Consultants Group and has signed the voluntary Code of Conduct for remuneration consultants. The fees paid to WTW for services provided in 2023 were £223,036 on a time-spent basis (2022: £118,708).

SHAREHOLDER VOTING

At the 2023 AGM, shareholder proxy voting on the Directors' Remuneration Report for the year ended 31 December 2022 was as follows:

RESOLUTION	FOR	%	AGAINST	%	TOTAL VOTES	WITHHELD ¹
Directors' Remuneration Report 2023	139,086,457	52.92	123,759,117	47.08	262,845,574	7,962,953

¹ A vote withheld is not a vote in law and is not counted in the calculation of votes for and against.

At the General Meeting held on 30 August 2023, shareholder proxy voting on the Directors' Remuneration Policy was as follows:

RESOLUTION	FOR	%	AGAINST	%	TOTAL VOTES	WITHHELD ¹
Directors' Remuneration Policy 2023	158,750,720	54.80	130,937,427	45.20%	289,688,147	2,365,709

¹ A vote withheld is not a vote in law and is not counted in the calculation of votes for and against.

The Board and the Remuneration Committee consulted extensively with the Company's shareholders, both before and after the AGM, and the Board understands that the reasons for the number of votes cast against was primarily concerned with the base pay of the newly appointed CFO and the upwards discretion applied to the EPS metric for the vesting of the 2020 LTIP awards.

In response to shareholder concerns, the Board proposed a revised Directors' Remuneration Policy which was designed following the significant enlargement of the business to incentivise the creation of shareholder value over the long term. This was approved at a General Meeting of the Company on 30 August 2023.

The Board is grateful to shareholders for their engagement and acknowledges that through the engagement process, shareholders have expressed different perspectives. The Company remains committed to ongoing shareholder engagement and will continue to do so to ensure that the Company understands shareholders' views and is able to consider feedback, as well as to provide clarity on the Company's approach to remuneration going forward.

By Order of the Board

PAUL WHETSELL
Chair of the Remuneration Committee

14 March 2024

REMUNERATION POLICY

The key elements of the Remuneration Policy, approved by shareholders at the General Meeting held on 30 August 2023, are summarised below. A large proportion of this remuneration framework is performance related. The full Remuneration Policy is available at www.vistrygroup.co.uk/investor-centre/corporate-governance.

BASE SALARY

To attract and retain high performing talent required to deliver the business strategy, providing core reward for the role.

OPERATION	OPPORTUNITY	CHANGES
<p>Ordinarily reviewed annually.</p> <p>The review typically considers competitive positioning, the individual's role, experience and performance, business performance and salary increases throughout the Group.</p> <p>Market benchmarking exercises are undertaken periodically and judgement is used in their application.</p>	<p>Whilst we do not consider it appropriate to set a maximum base salary level, any increases will take into account the individual's skills, experience, performance, the external environment and the pay of employees throughout the Group.</p> <p>Whilst generally the intention is to maintain a link with general employee pay and conditions, in circumstances such as significant changes in responsibility or size and scope of role or progression in a role, higher increases may be awarded.</p> <p>Thus, where a new Director is appointed at a salary below market competitive levels to reflect initial experience, it may be increased over time subject to satisfactory performance and market conditions. This will be fully disclosed in advance on appointment.</p>	<p><i>No change to Policy.</i></p>

PERFORMANCE METRICS NOT APPLICABLE.

BENEFITS

To provide market competitive benefits consistent with role.

OPERATION	OPPORTUNITY	CHANGES
<p>Benefits typically include medical insurance, life assurance, membership of the Vistry Group Regulated Car Scheme for Employees or cash car allowance, annual leave, occupational sick pay, health screening, personal accident insurance, and participation in all employee share schemes (SAYE and SIP).</p> <p>In line with business requirements, other expenses may be paid, such as relocation expenses, together with related tax liabilities.</p>	<p>We do not consider it appropriate to set a maximum benefits value as this may change periodically.</p>	<p><i>No change to Policy.</i></p>

PERFORMANCE METRICS NOT APPLICABLE.

PENSION

To attract and retain talent by enabling long-term pension saving.

OPERATION	OPPORTUNITY	CHANGES
<p>Executives joining the Group since January 2002, can choose to participate in a defined contribution arrangement or may receive a cash equivalent.</p> <p>A salary supplement may also be paid as part of a pension allowance arrangement.</p>	<p>Pension rates align with the rate applicable to the wider workforce; currently 7% of base salary. They are to be maintained in line with changes in the rate applicable to the workforce.</p> <p>This may be taken as a contribution to the Group Personal Pension Plan, as a cash supplement, or a combination of the two. Salary increases awarded since 2020 are not pensionable for Directors who receive pension contributions at a rate above that applicable to the workforce.</p>	<p><i>No changes have been made to how pension contributions operate in practice, but the Policy has been updated to reflect the current practice of aligning Executive Director pension contribution rates with those of the wider workforce.</i></p>

PERFORMANCE METRICS NOT APPLICABLE.

ANNUAL BONUS

To incentivise and reward the delivery of near-term business targets and objectives.

OPERATION	OPPORTUNITY	CHANGES
<p>The annual bonus scheme is a discretionary scheme and is reviewed prior to the start of each financial year to ensure that it appropriately supports the business strategy. Performance measures and stretching targets are set by the Committee.</p> <p>Bonuses are normally paid in cash and at least one third of any bonus will be deferred in cash or shares for two years. It is the intention for the default treatment for deferred awards to be in shares.</p> <p>For the current CEO, two-thirds of any bonus will usually be deferred in shares for two years.</p> <p>In any year in which no dividend is proposed, discretion may be exercised to pay part, or all, of the bonus in ordinary shares, consistent with the deferral profile above.</p> <p>Deferral in shares will be made under the Deferred Bonus Plan. Awards may be granted with the benefit of dividend equivalents.</p> <p>Actual bonus amounts are determined by assessing performance against the agreed targets after the year end. The results are then reviewed to ensure that any bonus paid, accurately reflects the underlying performance of the business.</p> <p>Clawback provisions apply (for a period of two years from the bonus payment date). Circumstances include:</p> <ul style="list-style-type: none"> • a material misstatement • serious misconduct • a material failure of risk management • restatement of prior year results • corporate failure • serious reputational damage to any Group company 	<p>The annual bonus scheme offers a maximum opportunity of up to 300% of base salary.</p> <p>Achievement of stretching performance targets is required to earn the maximum.</p>	<p><i>Maximum bonus opportunity increased from 150% to 300% of base salary.</i></p> <p><i>Mandatory deferral requirement changed from one-third to at least one-third (and two-thirds for the current CEO). The precise deferral requirement will be determined by the Committee and fully disclosed in the relevant Remuneration Report.</i></p> <p><i>Note: greater flexibility on leaver treatment including the ability to apply more onerous provisions is proposed. In 2024, more onerous leaver outcomes will apply to the additional bonus deferral of one-third of bonus for the current CEO (see below).</i></p>

PERFORMANCE METRICS

<p>Performance measures are selected to focus Executives on strategic priorities, providing alignment with shareholder interests and are reviewed annually. Weightings and targets are reviewed and set at the start of Each financial year.</p> <p>Financial metrics will comprise at least 50% of the bonus and are likely to include one or more of:</p> <ul style="list-style-type: none"> • a profit-based measure • a cash-based measure • a capital return measure <p>Non-financial metrics, key to business performance, will be used for any balance. These may include measures relating to build quality, customer service and ESG performance.</p> <p>Overall, quantifiable metrics will comprise at least 70% of the bonus. Below threshold performance delivers no bonus and target performance achieves a bonus of 50% of the maximum opportunity.</p> <p>The Committee has discretion to override formulaic outcomes when determining the level of bonus payout.</p>	<p><i>No changes have been made to the operation, but the Policy has been updated to reflect the current practice of 50% of maximum opportunity being delivered where target performance is achieved.</i></p>
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LONG TERM INCENTIVE PLAN (LTIP)

To incentivise, reward and retain Executives over the longer term and align the interests of management and shareholders.

OPERATION	OPPORTUNITY	CHANGES
<p>Typically, annual awards are made under the LTIP. Awards can be granted in the form of nil-cost options, forfeitable shares or conditional share awards.</p> <p>Performance is measured over a performance period of not less than three years. LTIP awards do not normally vest until the third anniversary of the date of the grant. Vested awards are then subject to a two-year holding period.</p> <p>For nil-cost options, this will be a prohibition on exercise until the end of the holding period.</p> <p>Awards may be granted with the benefit of dividend equivalents, so that vested shares are increased by the number of shares equal to the value of dividends, the record dates of which, fall between the date of grant and the date of vesting (or in the case of an option subject to a holding period, between the date of grant and the first date on which the option becomes exercisable). Dividend equivalents may be calculated on a reinvestment basis.</p> <p>Malus provisions can be applied to awards prior to the vesting date and clawback provisions can be applied for two years thereafter. Circumstances include:</p> <ul style="list-style-type: none"> • a material misstatement • serious misconduct • a material failure of risk management • restatement of prior year results • corporate failure • serious reputational damage to any Group company <p>Malus can also be applied for any other reason which the Committee considers appropriate.</p>	<p>The maximum annual award, under normal circumstances is 300% of base salary (excluding any dividend equivalents) for Executive Directors.</p>	<p><i>Maximum award level increased from 200% to 300% of base salary (excluding any dividend equivalents). Award levels will be fully disclosed in each year's Remuneration Report.</i></p>

PERFORMANCE METRICS

<p>The performance measures applied to LTIP awards are reviewed annually to ensure they remain relevant to strategic priorities and aligned to shareholder interests. Weightings and targets are reviewed and set prior to each award.</p> <p>Performance measures will include long-term performance targets, of which financial and/ or share price-based metrics will comprise at least two-thirds of the award. Quantifiable non-financial metrics, key to business performance, will be used for any balance. Any material changes to the performance measures from year to year would be subject to prior consultation with the Company's major shareholders.</p> <p>Below threshold performance realises 0% of the total award, threshold performance realises 25% and maximum performance realises 100% of the total award. The Committee may adjust downwards, the number of shares realised if it considers such adjustment is justified based on:</p> <p>(a) the performance of the Company, any business area or team;</p> <p>(b) the conduct, capability or performance of the participant; or</p> <p>(c) the occurrence of unforeseen events or of events outside of the participant's control.</p> <p>The Committee has discretion to override formulaic outcomes when determining the level of vesting of LTIP awards.</p>	<p>The maximum annual award, under normal circumstances is 300% of base salary (excluding any dividend equivalents) for Executive Directors.</p>	<p><i>Maximum award level increased from 200% to 300% of base salary (excluding any dividend equivalents). Award levels will be fully disclosed in each year's Remuneration Report.</i></p>
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SHAREHOLDING GUIDELINES

In-employment:

All Executive Directors are required to retain 100% of the net value derived from the vesting/exercise of LTIP awards as shares, until such time as they each hold shares equal to the higher of:

- (i) 200% of base salary; or
- (ii) their LTIP opportunity.

Post-employment:

Executive Directors are expected to retain the lower of:

- (i) one times' the in-employment shareholding guidelines; or
- (ii) the actual shareholding at cessation for two years post-cessation. The shares to be held exclude shares purchased by the Executive Directors.

For the purpose of assessing the guidelines, shares no longer subject to performance conditions but subject to deferral or a holding period, count towards the guidelines (on a net of tax basis).

CHANGES

In-employment shareholding requirements has increased from 200% to the greater of:

- (i) 200% of base salary; or
- (ii) (ii) the Executive Director's LTIP opportunity. For Greg Fitzgerald this means a guideline of 300% of base salary will apply. Where there is an increase in the in-employment shareholding requirements applicable to an Executive Director, there will be a corresponding increase to the post-employment shareholding requirements applicable to that Executive Director.

Otherwise, no changes have been made to how shareholding guidelines operate in practice, but the Policy has been updated to formalise the Company's shareholding guidelines within Policy.

NON-EXECUTIVE DIRECTOR FEES

To attract and retain Non-Executive Directors and a Chair of the appropriate calibre.

OPERATION	OPPORTUNITY	CHANGES
<p>Typically reviewed on an annual basis.</p> <p>Market benchmarking exercises are undertaken periodically and judgement is used in their application.</p>	<p>Fee increases may be applied in line with the outcome of any review.</p> <p>A basic fee is paid. Additional fees may be paid for additional responsibilities such as chairpersonship/ membership of a Committee. Fees are set at a level considered appropriate taking account of competitive positioning, the individual's responsibilities, the time commitment required and the size and complexity of the Company.</p>	<p><i>No change to Policy.</i></p>

PERFORMANCE METRICS NOT APPLICABLE.

The Policy includes the power to deploy the one-person new LTIP exemption from the need for prior shareholder consent in unusual circumstances permitted under the Listing Rules.

COMMITTEE DISCRETION IN RELATION TO FUTURE OPERATION OF THE NEW POLICY

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation) without obtaining shareholder approval, for that amendment. The Executive Directors may request, and the Company may grant, salary and bonus sacrifice arrangements. The LTIP rules permit the substitution or variance of performance conditions to produce a fairer measure of performance as a result of an unforeseen event or transaction. They include discretions for upwards adjustment to the number of shares to be realised in the event of a takeover, and scheme of arrangement or voluntary winding up. Non-significant changes to the performance metrics may be made by use of discretion under the performance conditions. Awards are normally satisfied in shares, although there is flexibility to settle in cash.

The Committee reserves the right to make remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the New Policy table set out above where the terms of the payment were set out:

- (i) under the Company's previous shareholder-approved remuneration policies, provided that the terms of payment were consistent with the relevant remuneration policy in force at the time they were set out; or
- (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company.

For these purposes, 'payments' includes the Committee determining and paying short-term and long-term incentive awards of variable remuneration.

In the event of a variation of share capital, demerger, special dividend or similar event, the Committee may adjust or amend awards in accordance with the rules of the relevant plan.

The Committee retains the discretion to amend performance targets in exceptional business or regulatory circumstances. If discretion is exercised in this way, the Committee will seek to consult with major shareholders as appropriate.

All awards are subject to Committee discretion and may be adjusted (or reduced to zero) where it determines that the overall level of the Company or Group performance does not warrant payment of variable remuneration, or it considers that risks (such as financial, regulatory, compliance or brand risk) have not adequately been reflected in awards.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The Board, comprising the Chair and the Executive Directors, sets the remuneration of the Non-Executive Directors, without their participation. The Committee, with the Chair absenting themselves from discussions, sets the remuneration of the Chair who receives an all-inclusive fee. The level of fees must be within the limit approved by shareholders, contained in the Articles of Association. Non-Executive Directors and the Chair do not participate in the annual bonus scheme or the LTIP and are not eligible to join the Group's pension schemes. All Non-Executive Director and Chair fees are payable in cash and there are no additional fees or other items in the nature of remuneration. All Non-Executive Directors and the Chair may receive reimbursement for reasonable expenses incurred and the Company may satisfy any related tax liabilities.

REMUNERATION POLICY FOR NEW APPOINTMENTS

In agreeing a remuneration package for a new Executive Director, it would be expected that the structure and quantum of variable pay elements would reflect those set out in the Policy table above. However, the Committee would retain the discretion to flex the balance between annual and long-term incentives and the measures used to assess performance for these elements, with the intention that a significant proportion would be delivered in shares. Salary would reflect the skills and experience of the individual, and may be set at a level to allow future progression to reflect performance in the role. On recruitment, relocation benefits may be paid as appropriate.

This overall approach would also apply to internal appointments, with the provision that any commitments entered into before promotion, which are inconsistent with this Policy, can continue to be honoured under the Policy. Similarly, if an Executive Director is appointed following the Company's acquisition of or merger with another company, legacy terms and conditions would be honoured.

An Executive Director may initially be hired on a contract requiring 24 months' notice which then reduces pro rata over the first year of the contract to requiring 12 months' notice. The Committee may award compensation for the forfeiture of awards from a previous employer in such form, as the Committee considers appropriate taking account of all relevant factors including the expected value of the award, performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award. There is no specific limit on the value of such awards, but the Committee's intention is that the value awarded would be similar to the value forfeited.

Maximum variable pay will be in line with the maximum set out in the Policy table above (excluding buy-outs). The Committee retains discretion to make appropriate remuneration decisions outside the standard remuneration policy to meet the individual circumstances when:

- (i) An interim appointment is made to a fill an Executive Director role on a short-term basis.
- (ii) Exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis.

For Non-Executive Directors, the Board would consider the appropriate fees for a new appointment taking into account the existing level of fees paid to the Non-Executive Directors, the experience and ability of the new Non-Executive Director and the time commitment and responsibility of the role.

SERVICE CONTRACTS AND EXIT PAYMENTS POLICY

The Executive Directors' service contracts contain the key elements shown below.

Provision	Detailed terms
Length of term	12 months
Notice period	12 months by either employer or Director
Termination payment	Up to 12 months' salary (excluding bonus or other enhancement)

The Executive Directors' service contracts do not contain specific provision for compensation in the event of removal at an annual general meeting. In the event of early termination, some Directors may be eligible for payments in lieu of notice or to place the Director on garden leave for the notice period. Any payment in lieu of notice will be reduced for any time worked post notice being given or received.

When determining exit payments, the Committee would take account of a variety of factors, including individual and business performance, the obligation for the Director to mitigate loss (for example, by gaining new employment), the Director's length of service and any other relevant circumstances, such as ill health. A departing Director may also be entitled to a payment in respect of statutory rights.

The Committee would distinguish between types of leaver in respect of incentive plans. 'Good leavers' (death, ill health, agreed retirement, redundancy or any other reason at the discretion of the Committee) may be considered for a bonus payment, and part-year bonus payments may be paid where cessation occurs mid-year, with the Committee determining whether or to what extent to apply the deferral requirements.

In respect of outstanding awards under the Deferred Bonus Plan, if a participant leaves employment:

- generally, their award will normally remain outstanding and vest at the normal vesting date, unless the Board decides that an award will vest in full on cessation of employment (or some other date specified by the Board). However, if the participant leaves (or gives or receives notice pursuant to which they will leave) on grounds or as a result of conduct that the Board determines amounts to misconduct (or at a time when the Board could have terminated employment on such grounds), any award (including any outstanding vested Option) will immediately lapse in full, unless the Board determines otherwise. If the participant dies, awards will vest on death in full.
- alternatively, the Committee may instead decide in respect of any awards granted after 2023 that some or all of the award will normally immediately lapse in full unless 'Good leaver' treatment applies (see above). The Committee intends for this treatment to typically be applied to a portion of the bonus as determined by the Committee in cases where a bonus opportunity is awarded at greater than 150% of salary. In addition, the Committee has determined this treatment will apply to 50% of any deferred bonus awards granted to the current CEO Greg Fitzgerald in 2024.
- options which do not lapse on leaving can be exercised during a period of 6 months from the date of leaving or the date of vesting, if later, or 12 months from the date of death.
- LTIP awards may vest at the usual time taking into account performance conditions and pro rating for time in employment during the performance period, unless the Committee determines otherwise. The LTIP rules include discretion, in exceptional circumstances, for acceleration of the realisation date and upwards adjustment to the number of shares to be realised for 'good leavers' in such a situation.

In all other leaver circumstances, the Committee would decide the approach taken, which would ordinarily mean that leavers would not be entitled to consideration for a bonus and certain deferred bonus awards granted after 2023 (as determined by the Committee) and LTIP awards would lapse.

Any vested LTIP award that is subject to a holding period at the time of the Executive's cessation of employment will not lapse except in the case of the executive's gross misconduct.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Directors' office or employment. In addition, the Committee reserves the right, acting in good faith, to pay fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with their cessation of office or employment.

The appointment of the Chair and each of the Non-Executive Directors is for an initial period of three years, which is renewable for further terms, and is terminable by the Chair or Non-Executive Director (as applicable) or the Company on 12 or, for more recent appointments, three months' notice. New Chair or Non-Executive Director appointments are subject to a three-month notice period.

No contractual payments would be due on termination. There are no specific provisions for compensation on early termination for the Non-Executive Directors, with the exception of entitlement to compensation equivalent to 12 or three months' fees (as applicable) or, if less, the balance of appointment, in the event of removal at an annual general meeting.

CHANGE OF CONTROL

All the Company's share plans contain provisions relating to change of control. In general, outstanding awards would normally vest and become exercisable on a change of control, to the extent that any applicable performance conditions have been satisfied at that time, reflecting the time period to the date of the event. Any deferred bonus shares will be released on change of control. The LTIP rules include discretion for upwards adjustment to the number of shares to be realised in the event of a takeover, scheme of arrangement or voluntary winding up.

EXTERNAL DIRECTORSHIPS

Executive Directors may, if so authorised by the Board, accept appointments as Non-Executive Directors of suitable companies and organisations outside the Group and retain any associated fees.

PAY AND CONDITIONS THROUGHOUT THE GROUP

The pay and conditions of employees throughout the Group are considered by the Committee in setting policy for the Executive Directors and senior management. The Committee is kept regularly informed on the pay and benefits provided to employees and base salary increase data from the annual salary review for general staff is considered when reviewing Executive Directors' salaries and those of senior management. The Committee did not consult with employees when setting the remuneration policy for the Executive Directors.

DIFFERENCE IN THE COMPANY'S POLICY ON REMUNERATION OF DIRECTORS COMPARED TO EMPLOYEES

The policy for the Executive Directors is designed with pay and conditions throughout the Group in mind. The Committee believes that some differences are necessary to reflect responsibility and provide appropriate focus and motivation for delivery of the Group's strategy. Executive Directors, therefore, have a higher bonus opportunity than employees generally to motivate them to achieve stretching annual targets and they participate in the LTIP to provide focus on long-term sustainable performance. This approach is designed to provide an appropriate emphasis on performance related pay.

CONSIDERATION OF SHAREHOLDER VIEWS

The Company is committed to ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. Feedback received from meetings during the year and in relation to the annual general meeting is considered, together with guidance from shareholder representative bodies more generally, and taken into account in the annual review of the policy. The Committee believes that it has a responsible approach to Directors' pay and that its policy is appropriate and fit for purpose.

DIRECTORS' REPORT

The Board of Directors present their Annual Report and Accounts, together with the audited financial statements of the Group for the year ended 31 December 2023. This Directors' report, together with the Strategic report on pages 2 to 69, form the Management report for the purpose of the FCA's DTR 4.1.5R(2) and DTR 4.1.8R.

Statutory or regulatory information contained elsewhere in the Annual Report	SUBJECT	
The Company is required to disclose certain information in its Directors' report which the Directors have chosen to disclose elsewhere in the Annual Report and Accounts and is incorporated by reference. Details of where this information can be found are set out in the table to the right.	Likely future developments in the business	5 and 10
	Important events since the year end	5 and 196
	Going concern statement	68
	Financial risk management	190 and 191
	Risk management and internal controls	60 to 67
	Stakeholder engagement	88 to 91
	Employee involvement/employment of disabled persons	44
	Approach to investing in and rewarding our workforce	43
	Greenhouse gas emissions, energy consumption and energy efficiency	38
	Corporate Governance report	70 to 144
	How the Board monitors culture	84
	Diversity	45
	Subsidiaries and associated undertakings	197 to 210
	Key performance indicators (financial and non-financial)	22 and 23
Research and development	39	
Section 172(1) statement	34	
Post balance sheet events of the Company or its subsidiaries	196	
Disclosure of information under Listing Rule 9.8.4R	SUBJECT	
In accordance with Listing Rule 9.8.4C, the table to the right sets out the location of the information required to be disclosed under Listing Rule 9.8.4R, where applicable.	Details of long-term incentive schemes	121 and 122
	Contracts of significance	143
	Shareholder waivers of dividends and future dividends	141
There are no other disclosures required under this Listing Rule.		
Information required by Sch 7.11(1)(B) Companies (Miscellaneous Reporting) Regulations 2018	SUBJECT	
The Group has chosen to provide information in relation to the Statement of engagement with employees elsewhere in this report.	How the Directors engage with employees	43 and 88
	How the Group provides employees with information on matters of concern to them as employees	88
	How the Group consults with and considers employee feedback	43
	How the Directors have had regard to employee interests	84 and 88
This is cross referenced in the table to the right.	How the Group informs employees of the financial and economic factors affecting its performance	88
Information required by Sch 7.11(B)(1) Companies (Miscellaneous Reporting) Regulations 2018	SUBJECT	
The Group has chosen to provide information in relation to the engagement with suppliers, customers, and other business relationships elsewhere in this report. This is cross referenced in the table to the right.	How the Directors have regard to the need to foster the Company's business relationships with suppliers, customers and others	88 and 89
	The effect of that regard, including on the principal decisions taken by the Company during the financial year	85 to 87

DISCLOSURE OF INFORMATION REQUIRED BY DTR 7.2.1R

See page 75 for the Corporate Governance statement as required by DTR 7.2.1R.

The corporate governance report sets out the Company's compliance with the Code issued by the Financial Reporting Council available at www.frc.org.uk and also describes how the governance framework is applied across the Company.

DIRECTORS

Details of the current Directors and their biographies are shown on pages 76 and 77.

All Directors, with the exception of those detailed below, intend to seek election or re-election at the Company's 2024 AGM in accordance with the recommendations of the Code.

There were a number of Board changes during the year which included the appointment of three Non-Executive Directors. Jeff Ubban joined the Board on 23 March 2023 as Non-Executive Director and Paul Whetsell and Helen Owers were appointed as Independent Non-Executive Directors on 18 May 2023. Nigel Keen stepped down from the Board on 23 March 2023 and Ashley Steel and Katherine Innes Ker both opted not to stand for re-election at the 2023 Annual General Meeting. Usman Nabi was appointed to the Board as a Non-Executive Director on 12 January 2024.

On 12 January 2024, the Company announced that Ralph Findlay will step down as Chair with effect from the conclusion of the 2024 AGM and will have served for a tenure of nine years shortly before stepping down. Greg Fitzgerald shall succeed as Executive Chair and Chief Executive Officer. On the same date it was announced that Jeff Ubben would step down with immediate effect and Chris Browne will not be seeking re-election at the forthcoming AGM after serving over nine years as a Director.

The appointment and removal of the Company's Directors is governed by its Articles of Association (the Articles), the Code and the Companies Act 2006 (the Act).

See page 93 for details of Directors induction and development.

DIRECTORS' POWERS

Subject to the Articles, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

DIRECTORS' INDEMNITIES

During the year, and as at the date of this report, qualifying third party indemnities, as defined by s.234 of the Act, were in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Articles, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

The Company's subsidiary, Vistry Homes Limited, has granted a qualifying pension scheme indemnity to the directors of the Pension Trustee to the extent permitted by law in respect of all losses arising out of, or in connection with, the execution of their powers, duties, and responsibilities as directors of the Pension Trustee.

DIRECTORS' INTERESTS

Details of Directors' pay, pension rights, service contracts and Directors' interests in the ordinary shares of the Company are included in the Directors' Remuneration report on pages 115 to 131.

CONFLICTS OF INTEREST

Under the Act, Directors are under an obligation to avoid situations in which their interests can or do conflict, or may possibly conflict, with those of the Company. A policy and procedures are in place for identifying, disclosing, evaluating and managing conflicts to ensure that Board decisions are not compromised by a conflicted Director. The Articles give the Board power to authorise matters that give rise to actual or potential conflicts. All conflicts of interest are reviewed bi-annually by the Board.

ARTICLES

Unless expressly specified to the contrary in the Articles, they may only be amended by a special resolution of the Company's shareholders at a general meeting.

SHARE CAPITAL

The Company has a premium listing on the London Stock Exchange. As at 31 December 2023, the Company's share capital comprised 346,867,534 fully paid ordinary shares of 50 pence each (including 1,369,171 shares in treasury). As at 14 March 2024, (being the latest practicable date prior to the publication of this Annual Report), the Company's share capital comprised 341,778,166 fully paid ordinary shares of 50 pence each (including 1,068,866 shares in treasury).

At the Company's 2023 AGM, the Directors were authorised to:

- Allot shares in the Company or grant rights to subscribe for, or convert, any security into shares up to an aggregate nominal amount of £57,561,837.
- Allot shares up to a further nominal amount of £57,561,837 for the purpose of a rights issue.
- Make market purchases up to 34,571,674 shares in the Company (representing approximately 10% of the Company's issued share capital at the time).

Shareholders will be asked to renew similar authorities at the 2024 AGM.

Under the authority granted at the 2023 AGM, the Company commenced a share buyback programme on 11 December 2023 to repurchase £55 million of its own ordinary shares of 50 pence and as at 31 December 2023, the Company had purchased 636,254 shares and of the shares purchased, 250,000 were repurchased into treasury.

During the year, the Company allotted 42,614 shares in connection with the exercise of options under the Company's employee share plans. 199,229 shares were transferred from the employee benefit trust up to 31 December 2023 and 380,829 shares were transferred from treasury to satisfy the exercise of options under the Company's employee share plan.

The share price at 29 December 2023, was 917.5 pence. The highest share price in the year was 946.0 pence and the lowest price was 636.0 pence.

SHAREHOLDERS' RIGHTS

All issued shares are fully paid and free from any restrictions on their transfer, except where required by law, such as insider trading rules. The rights and obligations attaching to the Company's ordinary shares are set out in the Articles.

Shareholders are entitled to attend, speak and vote at general meetings of the Company, to appoint one or more proxies and, if they are corporations, to appoint corporate representatives. On a show of hands at a general meeting of the Company, every shareholder present in person or by proxy and entitled to vote, has one vote, and on a poll, every shareholder present in person or by proxy and entitled to vote, has one vote for every ordinary share held. Further details regarding voting, including the deadlines for voting, at the AGM can be found in the notes to the Notice of AGM that accompanies this Annual Report. No shareholder is, unless the Board decides otherwise, entitled to attend or vote either personally or by proxy at a general meeting or, to exercise any other shareholder rights if they, or any person with an interest in shares, has been sent a notice under section 793 of the Act and has failed to supply the Company with the requisite information within the prescribed period.

Shareholders may receive a dividend and, on a liquidation, may share in the assets of the Company. None of the ordinary shares of the Company, including those held by the Company's share schemes, carry any special rights with regard to control of the Company.

Employees participating in the Vistry Group Share Incentive Plan may direct the trustee to exercise voting rights on their behalf at any general meeting but are not required to do so.

RESTRICTIONS ON THE TRANSFER OF ORDINARY SHARES

The instrument of transfer of a certificated share may be in any usual form or in any other form which the Board may approve. The Board may refuse to register any instrument of transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. Certain employees and officers of the Company must conform to the Company's share dealing rules; these restrict the ability to deal in the Company's shares at certain times and require permission to deal. The Board may also refuse to register a transfer of a certificated share unless the instrument of transfer:

- (i) Is lodged, duly stamped (if stampable), at the registered office of the Company or any other place decided by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- (ii) Is in respect of only one class of shares.
- (iii) Is in favour of not more than four transferees.

Transfers of uncertificated shares must be carried out using the relevant system and the Board can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of the relevant system and with UK legislation. There are no other limitations on the holding of ordinary shares in the Company and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

SHAREHOLDER AGREEMENT

The Company has entered into an agreement with Browning West which clarifies the obligations of, and relationship between, both parties in respect of Usman Nabi's appointment. The agreement includes, among other things, an obligation for Browning West to exercise the voting rights in respect of the shares in which it is interested in accordance with any recommendations given by a majority of the Board in respect of resolutions to be voted at a General Meeting, as well as undertakings that Browning West will not requisition (or propose resolutions at) General Meetings of the Company, circulate statements to shareholders, or seek to remove Directors from the Board.

DISTRIBUTIONS

The Company commenced a £55 million share buyback on 11 December 2023 which completed on 23 February 2024, with a total of 5,759,041 shares acquired at an average price per share of 955.0 pence. This buyback was an ordinary distribution to shareholders in lieu of an interim dividend payment. In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of up to £100m which is expected to commence following the publication of the Group's 2023 Annual Report and Accounts and is to be completed ahead of the half-year results announcement on 5 September 2024. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment.

The Company operates a dividend reinvestment plan which gives shareholders the opportunity to reinvest dividends. The employee benefit trusts, which hold shares for the purpose of satisfying employee share scheme awards, have waived their right to receive dividends on shares held within the trust now, and in the future.

POLITICAL DONATIONS

No political donations were made during the year ended 31 December 2023 (2022: nil). The Group has a policy of not making donations to political parties or incurring political expenditure. To avoid an inadvertent breach of the Act, the Company will seek authority at the AGM for itself and its subsidiaries to make political donations not exceeding £100,000 in total.

TAKEOVER DIRECTIVE

On a change of control, provisions in the Group's syndicated banking facility agreements (described in note 20 of the financial statements) would allow lenders to withdraw the facility. There are a number of commercial contracts that could alter in the event of a change of control. None are considered to be material in terms of their potential impact on the Group in this event.

All of the Group's share schemes contain provisions relating to a change of control. Under these provisions, a change of control would be a vesting event, allowing exercise of outstanding options and awards, subject to satisfaction of performance conditions, as required. The Directors are not aware of any agreements between the Company and its Directors or employees which would pay compensation in the event of a change of control.

SUBSTANTIAL SHAREHOLDINGS

At 31 December 2023, the Company had received notifications in accordance with the DTRs that the following were interested in the Company's shares:

ORDINARY SHARES OF 50 PENCE EACH	% DIRECT HOLDING	% INDIRECT HOLDING	% FINANCIAL INSTRUMENTS	TOTAL NUMBER OF SHARES HELD	% OF VOTING RIGHTS OF THE ISSUED SHARE CAPITAL
Browning West, LP	-	8.16	-	28,209,996	8.16
Inclusive Capital Partners, L.P.	-	5.79	-	20,032,245	5.79
Abrams Capital Management LP	5.04	-	-	11,200,077	5.04
FMR LLC	-	5.01	-	17,332,022	5.01
Royal London Asset Management	4.99	-	-	10,895,768	4.99
Dimensional Fund Advisors	-	4.98	-	11,069,044	4.98
FIL Limited	-	4.60	0.01	10,252,341	4.61
David Capital Partners	-	3.10	-	10,730,000	3.10
BlackRock, Inc	-	Below 5%	-	-	Below 5%

During the period between 31 December 2023 and 14 March 2024, being the latest practicable date prior to the publication of this Annual Report, the Company received notifications in accordance with the DTRs from FMR LLC, who have an indirect holding of 7.24% and Inclusive Capital Partners, L.P. who have an indirect holding of 4.33%.

BRANCHES OUTSIDE OF THE UK

The Company has no overseas branches, and a list of the Company's subsidiaries is detailed in note 30 of the financial statements.

The Directors' report was approved by the Board and has been signed on its behalf by the General Counsel and Group Company Secretary.

By Order of the Board

CLARE BATES

General Counsel and Group Company Secretary

14 March 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and Accounts 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 the 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

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

DIRECTORS' CONFIRMATIONS

Each of the Directors, whose names and functions are listed on pages 76 and 77 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.
- 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.
- 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. The Directors' responsibilities statement was approved by the Board and has been signed on its behalf by the CEO and CFO.

By Order of the Board

GREG FITZGERALD
Chief Executive Officer
14 March 2024

TIM LAWLOR
Chief Financial Officer
14 March 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISTRY GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Vistry Group 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 31 December 2023 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 2023 (the "Annual Report"), which comprise: the Group and Company Statement of Financial Position as at 31 December 2023; the Group Statement of Profit and Loss and Other Comprehensive Income, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and the Group and Company 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.

Other than those disclosed in note 5, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

OUR AUDIT APPROACH

Context

In September 2023, the Group announced an update to its overall strategy, being to focus operations fully on partnerships by merging its Housebuilding operations with the Partnerships business.

Overview

Audit scope

- Throughout the course of the year, the Group principally operated through two trading divisions, being Housebuilding and Partnerships. Whilst the strategy change announced in September 2023 led to steps being taken to merge Housebuilding into Partnerships, with the evidence available supporting the fact that there is one operating segment, the underlying financial information used to prepare the consolidated financial statements still reflects the Housebuilding and Partnerships divisional structure. We therefore performed a full scope audit of each division, which together account for 100% of the revenue of the Group.
- Due to the significance of a number of financial statement line items within the Company to the overall Group, such as bank and other loans and finance expenses, a full scope audit has also been performed over this entity.
- We performed procedures at a Group level, such as the audit of the consolidation and financial statement disclosures, the finalisation of the accounting for business combinations, taxation, pension scheme balances and asset impairment assessments of goodwill, intangible assets and investments in subsidiary undertakings. We also performed full scope procedures over 12 joint ventures.

Key audit matters

- Margin forecasting and recognition in open market and partner funded sales (Group)
- Long-term contract accounting in partner funded sales (Group)
- Carrying value of inventory (Group)
- Impairment of investments in subsidiary undertakings (Company)

Materiality

- Overall Group materiality: £18.6 million (2022: £20.0 million) based on approximately 5% of the Group's profit before tax adjusted to remove the exceptional expenses relating to the fire safety provision, the Combination with Countryside and the Group's change in strategy (2022: based on approximately 5% of the Group's profit before tax adjusted to remove the exceptional expenses relating to the fire safety provision and the Combination with Countryside).
- Overall Company materiality: £29.4 million (2022: £29.3 million) based on approximately 1% of total assets (2022: based on approximately 1% of total assets).
- Performance materiality: £14.0 million (2022: £15.0 million) (Group) and £22.0 million (2022: £22.0 million) (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.

Provision for legacy properties fire safety and Accounting for business combinations, which were key audit matters last year, are no longer included because of lower uncertainty regarding applicable legislation and therefore the properties included within the fire safety provision. Additionally, within business combinations there have not been a significant number of changes to the fair values determined in the prior year and therefore the audit of the changes to these fair values during the year did not constitute a significant part of our audit. Otherwise, the key audit matters below are consistent with last year.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Margin forecasting and recognition in Open Market and Partner Funded sales (Group)	
<p>Refer to page 103 of the Audit Committee Report ('Significant matters considered by the Committee in relation to the financial statements'), note 1.7 ('Critical accounting judgements and key sources of estimation uncertainty') and note 2 ('Revenue') of the financial statements.</p> <p>This key audit matter relates to margin recognition for Open Market sales and the element of Partner Funded sales recognised based on the 'output' method.</p> <p>The Group's approach to margin forecasting and recognition is based on a number of key assumptions, including:</p> <ul style="list-style-type: none"> estimates of future build costs, land costs and central site costs, including infrastructure costs; estimates of future sales price, based on an expected sales price for the type and size of property; and periodic surveyor and financial appraisals performed to support management's estimate of the build progress achieved based on the stage of completion of each plot, with the accounting records updated accordingly. <p>If the overall site is loss making then management consider this as part of the provisioning process.</p> <p>We consider that appropriate margin recognition across the life of a site is a significant financial reporting risk for the Group due to the high level of estimation involved. As a result, the forecast assumptions could be inaccurate and thus could lead to the incorrect recognition of margin on a given contract.</p>	<p>We assessed the basis of revenue recognition to ensure it is in line with applicable accounting standards.</p> <p>We tested the design and operating effectiveness of management's key site level forecasting and monitoring control. This included observation of a sample of site review meetings taking place throughout the year (including at year end) attended by senior management, including those from the Commercial, Operational and Finance teams. This enabled us to obtain evidence regarding the consistency of the operation of this control across the regions and contributed to our evidence regarding the accuracy and completeness of both forecast costs and revenues.</p> <p>We compared the actual revenue and costs for completed sites against the original forecast for that site and also assessed movements in forecast margin during the year on open sites. Where significant differences were identified, we evaluated the nature of the event that caused this difference to arise, such as due to a change in the plan for the site. Based on the evidence obtained, this enabled us to obtain assurance in respect of the accuracy of management's estimation methodology.</p> <p>We tested a sample of actual costs incurred to third party evidence and tested a sample of forecast costs to either third party evidence or other appropriate support.</p> <p>We reviewed the output from a sample of instances of management's forecasting and monitoring control performed post year end to assess the completeness of site costs recognised at 31 December 2023.</p> <p>We tested a sample of forecast sales prices to the actual sales prices attained around year end, available market data for similar properties, or contracts, where applicable, to support the validity of these sales prices.</p> <p>We assessed the impact that the strategy change had on the margin of legacy 'housebuilding' sites, including how management have reflected the expected increase in the proportion of Partner Funded contracts in the forecast revenue and cost to come estimates used to derive forecast site margins. We inspected significant sales contracts entered into during the year as a result of the strategy change and assessed that they were accounted for appropriately. We also ensured that the forecast revenue to come had only been updated at the year end to take into account partner funded contracts that had a high degree of certainty of being completed.</p> <p>Based on the procedures performed, we did not identify any material misstatements within the revenue and cost of sales, and therefore margin, recognised. We also assessed the disclosures in respect of margin forecasting and recognition and considered these to be appropriate.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Long-term contract accounting in Partner Funded sales (Group)	
<p>Refer to page 103 of the Audit Committee Report ('Significant matters considered by the Committee in relation to the financial statements'), note 1.7 ('Critical accounting judgements and key sources of estimation uncertainty') and note 2 ('Revenue') of the financial statements.</p> <p>This key audit matter relates to margin recognition on Partner Funded sales, specifically the element for which progress towards completion is measured by the proportion of total costs incurred at the reporting date relative to the estimated total cost of the contract (known as the 'input' method).</p> <p>The Group has a large number of contracts which span multiple periods and are accounted for on a percentage of completion basis, in accordance with IFRS 15. Long-term contracting accounting requires a number of judgements and estimates to be made by management, including to:</p> <ul style="list-style-type: none"> estimate total contract costs; estimate the stage of completion of the contract; forecast the profit margin; consider contract variations and the outcome of claims to the extent that it is highly probable that a significant reversal of revenue will not occur; and appropriately provide for loss making contracts, with judgement required to determine the magnitude of any provision required. <p>There is estimation uncertainty within the above assumptions due to potential changes in market conditions or unforeseen circumstances, in particular given that these assumptions involve the assessment of future events, which are inherently uncertain. As a result, the forecast assumptions could be inaccurate and thus could lead to the incorrect recognition of revenue or margin on a given contract.</p>	<p>We assessed the basis of revenue recognition to ensure it is in line with applicable accounting standards and supported by management's estimates.</p> <p>We tested the design and operating effectiveness of management's key site level control in place over long-term contracts. This included observation of a sample of site review meetings taking place throughout the year (including at year end) attended by senior management, including those from the Commercial, Operational and Finance teams. This enabled us to obtain evidence regarding the consistency of the operation of this control across the regions and contributed to our evidence regarding the accuracy and completeness of both forecast costs and revenues.</p> <p>We performed risk assessment procedures over the contracts in place, including reviewing the movements in projected margins during the year, in order to determine those considered to be higher risk. This included those with revenue, margin or losses recognised above pre-determined thresholds, as well as sites with known operational issues. We performed the following procedures in respect of these contracts:</p> <ul style="list-style-type: none"> agreed overall anticipated revenue to a combination of the underlying contract and agreed variations, with corroborative evidence obtained to support the fact that any variations were highly probable to not reverse; obtained evidence to corroborate management estimates and judgements, particularly around forecast costs for which a sample of such costs (focused on those categories of cost we considered to be higher risk, due to a combination of their quantum and the level of judgement required by management) were agreed to appropriate supporting evidence; and recalculated the revenue recognised and agreed it to the underlying general ledger. <p>We also validated a sample of costs incurred during the year to third party supplier invoices and tested the allocation of these to the relevant contracts.</p> <p>For contracts that were completed during the year, we compared the final contract margin to the margin at the tender stage to assess the accuracy of management's forecasts.</p> <p>For the remaining lower risk contracts, we performed analytical procedures at a contract level in order to identify any movements that differed significantly to our expectation. We also performed testing over a sample of revenue, obtaining third party evidence for the amounts recognised.</p> <p>We assessed the appropriateness of the provision for loss making contracts through a combination of the procedures above.</p> <p>Based on the procedures performed, we did not identify any material misstatements within the revenue and cost of sales, and therefore margin, recognised. We also assessed the disclosures in respect of long-term contract accounting and considered these to be appropriate.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying value of inventory (Group)	
<p>Refer to page 106 of the Audit Committee Report ('Significant matters considered by the Committee in relation to the financial statements') and note 18 ('Inventories') of the financial statements.</p> <p>The inventory balance at 31 December 2023 was £3,100.7 million (31 December 2022: £2,838.1 million). Inventory is comprised of land held for development, work in progress and part exchange properties.</p> <p>Land held for development is held at cost. Work in progress is made up of the cost of the land being built on, direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Part exchange properties are held at cost, based on a third party estimate of their prevailing market value determined at the time of legal completion.</p> <p>Inventories are stated at the lower of cost and net realisable value, where net realisable value is the estimated net selling price less costs to sell and estimated total costs of completion based on management's forecast.</p> <p>As the most significant balance on the Group Statement of Financial Position, there is an increased risk of material misstatement in the carrying value of inventory. In addition, due to the cyclical nature of the housing industry or issues experienced during the build programme, there is a risk that the net realisable value of the inventory is lower than cost and therefore inventory is held at the incorrect value.</p>	<p>The procedures set out above for the 'Margin forecasting and recognition in open market and partner funded sales' key audit matter are also relevant to auditing the carrying value of inventory.</p> <p>In addition to those procedures outlined above, we have also examined margins for all major sites to identify those with low or eroding margins, for example due to specific issues or under performance. We discussed the identified sites with management, including considering the level of provisions held against these sites.</p> <p>We evaluated the quantum and ageing of part exchange properties and challenged the recoverability of these assets.</p> <p>We checked that appropriate site acquisition approvals had been obtained for significant sites, with this including consideration of site profitability.</p> <p>Based on the procedures performed we did not identify any sites where the carrying value of inventory was materially misstated. We also assessed the disclosures in respect of the carrying value of inventory and considered these to be appropriate.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of investments in subsidiary undertakings (Company)	
<p>Refer to page 105 of the Audit Committee Report ('Significant matters considered by the Committee in relation to the financial statements') and note 15 ('Investments') of the financial statements.</p> <p>At 31 December 2023, the Company held investments of £2,506.3 million (31 December 2022: £2,498.3 million) in its subsidiary undertakings.</p> <p>On an annual basis, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investments in subsidiary undertakings may not be recoverable. If such circumstances are identified, an impairment review is undertaken to establish whether the carrying amount of the investments in subsidiary undertakings exceed their recoverable amount, being the higher of fair value less costs to sell or value in use.</p> <p>An impairment assessment of this nature requires judgement and there is risk that a potential impairment trigger may not be identified and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the investment is incorrect and therefore the value of the investment may be misstated.</p> <p>In assessing whether or not there were any impairment triggers, the Directors considered a number of factors including the underlying performance of the Group and the market capitalisation of the Group. The market capitalisation of the Group at 31 December 2023 was approximately £3,186.0 million, with this being higher than the carrying value of investments. The Directors therefore concluded that there was no impairment trigger.</p>	<p>We agreed with management's conclusion that there was no impairment trigger and hence the carrying value of investments is not required to be assessed for impairment.</p> <p>We have reviewed the evidence supporting this assessment, including the underlying performance of the Group (including when considering commitments arising as a result of the impact of climate change) and the fact that the market capitalisation of the Group increased after year end.</p> <p>The procedures performed supported the conclusion that no impairment was required.</p>

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.

We have determined that the Group is made up of three components, being the Company and the two trading divisions (Housebuilding and Partnerships), with this reflecting the manner in which the consolidated financial information has been prepared.

The Company is principally a holding company that holds the Group's investments in subsidiary undertakings and also the external borrowings which it lends on to other entities within the wider Group. Due to the significance of a number of financial statement line items within the Company to the overall Group, such as cash and cash equivalents, accruals, borrowings and finance expenses, a full scope audit has also been performed over this entity. The allocated materiality for the Company was lower than the materiality for the stand-alone financial statements of this entity.

In respect of the joint ventures held by the Group, we performed full scope procedures in respect of 12 joint ventures so as to obtain sufficient and appropriate audit coverage over the joint venture disclosures within note 15.

These procedures, together with those performed at a Group level, such as the audit of the consolidation and financial statement disclosures, the finalisation of the accounting for business combinations, taxation, pension scheme balances and asset impairment assessments of goodwill, intangible assets and investments in subsidiary undertakings, provide us with the evidence required for the purposes of our opinion on the financial statements as a whole.

All of the audit procedures performed were undertaken by the same Group engagement team.

The impact of climate risk on our audit

The risks associated with climate change are impacting the housebuilding industry, in particular in respect of Part L, Part F, Part O and Part S of the Building Regulations 2010. The 2025 Future Homes Standard will also require a reduction in emissions of 75% to 80%, including the banning of gas boilers in all new homes.

As set out in the other information to the Annual Report, the Group is committed to carbon emission targets consistent with reductions required to keep global warming to 1.5°C, with the Group's carbon reduction targets having been verified by the Science Based Targets Initiative during the year. These targets were reconfigured during 2023 in respect of the enlarged Group, following the Combination with Countryside.

In planning and executing our audit we have both understood and evaluated the Group's risk assessment process in respect of climate change. Together with discussions with our own sustainability experts, this enabled us to assess the potential impact of climate change on the financial statements.

In doing so, we have determined that the financial statement estimates which are most likely to be materially impacted by both physical and transition risks of climate change are those associated with the costs of meeting the above requirements and commitments and how they have been reflected in forecast future cash flows.

We have understood that management have included the revised standards into the design of new builds. This was supported by the fact that the Engagement Leader visited the Vistry Innovation Centre and the timber frame construction factory in Leicester to aid the audit team's understanding of the Future Homes Standard requirements and the Group's strategy for both compliance with the new regulations and plans for meeting its net zero commitments.

Management's process is that land appraisals prepared in respect of sites yet to be acquired reflect the cost of meeting these new regulations, so as to appropriately assess targeted returns. For existing sites that will need to meet these standards, build costs are included in the reports underpinning management's key forecasting and monitoring control, with management expecting that such costs will ultimately be passed through to buyers, reflecting the increased value obtained through aspects such as lower heating bills and improved ventilation. These processes form the basis of the Group's cash and funding requirements and are therefore an integral part of preparing forecast future cash flows.

These forecast cash flows have been used as part of the assessments performed over going concern and viability and the impairment assessment performed over goodwill. Our key audit matters further explain how we have evaluated the impact of climate change, where applicable.

We challenged management regarding the extent of disclosures made within the financial statements in respect of climate change, obtaining comfort over the consistency of the finalised disclosures made in the other information within the Annual Report with both the financial statements and the knowledge we obtained from our audit.

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	£18.6 million (2022: £20.0 million).	£29.4 million (2022: £29.3 million).
How we determined it	Based on approximately 5% of the Group's profit before tax adjusted to remove the exceptional expenses relating to the fire safety provision, the Combination with Countryside and the Group's change in strategy (2022: based on approximately 5% of the Group's profit before tax adjusted to remove the exceptional expenses relating to the fire safety provision and the Combination with Countryside).	Based on approximately 1% of total assets (2022: based on approximately 1% of total assets).
Rationale for benchmark applied	We consider that profit before tax is an appropriate metric as it is the primary statutory measure used by the shareholders in assessing the performance of the Group and is a generally accepted auditing benchmark for trading entities. In the current year, we have adjusted this measure to remove the exceptional expenses relating to the fire safety provision, the Combination with Countryside and the Group's change in strategy given that these are large one-off items which do not reflect the underlying profitability of the Group.	We consider that total assets is an appropriate metric as it is the primary measure used by the shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark for non-trading entities. The Company is also a full scope component for the purposes of the Group audit, with the allocated materiality (of £10.0 million) being lower than the above materiality for the stand-alone Company financial statements.

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 £10.0 million and £17.7 million.

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% (2022: 75%) of overall materiality, amounting to £14.0 million (2022: £15.0 million) for the Group financial statements and £22.0 million (2022: £22.0 million) 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 £0.9 million (Group audit) (2022: £1.0 million) and £1.5 million (Company audit) (2022: £1.5 million) 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:

- evaluating the reasonableness of the inputs and underlying assumptions within the base case going concern model prepared by management, including the impact of the change in strategy;
- performing a comparison of the forecasts within the base case going concern model to Board approved budgets and, where applicable, the forecasts used elsewhere in the Group, such as asset impairment assessments;
- comparing the prior year forecasts against current year actual performance to assess management's ability to prepare accurate forecasts;
- assessing the severe but plausible downside scenario which has been used to sensitise the base case model, including consideration of the underlying assumptions within this forecast (such as reduced demand or a fall in house prices);
- obtaining and reperforming management's analysis of both liquidity and covenant compliance to ensure there is sufficient liquidity and no forecast covenant breaches over the course of the going concern period, including within the downside scenario prepared;
- agreeing the committed facilities to the underlying agreements and ensuring that these were appropriately reflected within the liquidity and covenant analysis; and
- reviewing the disclosures relating to going concern, with these considered to be consistent with the assessment prepared by management and the procedures we performed.

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 31 December 2023 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 Directors' Remuneration Report 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 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 Directors' Responsibilities Statement, 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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to NHBC standards and other building regulations (including the Building Safety Act 2022 and other fire 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 UK tax legislation, 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 posting inappropriate journal entries to increase revenue and management bias within accounting estimates, in particular the potential manipulation of the margin to be recognised on a particular site or contract. Audit procedures performed by the engagement team included:

- inquiries with management, Internal Audit and the Group's legal team, including in respect of known or suspected instances of non-compliance with laws and regulation and fraud, and review of board minutes and internal audit reports;
- evaluating and testing of the operating effectiveness of management's key controls around the forecasting of costs and margin estimation;
- challenging assumptions and judgements made by management, in particular those that involve the assessment of future events, which are inherently uncertain – the key estimates determined in this respect are those relating to the forecasting of costs and margin estimation in Open Market and Partner Funded sales and long-term contract accounting in Partner Funded sales;
- identifying and testing journal entries, in particular testing a sample of journal entries posted with unusual account combinations, such as those with unusual or unexpected journal postings to revenue; and
- testing a sample of consolidation adjustments to ensure that these were appropriate in both nature and magnitude.

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 Directors' Remuneration Report 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 15 May 2015 to audit the financial statements for the year ended 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is 9 years, covering the years ended 31 December 2015 to 31 December 2023.

OTHER MATTER

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Richard French (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

14 March 2024

GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December	Note	2023			2022		
		Reported measures £m	Adjusting items (note 4) £m	Adjusted measures £m	Reported measures £m (restated)	Adjusting items (note 4) £m	Adjusted measures £m (restated)
Revenue	2,4	3,564.2	477.9	4,042.1	2,771.3*	343.8	3,115.1
Cost of sales		(3,018.8)			(2,357.6)*		
Gross profit		545.4			413.7		
Administrative expenses		(287.8)			(241.8)		
Amortisation of acquired intangible assets	12	(46.3)			(17.1)		
Other operating income	3	100.5			57.7		
Operating profit	4	311.8	176.1	487.9	212.5	238.6	451.1
Finance income	7	22.0			14.5		
Finance expenses	7	(85.0)			(26.7)		
Net financing expenses	7,4	(63.0)	(5.8)	(68.8)	(12.2)	(20.5)	(32.7)
Share of profit after tax from joint ventures	15	56.0			47.2		
Profit before tax	4,5	304.8	114.3	419.1	247.5	170.9	418.4
Income tax expense	8	(81.4)			(43.2)		
Profit for the year		223.4	81.9	305.3	204.3	120.3	324.6
Other comprehensive income/(expenses)							
Remeasurement of retirement benefit assets	17	(2.4)			(16.3)		
Deferred tax on remeasurements of retirement benefit assets	8	0.7			2.4		
Total other comprehensive expense		(1.7)			(13.9)		
Total comprehensive income for the year		221.7			190.4		

* Reported revenue and cost of sales for 2022 have been restated in order to apply the Group's change in accounting policy with respect to part exchange property sales from the beginning of the comparative period, as discussed in note 1.8.

EARNINGS PER SHARE		2023		2022	
		Basic	Diluted	Basic	Diluted
Basic	9	64.6p		86.5p	
Diluted	9	63.7p		86.3p	
Adjusted basic earnings per share	4,9		88.2p		137.5p

STATEMENT OF FINANCIAL POSITION

As at 31 December	Note	Group		Vistry Group PLC Company number 00306718 Company	
		2023 £m	2022 (restated) £m	2023 £m	2022 £m
ASSETS					
Goodwill	11	827.6	804.7	-	-
Intangible assets	12	409.3	456.0	-	-
Property, plant and equipment	13	20.1	20.9	-	-
Right-of-use assets	14	82.9	77.2	-	-
Investments	15	562.7	552.4*	2,506.3	2,498.3
Trade and other receivables	19	-	1.0	-	-
Deferred tax assets	16	-	1.8	-	0.8
Retirement benefit assets	17	34.2	34.3	-	-
Total non-current assets		1,936.8	1,948.3	2,506.3	2,499.1
Inventories	18	3,100.7	2,838.1	-	-
Trade and other receivables	19	626.4	542.1*	411.6	421.1
Cash and cash equivalents	20	418.3	676.8	18.9	0.3
Current tax assets		3.2	10.4	-	0.6
Total current assets		4,148.6	4,067.4	430.5	422.0
Total assets		6,085.4	6,015.7	2,936.8	2,921.1
LIABILITIES					
Borrowings	20	-	49.9	-	49.9
Trade and other payables	21	1,481.9	1,432.7	54.0	3.5
Lease liabilities	14	24.6	14.8	-	-
Provisions	22	105.0	72.9	-	-
Total current liabilities		1,611.5	1,570.3	54.0	53.4
Borrowings	20	507.1	508.7	495.8	495.8
Trade and other payables	21	341.0	334.5	0.8	0.8
Lease liabilities	14	73.7	71.8	-	-
Provisions	22	212.4	280.7	-	-
Deferred tax liabilities	16	21.2	-	-	-
Total non-current liabilities		1,155.4	1,195.7	496.6	496.6
Total liabilities		2,766.9	2,766.0	550.6	550.0
Net assets		3,318.5	3,249.7	2,386.2	2,371.1
EQUITY					
Issued capital	25	173.4	173.6	173.4	173.6
Share premium	25	361.0	360.8	361.0	360.8
Capital redemption reserve		1.5	1.3	1.5	1.3
Merger reserve	25	1,597.8	1,597.8	1,597.8	1,597.8
Retained earnings		1,184.8	1,116.2	252.5	237.6
Total equity attributable to equity holders of the parent		3,318.5	3,249.7	2,386.2	2,371.1

* Reported investments and trade & other receivables for 2022 have been restated to reclassify receivables from joint arrangements which are short term in nature, as discussed in note 1.8.

The Company made a profit after tax for the year of £172.1m (2022 profit: £264.4m). These financial statements on pages 158 to 210 were approved by the Board of Directors on 14 March 2024 and were signed on its behalf by:

TIM LAWLOR
Director

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Note	Attributable to equity holders of the parent							Total £m
		Own shares held £m	Other retained earnings £m	Total retained earnings £m	Issued capital £m	Share premium £m	Capital redemption reserve £000	Merger reserve £m	
Balance as at 1 January 2022		(3.4)	1,098.2	1,094.8	111.2	361.1	-	823.5	2,390.6
Profit for the year		-	204.3	204.3	-	-	-	-	204.3
Total other comprehensive expense		-	(13.9)	(13.9)	-	-	-	-	(13.9)
Total comprehensive income		-	190.4	190.4	-	-	-	-	190.4
Issue of share capital	25	-	-	-	-	(0.3)	-	-	(0.3)
Purchase of own shares executed		(14.5)	(22.4)	(36.9)	(1.3)	-	1.3	-	(36.9)
Shares issued as consideration	25	-	0.9	0.9	63.7	-	-	774.3	838.9
LTIP shares exercised		0.5	(0.5)	-	-	-	-	-	-
Share-based payments	6	-	6.3	6.3	-	-	-	-	6.3
Dividends paid	10	-	(138.9)	(138.9)	-	-	-	-	(138.9)
Deferred tax on share-based payments	8	-	(0.4)	(0.4)	-	-	-	-	(0.4)
Total transactions with owners		(14.0)	(155.0)	(169.0)	62.4	(0.3)	1.3	774.3	668.7
Balance as at 31 December 2022		(17.4)	1,133.6	1,116.2	173.6	360.8	1.3	1,597.8	3,249.7
Balance as at 1 January 2023		(17.4)	1,133.6	1,116.2	173.6	360.8	1.3	1,597.8	3,249.7
Profit for the year		-	223.4	223.4	-	-	-	-	223.4
Total other comprehensive expense		-	(1.7)	(1.7)	-	-	-	-	(1.7)
Total comprehensive income		-	221.7	221.7	-	-	-	-	221.7
Issue of share capital	25	-	-	-	-	0.2	-	-	0.2
Purchase of own shares		(2.0)	(53.4)	(55.4)	(0.2)	-	0.2	-	(55.4)
LTIP shares exercised		4.7	(3.3)	1.4	-	-	-	-	1.4
Share-based payments	6	-	8.0	8.0	-	-	-	-	8.0
Dividend paid	10	-	(110.4)	(110.4)	-	-	-	-	(110.4)
Deferred tax on share-based payments	8	-	3.3	3.3	-	-	-	-	3.3
Total transactions with owners		2.7	(155.8)	(153.1)	(0.2)	0.2	0.2	-	(152.9)
Balance as at 31 December 2023		(14.7)	1,199.5	1,184.8	173.4	361.0	1.5	1,597.8	3,318.5

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Attributable to equity holders of the parent							Total £m
	Own shares held £m	Other retained earnings £m	Total retained earnings £m	Issued capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	
Balance as at 1 January 2022	(3.4)	144.4	141.0	111.2	361.1	-	823.5	1,436.8
Total comprehensive income	-	264.4	264.4	-	-	-	-	264.4
Issue of share capital	-	-	-	-	(0.3)	-	-	(0.3)
Purchase of own shares	(14.5)	-	(14.5)	-	-	-	-	(14.5)
Cancellation of shares	-	(22.4)	(22.4)	(1.3)	-	1.3	-	(22.4)
LTIP shares exercised	0.5	(0.5)	-	-	-	-	-	-
Shares issued as consideration	-	0.9	0.9	63.7	-	-	774.3	838.9
Share-based payments	-	6.3	6.3	-	-	-	-	6.3
Dividends paid	-	(138.9)	(138.9)	-	-	-	-	(138.9)
Deferred tax on share-based payments	-	0.8	0.8	-	-	-	-	0.8
Total transactions with owners	(14.0)	(153.8)	(167.8)	62.4	(0.3)	1.3	774.3	669.9
Balance as at 31 December 2022	(17.4)	255.0	237.6	173.6	360.8	1.3	1,597.8	2,371.1
Balance as at 1 January 2023	(17.4)	255.0	237.6	173.6	360.8	1.3	1,597.8	2,371.1
Total comprehensive income	-	172.1	172.1	-	-	-	-	172.1
Issue of share capital	-	-	-	-	0.2	-	-	0.2
Purchase of own shares	(2.0)	(53.4)	(55.4)	(0.2)	-	0.2	-	(55.4)
LTIP shares exercised	4.7	(3.3)	1.4	-	-	-	-	1.4
Share-based payments	-	8.0	8.0	-	-	-	-	8.0
Dividend paid	-	(110.4)	(110.4)	-	-	-	-	(110.4)
Deferred tax on share-based payments	-	(0.8)	(0.8)	-	-	-	-	(0.8)
Total transactions with owners	2.7	(159.9)	(157.2)	(0.2)	0.2	0.2	-	(157.0)
Balance as at 31 December 2023	(14.7)	267.2	252.5	173.4	361.0	1.5	1,597.8	2,386.2

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	Group		Company	
		2023 £m	2022 (restated) £m	2023 £m	2022 £m
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit for the year		311.8	212.5	190.6	264.4
Exceptional expenses in statement of profit or loss	4	46.2	153.0	-	25.6
Depreciation and amortisation	12, 13, 14	74.1	35.3	-	-
Other non-cash items		1.9	9.5	-	-
Equity-settled share-based payment expense	6	8.0	6.3	-	-
Operating cash inflow before exceptional cash flows and movements in working capital		442.0	416.6	190.6	290.0
Exceptional cash flows relating to the Combination		(43.0)	(26.9)	-	(25.6)
Exceptional cash flows relating to restructuring		(12.4)	-	-	-
Exceptional cash flows relating to fire safety		(33.3)	(4.7)	-	-
Exceptional cash outflows		(88.7)	(31.6)	-	(25.6)
Defined benefit pension contributions		(0.6)	(4.7)	-	-
(Increase)/decrease in trade and other receivables		(83.3)	(86.0)	21.3	(215.2)
Increase in inventories		(286.1)	(83.7)	-	-
Increase/(decrease) in trade and other payables		(1.8)	(71.6)	0.4	3.5
Decrease in provisions		(15.9)	(2.8)	-	-
Movements in working capital		(387.7)	(248.8)	21.7	(211.7)
Net cash (outflow)/inflow from operations		(34.4)	136.2	212.3	52.7
Income taxes paid		(37.7)	(65.3)	-	-
Net cash (outflow)/inflow from operating activities		(72.1)	70.9*	212.3	52.7
CASH FLOWS FROM INVESTING ACTIVITIES					
Bank interest received		4.2	0.9	0.1	-
Purchase of property, plant and equipment	13	(2.8)	(1.6)	-	-
Acquisition of Countryside net of assets acquired	26	-	(77.7)	-	(299.9)
Loans made to and investments in joint ventures	15	(195.4)	(139.5)	-	-
Loan repayments from joint ventures	15	197.8	188.5	-	-
Interest received on loans to joint ventures	15	6.4	10.6	-	-
Dividends received from joint ventures	15	42.3	38.1	-	-
Net cash inflow from investing activities		52.5	19.3	0.1	(299.9)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	10	(110.4)	(138.9)	(110.4)	(138.9)
Lease principal payments	14	(23.9)	(16.1)	-	-
Lease interest payments	14	(5.5)	(1.4)	-	-
Interest paid on borrowings		(44.9)	(16.6)	(29.8)	-
Proceeds from/(spend on) share issues		1.6	(0.3)	1.6	(0.3)
Purchase of own shares		(5.3)	(35.2)	(5.3)	(13.6)
Net (repayment)/drawdown of bank loans	20	(50.5)	396.4	(49.9)	400.0
Net cash (outflow)/inflow from financing activities		(238.9)	187.9*	(193.8)	247.2
Net (decrease)/increase in cash and cash equivalents		(258.5)	278.1	18.6	-
Opening cash and cash equivalents		676.8	398.7	0.3	0.3
Closing cash and cash equivalents		418.3	676.8	18.9	0.3

*2022 reported numbers have been restated to reflect the reclassification of interest paid on borrowings and lease interest payments from cash from operating activities to cash from financing activities, as discussed in note 1.8.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1 GENERAL INFORMATION

Vistry Group PLC (the 'Company') is a public company, limited by shares, domiciled and incorporated in England, United Kingdom. The shares are listed on the London Stock Exchange. The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in joint ventures. The financial statements were authorised for issue by the Directors on 14 March 2024. The registered office for Vistry Group PLC is 11 Tower View, Kings Hill, West Malling, Kent, ME19 4UY.

1.2 BASIS OF PREPARATION

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

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

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the Company Statement of Profit and Loss and Other Comprehensive Income.

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

1.3 ACCOUNTING POLICIES

The material accounting policies have been incorporated throughout the notes to the financial statements adjacent to the disclosure to which they relate. All accounting policies are shown in grey boxes.

The Group has applied the following new standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- Amendments to the following standards:
 - IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
 - IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
 - IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction

These new standards and amendments did not have a material impact on the Company or Group's reported results. All other accounting policies have been applied consistently to the Company and the Group unless otherwise stated.

The following accounting standards, interpretations and amendments have been issued by the IASB but had either not been adopted by the UK or were not yet effective in the UK as at 31 December 2023:

- Amendments to the following standards:
 - IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
 - IFRS 16 Leases: Lease Liability in a Sale and Leaseback
 - IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Supplier Finance Arrangements

The Directors do not expect the amendments above to have a material effect on the Company or Group and have chosen not to adopt any of the above standards earlier than required.

1.4 GOING CONCERN

The Group has prepared a cash flow forecast to confirm the appropriateness of the going concern assumption in these accounts. The forecast was prepared using a likely base case and a number of severe but plausible downside sensitivity scenarios. In the downside scenarios the Group has assumed decreased demand for housing and falling house prices, increased build costs and greater working capital requirements. In both the base case and the individual downside sensitivity scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the committed facilities available to the Group as shown in note 20 to the financial statements. The Group was also forecast to comply with the required covenants on the aforementioned borrowing facilities. Mitigating actions were only required in an extreme situation whereby all downsides occurred simultaneously. Consequently, the Directors have not identified any material uncertainties to the Group's ability to continue as a going concern over a period of at least twelve months following the date of approval of the financial statements and have concluded that using the going concern basis for the preparation of the financial statements is appropriate.

1. BASIS OF PREPARATION *continued*

1.4 GOING CONCERN *continued*

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

- A 10% reduction in sales volumes with a corresponding slow down in build rates and associated overheads
- A 5% reduction in private sales prices
- A 5% increase in build costs
- A 10% greater increase in work in progress than is assumed in the base case
- A rise in interest cost of 500bps

In a severe downside where all of the above scenarios arise concurrently, the following mitigating actions have been modelled:

- Reduction in uncommitted land spend
- Further reduction in overheads
- Reduction in shareholder distributions

The Group has also assessed the appropriateness of the going concern assumption for the accounts of the Company. The Company's principal expected cash flows in the twelve months following the date of approval of these financial statements relate to the payment of shareholder distributions. In order to fund these cash flows, the Company ensures that it has received sufficient distributions from its subsidiary operating companies. As a result, the Directors have not identified any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months following the date of approval of the financial statements and have concluded that using the going concern basis for the preparation of the Company's financial statements is appropriate.

1.5 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December. 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 can affect those returns through its power over the entity.

In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as:

- Joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and
- Joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Where the Group collaborates with other entities on a development or contract, the arrangement is accounted for in accordance with IFRS 11. Where there is joint control, the arrangement is classified as a joint arrangement and accounted for using the equity method (for joint ventures) or on the basis of the Group's proportional share of the arrangement's assets, liabilities, revenues and costs (for joint operations). The Group's share of income and expenses of its joint operations are included within the corresponding lines of the Statement of Profit and Loss, from the date that joint control commenced.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

1. BASIS OF PREPARATION *continued*

1.6 SEGMENTAL REPORTING

All revenue and profits disclosed relate to continuing activities of the Group and are derived from activities performed in the United Kingdom.

Operating segments are identified in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The CODM has been determined as the Board of Directors as they are responsible for allocating resources and regularly review and assess the performance and financial position of the Group.

On 11 September 2023, the Board of Directors announced a change in strategy, resulting in an internal restructure of the Group's operations. As a result of the restructure, the Group has reassessed the number of operating segments and concluded that there is now only one operating segment. The single operating segment aligns to the internal reporting presented on a regular basis to the CODM.

1.7 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of revenue, expenses, assets, and liabilities as at and for the year ending 31 December 2023.

CRITICAL ACCOUNTING JUDGEMENTS

Revenue recognition – mixed tenure

The determination of whether revenue on contracts should be recognised as work progresses (over time) or upon legal completion (point-in-time) requires judgement. The Group acts as a developer on a number of mixed tenure sites which will have multiple customers and contractual arrangements. An assessment is performed over each contract to determine when/how control is transferred to the customer. This includes assessing relevant factors such as the point at which legal ownership passes to the customer, the degree to which the customer can specify major structural design elements and our enforceable right to receive payment throughout the development phase.

Classification of exceptional expenses

The determination as to whether an expense could be classified as an exceptional expense requires judgement. Exceptional expenses are those which, in the opinion of the Board, are material by size and irregular in nature and therefore require separate disclosure within the Statement of Profit and Loss in order to assist the users of the financial statements in understanding the underlying business performance of the Group. The expenses which have been classified as exceptional expenses are included in note 4.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements includes the use of estimates including assumptions which are based on historical experience and other relevant factors and reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The key sources of estimation and uncertainty with a significant risk of a material change to the carrying value of assets and liabilities within the next year are described below:

Defined benefit pension schemes

The Group has three defined benefit pension schemes, all closed to future accrual, which are subject to estimation uncertainty. Note 17 outlines the way in which these schemes are recognised in the Group's financial statements, the associated risks and sensitivity analysis showing the impact of a change in key variables on the defined benefit assets/obligations.

Fire safety provision

The Group has reviewed all current legal and constructive obligations with regards to remedial works to rectify fire safety issues, which are subject to estimation uncertainty. Note 22 outlines the way in which this provision is recognised in the Group's financial statements, the associated risks and sensitivity analysis illustrating the possible impact of changes in key assumptions used to determine the provision as at 31 December 2023.

1. BASIS OF PREPARATION *continued*

1.7 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *continued*

OTHER MATERIAL ESTIMATES:

The consolidated financial statements include other areas of accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions and are subject to longer-term uncertainties. The other material estimates are:

Margin forecasting and recognition

Cost of sales and gross margin on each unit sold is recognised based on the individual site margin expected to be generated over its remaining life. In determining the remaining life of site margin, the Group must make assumptions relating to future sales prices and the estimated costs to complete. Any changes in these assumptions are recognised in both the current year and future years.

Where the Group recognises revenue on an input basis, revenue and gross margin is recognised by taking the costs incurred in the year, plus the expected site margin for each contract. Any change in the forecast margin is reflected in the current year.

The Group regularly reviews the assumptions used in the remaining life of site margin, including assessing the degree of future uncertainty from changes in macroeconomic factors. These include expected tenure mix and number of saleable units, sales prices, build and labour costs and the impact of climate change on the build requirements of new homes.

Management have performed a sensitivity analysis to assess the impact on the FY23 results from a change in the remaining life of site margin across all developments. A 2.5% increase/decrease in remaining life of site margin would increase/decrease gross profit by £86.3m through an increase/decrease in cost of sales, with a corresponding change to inventories and therefore net assets of the same value.

1.8 CHANGES TO COMPARATIVE INFORMATION - IMPACT ON THE GROUP'S 2022 FINANCIAL STATEMENTS AND NOTES

Change in accounting policy

The Group had historically presented the net of the part exchange revenue and cost of sale within cost of sales, however the accounting policy has now been amended to present revenue and cost of sales gross for part exchange transactions as it's more representative of the substance of the transaction. As a result, reported revenue and cost of sales have been grossed up by £41.9m and restated for the year ended 31 December 2022, on the basis that a change in accounting policy should be applied retrospectively. This change in policy only affects revenue and cost of sales and does not impact operating profit, profit before tax or any other primary financial statement. Accordingly note 2 of the financial statements has also been restated.

Reclassification of cash flow items

The Group has represented the Statement of Cash Flows to provide enhanced disclosures in relation to exceptional cash flows from operating activities. In addition to this enhanced disclosure, the Group has reclassified lease interest payments and interest paid on borrowings from operating activities to financing activities. Given the increased size of the business and prominence of lease interest it is the Directors' view that such interest is better presented as part of financing cash flows to be consistent with the underlying lease repayments. As interest paid on borrowings is a cost of obtaining financial resources, this has also been classified as a financing cash flow to be consistent with the drawdown/repayment of bank loans. As a result, the 2022 reported net cash inflow from operating activities has increased by £18.0m and net cash inflow from financing activities has decreased.

Reclassification of assets

The Group had historically presented all amounts outstanding from joint ventures in investments within non-current assets. In 2023, the Group has reclassified the amounts due, which are trading in nature, to trade and other receivables to reflect the short-term nature of the receivables. As a result, the comparative information has also been restated which has resulted in a decrease in Investments of £92.7m and a corresponding increase in trade receivables. Accordingly, notes 15 and 19 of the financial statements have also been restated.

1.9 IMPACT OF CLIMATE CHANGE

The property development sector is a key contributor to the Government's ambition to reduce carbon emissions and, as such, the standards for lower carbon homes are mandated for the sector through the Future Homes Standard which comes into effect in 2025. As a consequence, the requirements for building standards for the next few years are known and the costs of meeting those requirements are factored into investment appraisals for new land acquisitions today. Land that was acquired before these new requirements were known could be subject to increased costs to complete and this could impact remaining life of site margins. However, given the historical trend of house price increases, the extra cost of meeting any new regulations should be more than offset. Furthermore, there is a focus on utilising timber frame specifications through our owned factories, which will also aid in controlling future costs. Land held under options (strategic land) is acquired using a discount to prevailing market prices and so the impact of any new building standard will be factored into the eventual option price paid.

The costs of meeting climate change regulations is considered in the remaining life of site margin forecasts on each site that are used for determining both in year cost of sales and gross margin and financial forecasts. These financial forecasts are also used to generate our first year and multi-year plans which are in Going Concern, Viability and Goodwill impairment assessments.

There are other areas of potential cost that relate to climate change as shown on page 52. Beyond the known incremental costs of mitigating either the transitional or physical risks of climate change, these risks are regularly monitored and will be included in our cost estimation/planning processes as and when they arise. Currently, this is most typically seen through an increase in material prices due to energy price inflation, albeit it is hard to distinguish the precise cause of energy price inflation between climate related impacts or other geo-political events impacting energy security.

2. REVENUE

Revenue on contracts recognised at a point in time

Revenue is recognised at a point in time when the customer obtains control of the land or completed home at legal completion at which point the Group has fulfilled its performance obligations. This revenue is recognised at the fair value of the consideration received or receivable, net of value added tax and discounts.

In certain instances, property may be accepted in part consideration for a sale of a residential property. The fair value of part exchange properties is established by independent surveyors, reduced for costs to sell. The original sale is recorded in the normal way, with the fair value of the exchanged property in lieu of cash receipts. Proceeds generated from the subsequent sale of part exchange properties are recorded within point-in-time revenue.

Cash incentives are considered to be a discount from the purchase price offered to the acquirer and are therefore accounted for as a reduction to revenue.

Revenue on contracts recognised over time

Revenue is recognised over time when the Group transfers control of the development to the customer as the development progresses. The Group measures progress towards completion by reference to the stage of completion of development. This is normally measured by either:

- a survey of work performed when the development has multiple customers; or
- the proportion of total costs incurred at the reporting date relative to the estimated total cost of the contract

As the build progresses, customer-controlled assets are created, with the design tailored to the specification of the customer. The Group has an enforceable right to be paid for the work completed to date and invoices are issued and paid over the life of the development. Variations in contract work and claims are included to the extent that it is highly probable that there will not be a significant reversal when the value of such payments is finalised.

Where progress towards the satisfaction of performance obligations cannot be reasonably determined, revenue is recognised over time as the work is performed to the extent that costs have been incurred and are expected to be recoverable. All contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately within cost of sales.

The application of the above policies requires estimates to be made in respect of the total expected costs to complete for each site. The Group has in place established internal control processes to ensure that the evaluation of costs and revenues is based upon appropriate estimates.

Where the Group provides design, construction, and mobilisation activities on a development across multiple unit simultaneously, this is considered to represent one performance obligation. Where these services are provided across multiple development sites, each site is typically considered to represent a distinct performance obligation.

	2023 £m	2022 £m (restated)
REVENUE BY TYPE		
OPEN MARKET SALES:		
Point-in-time	1,583.6	1,792.2*
PARTNER FUNDED SALES:		
Over time	1,806.5	911.8
Point-in-time	174.1	67.3
Revenue	3,564.2	2,771.3

*The Group had historically presented the net of the part exchange revenue and cost of sales within cost of sales, however, it has now amended its accounting policy to present revenue and cost of sales gross for part exchange transactions. The 2022 comparatives have been restated on this basis.

As at 31 December 2023 the aggregate amount of the transaction price allocated to unsatisfied performance obligations on contracts was £3,722.9m (2022: £3,118.0m), of which approximately £1,755.8m (2022: £1,562.0m) is expected to be recognised as revenue during 2024.

3. OTHER OPERATING INCOME

Joint arrangement management fee income is recognised as the Group fulfils its obligations under the contract over time.

Government grant income is recognised when there is reasonable assurance that the Group will be able to comply with the conditions attached to the grant and that the grant will be received. Grant income is recognised in other operating income as it represents a contribution to the sales price.

	2023 £m	2022 £m
Joint arrangement management fee income	50.7	29.9
Government grant income	40.4	6.4
Other	9.4	21.4
Other operating income	100.5	57.7

4. ADJUSTED PROFIT AND LOSS MEASURES

In addition to the reported International Financial Reporting Standards (IFRS) measures, the Group provides adjusted measures which are not defined or specified under the requirements of IFRS. The Directors believe those adjusted measures provide important additional information about the Group's performance in the financial year. We have therefore included these adjusted measures below, combined with a comprehensive list of other adjusted measures on page 30 to 33 of the Annual Report.

	2023				2022			
	Revenue £m	Operating profit £m	Net financing expenses £m	Profit before tax £m	Revenue £m	Operating profit £m	Net financing expense £m	Profit before tax £m
Reported measures	3,564.2	311.8	(63.0)	304.8	2,771.3	212.5	(12.2)	247.5
Adjusting items:								
Share of joint ventures ¹	477.9	83.6	(25.2)	2.4	343.8	68.5	(21.3)	-
Exceptional costs ²	-	46.2	19.4	65.6	-	153.0	0.8	153.8
Amortisation of acquired intangible assets ³	-	46.3	-	46.3	-	17.1	-	17.1
Total adjusting items	477.9	176.1	(5.8)	114.3	343.8	238.6	(20.5)	170.9
Adjusted measures	4,042.1	487.9	(68.8)	419.1	3,115.1	451.1	(32.7)	418.4

1. The Group undertakes a significant portion of its activities through joint ventures with its partners. In accordance with IFRS, the Group's Statement of Profit and Loss and Other Comprehensive Income includes its share of the post-tax results of joint ventures within a single line item. The Directors believe that showing the Group's share of revenue, operating profit, net financing expenses and profit before tax from joint ventures within the respective adjusted measures better reflects the full scale of the Group's operations and performance.

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

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

ADJUSTED EARNINGS PER SHARE (EPS)

	2023	2022
Adjusted profit before tax (£m)	419.1	418.4
Adjusted income tax expense (£m)	(113.8)	(93.8)
Adjusted earnings (£m)	305.3	324.6
Weighted average number of ordinary shares (m)	346.0	236.2
Adjusted basic earnings per share (p)	88.2	137.5

4. ADJUSTED PROFIT AND LOSS MEASURES continued

EXCEPTIONAL EXPENSES

Exceptional items are those which, in the opinion of the Board, are material by size and irregular in nature and therefore require separate disclosure within the Statement of Profit and Loss in order to assist the users of the financial statements in understanding the underlying business performance of the Group. Restructuring expenses are those expenses, such as termination of third-party distributor agreements, severance and other non-recurring items directly related to restructuring and integration activities that do not reflect the Group's trading performance.

	2023 £m	2022 £m
Restructuring expenses relating to the Group's change in strategy	29.6	-
Restructuring and integration expenses relating to the Combination with Countryside	16.7	56.8
Fire safety - impact of second staircase regulations	18.5	-
Fire safety - (release of)/addition to fire safety provision	(18.6)	96.2
Fire safety - impact of discounting on the fire safety provision	19.4	0.8
Exceptional expenses	65.6	153.8

On 11 September 2023, the Group announced an update to the strategy to fully focus on a Partnerships Model. The restructuring expenses of £29.6m incurred in the year as a result of this event largely include one-off restructuring and office closure costs.

On 11 November 2022, the Group completed the Combination with Countryside Partnerships PLC. The restructuring and integration expenses of £16.7m incurred in the year ended 31 December 2023 relate to further integration and restructuring of the Group.

In respect of fire safety, an additional provision of £12.3m and an inventory impairment of £6.2m relating to the update to the second staircase regulations have been recognised in the year.

The release of £18.6m in unused fire safety provision related to mitigated inflation. The impact of discounting on the fire safety provision of £19.4m reflects the discount unwind on the long-term liability for the year. The net impact of these two items is an increase in the provision of £0.8m.

5. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	Note	2023 £m	2022 £m
Depreciation of property, plant and equipment	13	3.0	2.2
Depreciation of right-of-use assets	14	24.4	15.6
Amortisation of intangible assets	12	46.7	17.4
Personnel expenses (not capitalised into work in progress)		227.8	143.7
Inventories expensed in the year		2,522.5	1,772.9
Exceptional expenses	4	65.6	153.8

AUDITOR'S REMUNERATION

	2023 £m	2022 £m
Fees payable to the Company's auditors for the audit of the Company and Group's annual accounts	1.0	1.2

FEES PAYABLE TO THE COMPANY'S AUDITORS AND ITS ASSOCIATES FOR OTHER SERVICES:

	2023 £m	2022 £m
Audit of the accounts of subsidiaries*	1.0	0.8
Audit-related assurance services	0.1	0.1
Non-audit fees**	-	1.1
Fees charged to profit before tax	2.1	3.2

* 2023 includes an incremental audit fee of £0.2m relating to a one off audit of 2022 subsidiary financial statements which were prepared to align their year end date from 30 September to 31 December.

**The Group incurred non-audit fees during 2023 relating to a technical accounting subscription service (£1k). In 2022, non-audit fees related to a technical accounting subscription service (£1k) and for work performed over the proforma financial information relating to the Combination (£1,095k).

6. DIRECTORS AND EMPLOYEE COSTS

The monthly average number of employees of the Group, all of whom were employed in the United Kingdom on the Group's principal activity, together with personnel expenses, are set out below:

AVERAGE EMPLOYEE NUMBERS - GROUP

	2023	2022
Average employee numbers	4,872	3,544

The Company had no employees (2022: nil) and therefore £nil personnel expenses during 2023 (2022: £nil).

A breakdown of employee numbers as at 31 December split by type of role is included on page 45.

PERSONNEL EXPENSES - GROUP

	2023 £m	2022 £m
Wages and salaries	342.2	235.9
Social security contributions	38.6	29.3
Contributions to defined contribution plans	18.8	10.2
Expenses related to defined benefit plans	1.4	1.4
Equity-settled share-based payments	8.0	6.3
Personnel expenses	409.0	283.1

The aggregate remuneration for the Group's Directors during 2023 was £6.3m (2022: £6.2m), which is shown in further detail on page 119 in the Directors' Remuneration Report. The highest paid Director is the Chief Executive Officer, details of the remuneration is also provided on page 119 of the Directors' Remuneration Report. The Executive Leadership Team (ELT) and the Non-Executive Directors as shown on page 7 and page 76 respectively are considered to be the only key management personnel.

A summary of key management personnel remuneration is as follows:

	2023 £m	2022 £m
Short-term employee benefits	7.5	6.1
Social security contributions	1.0	0.9
Share-based payment expenses	4.2	2.2
Key management personnel remuneration	12.7	9.2

The above table reflects remuneration only for the period in which the individuals were key management personnel during the year.

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees in the form of share options over shares in the Company. Equity-settled share-based payments are measured at fair value at the date of grant calculated using an independent option valuation model, taking into account the terms and conditions upon which the options were granted. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding credit to equity, except when the share-based payment is cancelled, in which case the charge will be accelerated.

The Group operated three equity-settled share-based payment arrangements which are set out below.

LONG-TERM INCENTIVE PLAN

A long-term incentive plan for Executive Directors and senior executives was approved by shareholders at a General Meeting in December 2019. The first grant of awards under this plan was made in 2020. Details of the vesting conditions of these awards are laid out in the Directors' Remuneration Report on pages 115 to 131.

SAVE AS YOU EARN SHARE OPTIONS

The Vistry Group PLC Save As You Earn Option Scheme was established in 2007 and renewed in 2017. As part of the Combination the Group offered replacement options for two SAYE schemes which were granted by Countryside in 2020 and 2022.

Share options held in the Save As You Earn Option Scheme are not subject to performance conditions and may under normal circumstances be exercised during the six months after maturity of the agreement. Save As You Earn share options are generally exercisable at an exercise price which includes a 20% discount to the market price of the shares at the date of grant.

6. DIRECTORS AND EMPLOYEE COSTS continued

DEFERRED BONUS SCHEME

The Deferred Bonus Plan was approved and implemented in 2022, with one third of the Executive Leadership Team bonus award deferred into shares under the terms of the plan. Details of these awards are laid out in the Directors' remuneration report on pages 115 to 131.

MOVEMENTS IN THE NUMBER OF SHARE OPTIONS OUTSTANDING

Number of share options <i>In thousands</i>	Long-term incentive plan	Deferred bonus scheme	Save As You Earn
As at 1 January 2023	3,071	139	2,356
Granted	2,301	202	1,466
Lapsed	(676)	-	(698)
Exercised	(93)	-	(529)
As at 31 December 2023	4,603	341	2,595
Exercisable as at 31 December 2023	812	-	474
Weighted average remaining contractual life (years)	7.9	0.8	2.3
Range of exercise prices (£)	-	-	4.68 - 9.30

Number of share options <i>In thousands</i>	Long-term incentive plan	Deferred bonus scheme	Save As You Earn
As at 1 January 2022	2,361	-	1,790
Granted	1,185	139	344
Acquired during the Combination	-	-	562
Lapsed	(416)	-	(61)
Cancelled	-	-	(265)
Exercised	(59)	-	(14)
As at 31 December 2022	3,071	139	2,356
Exercisable as at 31 December 2022	502	-	4
Weighted average remaining contractual life (years)	7.8	1.3	2.3
Range of exercise prices (£)	-	-	4.68 - 9.30

All share options under the long-term incentive plan and the deferred bonus scheme have a weighted average exercise price of £nil (2022: £nil). The weighted average exercise price of Save As You Earn share options outstanding as at 31 December 2023 is £5.90 (2022: £5.89).

The weighted average fair value of the options granted during the year determined using the Monte Carlo model was £4.49 per option (2022: £5.40). The significant inputs into the model were a weighted average share price of £7.34 (2022: £9.56) at the grant date, volatility of 38% (2022: 46%), an expected option life of 5 years (2022: 5 years) and an annual risk-free rate of 3.39% (2022: 1.32%). The volatility is measured at the standard deviation of continuously compounded share returns, based on statistical analysis of daily share prices over the last 3 years.

For the year ended 31 December 2023, the share-based payment expense recorded in the Statement of Profit and Loss was £8.0m (2022: £6.3m).

7. NET FINANCING EXPENSES

Finance income principally relates to interest income earned on loans made to joint ventures and amounts earned from cash held. Finance costs are included in the measurement of borrowings at their amortised cost to the extent that they are not settled in the year in which they arise.

Finance expenses predominantly relate to interest charges on external borrowings, lease liabilities and deferred land creditors. The finance costs and income associated with the time value of money on discounted payables and receivables are recognised within finance costs and income as the discount unwinds over the life of the relevant item.

Exceptional finance costs relate to the unwinding of the discounting on the Group's fire safety provision.

7. NET FINANCING EXPENSES *continued*

	Note	2023 £m	2022 £m
Interest accrued on loans to joint ventures		15.1	12.6
Bank interest		5.2	1.1
Net pension finance credit	17	1.7	0.8
Finance income		22.0	14.5
Imputed interest on deferred term land		(11.5)	(7.1)
Interest on lease liabilities	14	(5.5)	(1.4)
Exceptional interest on fire safety provision		(19.4)	(0.8)
Bank, commitment fees and other interest		(48.6)	(17.4)
Finance expenses		(85.0)	(26.7)
Net financing expenses		(63.0)	(12.2)

8. INCOME TAX EXPENSE

Income tax expense comprises of the current and deferred tax recognised as an expense during the year. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

	Note	2023 £m	2022 £m
CURRENT TAX			
Current year excluding residential property developer tax		40.9	64.1
Residential property developer tax		7.6	10.0
Adjustments in respect of prior periods		(3.6)	(19.4)
		44.9	54.7
DEFERRED TAX			
Origination and reversal of temporary differences	16	34.0	(17.9)
Adjustments in respect of prior periods	16	2.5	6.4
		36.5	(11.5)
Income tax expense		81.4	43.2

RECONCILIATION OF EFFECTIVE TAX RATE

	2023 £m	2022 £m
Profit before tax	304.8	247.5
Income tax on profit before tax at standard UK corporation tax rate (23.5%) (2022: 19.0%)	71.7	47.0
Residential property developer tax	8.6	10.0
Non-deductible expenses	0.4	5.3
Tax effect of share of results of joint ventures	(2.0)	(6.7)
Effect of changes in tax rates	3.3	0.4
Adjustments to the tax charge in respect of prior periods	(1.1)	(13.1)
Other timing differences	0.5	0.3
Income tax expense	81.4	43.2
Effective tax rate	26.7%	17.4%

8. INCOME TAX EXPENSE *continued*

The Group's effective tax rate of 26.7% (2022: 17.4%) is higher than the weighted statutory rate of corporation tax of 23.5% (2022: 19.0%) principally due to the Residential Property Developer Tax ('RPDT') charge in the year.

The corporation tax rate increased from 19% to 25% with effect from 1 April 2023. Deferred taxes as at 31 December 2023 have been measured using enacted rates and reflected in these financial statements. In addition, the RPDT was introduced in April 2022 and charged at a rate of 4% of relevant taxable profits.

OECD PILLAR TWO MODEL RULE

The Group is within the scope of the enacted OECD Pillar Two legislation which will be effective for the Group's financial year beginning 1 January 2024. The Group is primarily a UK group and does not operate in any non-UK jurisdiction. The Group has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two legislation.

Under the legislation, the Group is liable to pay a Domestic Top-up Tax (DTT) where UK profits are taxed below the minimum rate of 15%. The Group's effective tax rate for the period, calculated in accordance with IAS 12, is greater than 15% and the Group is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to any Pillar Two top-up tax.

RECOGNISED DIRECTLY IN GROUP STATEMENT OF CHANGES IN EQUITY OR IN THE GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 £m	2022 £m
Deferred tax relating to actuarial movements on pension scheme	16	0.7	2.4
Deferred tax relating to share-based payments	16	3.3	(0.4)
Deferred tax recognised directly in equity or Other Comprehensive Income		4.0	2.0

9. EARNINGS PER SHARE

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	2023 £m	2022 £m
Profit for the year attributable to equity holders of the parent	223.4	204.3
Profit for the year attributable to equity holders of the parent (before exceptional items, tax on exceptional items and amortisation of acquired intangible assets)	305.3	324.6

EARNINGS PER SHARE

	Note	2023	2022
Basic earnings per share		64.6p	86.5p
Diluted earnings per share		63.7p	86.3p
Adjusted basic earnings per share	4	88.2p	137.5p

WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Basic 2023 m	Diluted 2023 m	Basic 2022 m	Diluted 2022 m
Weighted average number of ordinary shares for the year ended 31 December	346.0	350.6	236.2	236.7

The basic earnings per ordinary share is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and shares held in the Employee Stock Ownership Plan (ESOP) Trust.

The diluted earnings per ordinary share uses an adjusted weighted average number of shares and includes shares that are potentially outstanding in relation to the equity-settled share-based payment arrangements. The potential dilutive effect of ordinary shares issuable under equity-settled share-based payment arrangements is 4.6m (2022: 0.5m).

10. DISTRIBUTIONS

DIVIDENDS

The following dividends were paid by the Group:

	2023 £m	2022 £m
Prior year final dividend per share of 32p (2022: 40p)	110.4	88.8
Current year interim dividend per share of nil (2022: 23p)	-	50.1
	110.4	138.9

SHARE BUYBACK

On 11 September 2023, the Group announced that it was commencing a share buyback programme to repurchase up to £55.0m of ordinary shares. As at 31 December 2023, the Group had repurchased 636,254 shares at a cost of £5.3m. In the period from 1 January 2024 to 23 February 2024, the Company purchased a further 5.1m ordinary shares, which were also subsequently cancelled, for a total consideration of £49.8m (including stamp duty and fees).

In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of up to £100m which is expected to commence in April 2024. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment.

11. GOODWILL

Goodwill represents the value of people, track record and expertise acquired within business acquisitions that are not capable of being individually identified and separately recognised. It is calculated by deducting the fair value of the assets and liabilities acquired which are individually identified and separately recognised from the fair value of consideration payable.

The Group adopted a new strategy during the year to fully focus its operations on its Partnerships business model and restructured its operating divisions accordingly. As a result, the Group now has only one cash generating unit (CGU) which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than the operating segment.

Goodwill is reviewed annually for impairment, or more regularly where there is a triggering event. If the carrying value of the goodwill was found to exceed the value in use, an impairment would be required.

Goodwill of £827.6m (2022: £804.7m) comprises £280.1m (2022: £257.2m) on the Combination with Countryside Partnerships PLC in 2022 and £547.4m which arose on the acquisition of the Linden and Partnerships businesses from Galliford Try PLC in 2020. The increase in the year of £22.9m arose as a result of finalising the acquisition accounting on the Combination as described in note 26.

KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The Group uses cash flow projections based on financial forecasts approved by the Board covering a five-year period from 31 December 2023. Cash flows beyond the five-year period are extrapolated using a terminal growth rate of 1%, which is consistent with the United Kingdom long-term industry growth rate. The key assumptions in the value-in-use calculations are those regarding forecast revenue and margin, investment in land and inventory and discount rates, as detailed below:

ASSUMPTION	APPROACH USED IN DETERMINING VALUES
Revenue	Volumes reflect historical experience of economic downturns and management's expectation of growth based on the Group's strategy and expected market demand. Pricing expectations take account of local market conditions, as well as demand and product mix
Gross margin	Based on historical experience and expected gross margin, partly driven by the embedded land bank margin. These cash flows have included estimated costs of meeting climate change challenges as regulated by the Future Homes Standard
Land and inventory investment	Expected cash investment in land and inventories to fund future growth. This is based on the experience of management and committed future land spend in addition to the planned strategy
Pre-tax discount rate	The discount rate of 15.0% is pre-tax and reflects the current market assessment of the time value of money and the risks specific to the Group. In the prior year the Group had three CGUs with discount rates ranging from 14.1% to 20.3%

No impairment of goodwill has been identified. As at 31 December 2023 the value-in-use exceeds net assets by £2,262m (2022: £1,192m). Management have performed sensitivity analysis on the estimates of recoverable amount and concluded that there are no reasonably possible changes in the key assumptions used within the value-in-use calculations that would cause the headroom to reduce to nil.

12. INTANGIBLE ASSETS

Intangible assets are recorded at cost or acquisition fair value, less accumulated amortisation. Brand names and customer relationships and contracts acquired in a business combination are recognised at fair value at the acquisition date. Brand names consist of the Linden and Countryside acquired brands and are amortised on a straight-line basis over a 25-year period. Customer relationships and contracts are amortised on a straight-line basis over a period of 5 to 15 years. All amortisation is recorded within administrative expenses.

COST

	Customer relationships and contracts £m	Brand names £m	Other intangible assets £m	Total £m
As at 1 January 2022	117.3	37.3	2.6	157.2
Additions	-	-	0.1	0.1
Acquired as a result of the Combination	245.8	103.2	-	349.0
Impairment	-	(3.5)	-	(3.5)
As at 31 December 2022 and 31 December 2023	363.1	137.0	2.7	502.8

ACCUMULATED AMORTISATION

	Customer relationships and contracts £m	Brand names £m	Other intangible assets £m	Total £m
As at 1 January 2022	25.5	3.0	0.9	29.4
Charge for the year	15.1	1.9	0.4	17.4
As at 31 December 2022	40.6	4.9	1.3	46.8
Charge for the year	40.8	5.5	0.4	46.7
As at 31 December 2023	81.4	10.4	1.7	93.5

NET BOOK VALUE AT 31 DECEMBER

	Customer relationships and contracts £m	Brand names £m	Other intangible assets £m	Total £m
2022	322.5	132.1	1.4	456.0
2023	281.7	126.6	1.0	409.3

13. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is recorded at cost less accumulated depreciation. The sub-categories are depreciated as follows:

- Freehold buildings on a 2% straight-line basis;
- Furniture, fittings and leasehold improvements on a 25% reducing balance basis, other than computer equipment which is depreciated on a straight-line basis over 3 years and leasehold improvements which are on a 10% straight-line basis or over the lease term (if shorter);
- Plant and equipment on a 33.3% reducing balance basis.

	Freehold buildings £m	Furniture, fittings and leasehold improvements £m	Plant and equipment £m	Total £m
COST				
As at 1 January 2022	1.7	6.8	1.6	10.1
Additions	-	0.9	0.7	1.6
Additions acquired as a result of the Combination	-	12.2	5.9	18.1
Impairment	-	(1.0)	-	(1.0)
Disposals	(0.2)	-	(0.1)	(0.3)
As at 31 December 2022	1.5	18.9	8.1	28.5
Additions	-	1.4	1.4	2.8
Reclassifications	-	1.9	(1.9)	-
Disposals	-	(0.6)	-	(0.6)
As at 31 December 2023	1.5	21.6	7.6	30.7
ACCUMULATED DEPRECIATION				
As at 1 January 2022	-	4.2	1.2	5.4
Charge for the year	0.2	1.6	0.4	2.2
Disposals	-	-	-	-
As at 31 December 2022	0.2	5.8	1.6	7.6
Charge for the year	-	2.1	0.9	3.0
Reclassifications	-	1.7	(1.7)	-
As at 31 December 2023	0.2	9.6	0.8	10.6
NET BOOK VALUE AS AT 31 DECEMBER				
2022	1.3	13.1	6.5	20.9
2023	1.3	12.0	6.8	20.1

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Where the Group is a lessee, a right-of-use asset and lease liability are recognised at the commencement of the lease other than those that are less than one year in duration or of a low value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the interest rate implicit in the lease or using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Group and an estimate of any costs that are expected to be incurred at the end of the lease to dismantle or restore the asset. The right-of-use asset is subsequently depreciated over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise site equipment and other items less than £3,000 in total lease costs.

	Premises £m	Plant and equipment £m	Total £m
RIGHT-OF-USE ASSETS COST			
As at 1 January 2022	49.8	9.4	59.2
Additions	2.1	3.7	5.8
Acquired as a result of the Combination	56.0	4.8	60.8
Impairment	(4.9)	-	(4.9)
Modifications	1.8	-	1.8
Disposals	(6.2)	(2.7)	(8.9)
As at 31 December 2022	98.6	15.2	113.8
Additions	27.2	9.5	36.7
Impairment	(4.6)	-	(4.6)
Modifications	(1.6)	-	(1.6)
Disposals	(22.7)	(3.6)	(26.3)
As at 31 December 2023	96.9	21.1	118.0
ACCUMULATED DEPRECIATION			
As at 1 January 2022	23.1	5.1	28.2
Charge for the year	12.4	3.2	15.6
Disposals	(4.4)	(2.8)	(7.2)
As at 31 December 2022	31.1	5.5	36.6
Charge for the year	17.8	6.6	24.4
Disposals	(22.5)	(3.4)	(25.9)
As at 31 December 2023	26.4	8.7	35.1
NET BOOK VALUE AS AT 31 DECEMBER			
2022	67.5	9.7	77.2
2023	70.5	12.4	82.9
LEASE LIABILITIES			
	2023 £m	2022 £m	
Current	24.6	14.8	
Non-current	73.7	71.8	
Lease liabilities	98.3	86.6	

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *continued*

RECONCILIATION OF MOVEMENT IN LEASE LIABILITIES

	Premises £m	Plant and equipment £m	Total £m
As at 1 January 2022	28.5	4.6	33.1
Interest recognised	1.2	0.2	1.4
Payments made	(14.3)	(3.2)	(17.5)
Additions	2.9	4.0	6.9
Acquired as a result of the Combination	59.6	4.6	64.2
Modifications	0.1	-	0.1
Disposals	(1.2)	(0.4)	(1.6)
As at 31 December 2022	76.8	9.8	86.6
Interest recognised	4.8	0.7	5.5
Payments made	(22.2)	(7.2)	(29.4)
Additions	26.9	9.5	36.4
Modifications	(0.6)	(0.2)	(0.8)
As at 31 December 2023	85.7	12.6	98.3

LEASING ARRANGEMENTS

Minimum lease payments payable on the Group's leases are as follows:

	2023 £m	2022 £m
Less than 1 year	30.2	20.4
Between 1 and 2 years	26.0	16.5
Between 2 and 5 years	32.8	35.2
Later than 5 years	34.2	42.3

15. INVESTMENTS

Joint ventures are those entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the entity, rather than rights to its individual assets and obligations for its individual liabilities. These arrangements are where the Group has rights to the net assets of the joint venture and accounted for using the equity accounted basis in the Group's financial statements.

Losses of joint ventures in excess of the Group's interest in those joint ventures are only recognised to the extent that the Group is contractually liable for, or has a constructive obligation to meet, the obligations of the joint ventures.

Unrealised gains and losses on transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the relevant joint venture. The Group's share of joint venture results shown in the Statement of Profit and Loss reflect the Group's share of joint venture results shown below.

Investments in subsidiaries are carried at cost less impairment.

The Group's and Company's investments are set out in the table below:

	Group		Company	
	2023 £m	2022 £m (restated)	2023 £m	2022 £m
INVESTMENTS IN SUBSIDIARIES:				
Interest in subsidiary undertakings' shares at cost	-	-	2,506.3	2,498.3
INVESTMENTS IN JOINT VENTURES:				
Interest in joint ventures – equity	199.6	196.7	-	-
Interest in joint ventures – loan	363.0	355.6	-	-
Total investments in joint ventures	562.6	552.3	2,506.3	2,498.3
Other investments	0.1	0.1	-	-
Total investments	562.7	552.4	2,506.3	2,498.3

15. INVESTMENTS *continued*

The movement in investments during the year is as follows:

	Group		Company	
	2023 £m	2022 £m (restated)	2023 £m	2022 £m
As at 1 January	552.4	483.3	2,498.3	1,354.9
Reclassification of opening balance to trade and other receivables	-	(67.6)*	-	-
Acquired with Countryside Partnerships PLC	(2.5)	170.0	-	-
Investments in subsidiaries	-	-	8.0	1,143.4
Loans advanced	194.4	139.5	-	-
Loans repaid	(197.8)	(188.5)	-	-
Equity additions	1.0	-	-	-
Share of net profit for the year	56.0	47.2	-	-
Dividends received from joint ventures	(42.3)	(32.8)	-	-
Interest accrued on loans to joint ventures	15.1	12.6	-	-
Interest received on loans to joint ventures	(6.4)	(10.6)	-	-
Movement on provisions against loans to joint ventures	-	(0.7)	-	-
Other movements	(7.2)	-	-	-
As at 31 December	562.7	552.4	2,506.3	2,498.3

*As discussed in note 1.8, Investments have been restated in order to reclassify amounts due from joint arrangements which are short term in nature from Investments. The reclassified amount in the roll-forward table above of £67.6m represents the amounts due from joint arrangements as at 31 December 2021.

As at 31 December 2023 the Group held interests in joint ventures, all of which are incorporated in the United Kingdom, as set out in note 30. Details of related party transactions with joint ventures are given in note 27.

In relation to the Group's interest in joint ventures, the assets, liabilities, income, and expenses are shown below:

FOR THE YEAR ENDED 31 DECEMBER 2023:

STATEMENTS OF PROFIT AND LOSS	Countryside L&Q (Beaulieu Park) LLP £m	Greenwich Millennium Village Ltd £m	Acton Gardens LLP £m	Stanton Cross Developments LLP £m	Clapham Park (Metropolitan Countryside) LLP £m	Other £m	Total £m	Group's share £m
Revenue	64.0	50.8	40.3	49.3	55.7	720.2	980.3	477.9
Gross profit	19.0	11.7	4.3	19.1	10.9	108.9	173.9	85.6
Overheads	(0.2)	(1.4)	(0.1)	-	(0.1)	(2.3)	(4.1)	(2.0)
Operating profit	18.8	10.3	4.2	19.1	10.8	106.6	169.8	83.6
Finance income / (expense)	0.2	-	-	(2.3)	(0.2)	(67.5)	(69.8)	(25.2)
Income tax expense	-	(2.6)	-	-	-	(2.1)	(4.7)	(2.4)
Profit for the year	19.0	7.7	4.2	16.8	10.6	37.0	95.3	56.0
Total comprehensive income	19.0	7.7	4.2	16.8	10.6	37.0	95.3	56.0

15. INVESTMENTS *continued*

STATEMENTS OF FINANCIAL POSITION

Total assets excluding cash & cash equivalents	68.9	74.7	23.8	156.8	27.3	1,524.1	1,875.6	934.5
Cash & cash equivalents	0.7	21.5	0.6	11.8	7.3	75.7	117.6	57.6
Current liabilities	(65.4)	(16.2)	(27.1)	(35.8)	(37.9)	(1,320.4)	(1,502.8)	(748.0)
Non-current liabilities	-	-	-	(37.8)	-	(159.5)	(197.3)	(98.7)
Net assets of joint ventures	4.2	80.0	(2.7)	95.0	(3.3)	119.9	293.1	145.4
Group's share	50%	50%	50%	50%	50%			
Group's share of net assets	2.1	40.0	(1.4)	47.5	(1.7)	58.9	145.4	145.4
Amounts recoverable from joint ventures (net of provisions)	25.7	-	5.3	-	6.7	325.3	363.0	
Consolidation adjustments	1.1	-	1.4	(3.2)	1.7	53.3	54.3	
Carrying value of investment	28.9	40.0	5.3	44.3	6.7	437.5	562.7	

FOR THE YEAR ENDED 31 DECEMBER 2022:

STATEMENTS OF PROFIT AND LOSS	Countryside L&Q (Beaulieu Park) LLP £m	Greenwich Millennium Village Ltd £m	Acton Gardens LLP £m	Stanton Cross Developments LLP £m	Linden (Basingstoke) Ltd £m	Other £m	Total £m	Group's share £m
Revenue	16.5	6.7	6.2	28.3	62.0	668.9	788.6	343.8
Gross profit	5.6	2.9	1.7	5.7	12.8	110.2	138.9	69.3
Overheads	-	(0.2)	-	-	-	(1.3)	(1.5)	(0.8)
Operating profit	5.6	2.7	1.7	5.7	12.8	108.9	137.4	68.5
Finance expense	-	-	-	-	(3.2)	(38.4)	(41.6)	(21.3)
Income tax expense	-	(1.0)	-	-	(3.2)	(0.5)	(4.7)	-
Profit for the year	5.6	1.7	1.7	5.7	6.4	70.0	91.1	47.2
Total comprehensive income	5.6	1.7	1.7	5.7	6.4	70.0	91.1	47.2

STATEMENTS OF FINANCIAL POSITION

Total assets excluding cash & cash equivalents	96.4	72.1	46.4	169.9	48.8	1,295.8	1,729.4	864.4
Cash & cash equivalents	1.3	16.2	0.8	0.2	0.6	71.3	90.4	43.9
Current liabilities	(95.5)	(16.1)	(49.9)	(46.6)	(44.9)	(1,136.3)	(1,389.3)	(693.9)
Non-current liabilities	-	-	-	(39.6)	-	(115.9)	(155.5)	(77.7)
Net assets of joint ventures	2.2	72.2	(2.7)	83.9	4.5	114.9	275.0	136.7
Group's share	50%	50%	50%	50%	50%			
Group's share of net assets	1.1	36.1	(1.4)	42.0	2.3	56.6	136.7	136.7
Amounts recoverable from joint ventures (net of provisions)	40.6	-	13.1	-	18.4	283.5	355.6	
Consolidation adjustments	1.1	-	2.3	(3.2)	0.4	59.5	60.1	
Carrying value of investment	42.8	36.1	14.0	38.8	21.1	399.6	552.4	

15. INVESTMENTS *continued*

The Group's material joint ventures have been updated in 2023 and have been identified in both 2023 and 2022 based on their financial position and performance.

Countryside L&Q (Beaulieu Park) LLP (formerly 'Countryside Zest (Beaulieu Park) LLP') is a joint venture between Countryside Properties (UK) Limited and L&Q New Homes Limited to develop and sell residential properties at Beaulieu Park, Chelmsford, Essex.

Greenwich Millennium Village Ltd is a joint venture between Countryside Properties (UK) Limited and Taylor Wimpey Developments Limited to develop and sell residential properties at Greenwich Millennium Village in London.

Acton Gardens LLP is a joint venture between Countryside Properties (UK) Limited and L&Q New Homes Limited for acquisition and re-development of land for building new homes together with associated infrastructure and community facilities.

Stanton Cross Developments LLP is a joint venture between Vistry Homes Limited and Riverside Regeneration Limited and develops and sells residential property at Stanton Cross, Wellingborough.

Clapham Park (Metropolitan Countryside) LLP is a joint venture between Countryside Properties (UK) Limited and Metropolitan Living Limited. Its principal activity is the development of residential property and estate regeneration in Clapham, South-west London.

Linden (Basingstoke) Ltd is a joint venture, ultimately owned between Vistry Linden Limited and Wates Group Limited and develops and sells residential property in Basingstoke.

Other than exposure related to fire safety remedial works on joint venture properties, which are included within the Group's provision as at 31 December 2023, to the extent that the Group's share of cash outflows are probable and can be reliably estimated, the Group's joint ventures have no significant contingent liabilities or commitments to which the Group is exposed. The Group has no significant contingent liabilities in relation to its interest in the joint ventures.

16. DEFERRED TAX (LIABILITIES)/ASSETS

The tax currently payable or receivable is based on taxable profit or loss for the year and any adjustment to tax payable or receivable in respect of previous years. Taxable profit or loss differs from net profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability or asset for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from non-tax deductible goodwill, from the initial recognition of assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit, and from differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year end and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to reserves.

16. DEFERRED TAX (LIABILITIES)/ASSETS continued

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

GROUP	Assets		Liabilities		Net	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Inventories	77.9	112.3	-	-	77.9	112.3
Employee benefits – pensions	0.9	-	(9.9)	(9.5)	(9.0)	(9.5)
Employee benefits – share-based payments	5.5	0.7	-	-	5.5	0.7
Provisions	0.2	-	-	(0.3)	0.2	(0.3)
Intangible assets	-	-	(118.4)	(131.9)	(118.4)	(131.9)
Losses	19.7	25.0	-	-	19.7	25.0
Corporate interest restriction	1.0	5.4	-	-	1.0	5.4
Other short-term temporary differences	3.9	0.4	(2.0)	(0.3)	1.9	0.1
Deferred tax (liabilities) / assets	109.1	143.8	(130.3)	(142.0)	(21.2)	1.8

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR

GROUP	Balance 1 Jan 2023 £m	Recognised from Combination £m	Recognised in income £m	Recognised in equity and other income £m	Balance 31 Dec 2023 £m
	Inventories	112.3	9.5	(43.9)	-
Employee benefits – pensions	(9.5)	-	(0.2)	0.7	(9.0)
Employee benefits – share-based payments	0.7	-	1.5	3.3	5.5
Provisions	(0.3)	-	0.5	-	0.2
Intangible assets	(131.9)	-	13.5	-	(118.4)
Losses	25.0	-	(5.3)	-	19.7
Corporate interest restriction	5.4	-	(4.4)	-	1.0
Other short-term temporary differences	0.1	-	1.8	-	1.9
Movement in temporary differences	1.8	9.5	(36.5)	4.0	(21.2)

GROUP	Balance 1 Jan 2022 £m	Recognised from Combination £m	Recognised in income £m	Recognised in equity and other income £m	Balance 31 Dec 2022 £m
	Inventories	13.9	99.9	(1.5)	-
Employee benefits – pensions	(11.2)	0.3	(1.0)	2.4	(9.5)
Employee benefits – share-based payments	2.4	0.2	(1.5)	(0.4)	0.7
Provisions	(11.7)	1.6	9.8	-	(0.3)
Intangible assets	(31.6)	(101.2)	0.9	-	(131.9)
Losses	-	25.0	-	-	25.0
Corporate interest restriction	-	0.7	4.7	-	5.4
Other short-term temporary differences	(0.3)	0.3	0.1	-	0.1
Movement in temporary differences	(38.5)	26.8	11.5	2.0	1.8

UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

For the year ended 31 December 2023, the Group has £8.0m (2022: £8.0m) of temporary differences upon which no deferred tax has been recognised.

17. RETIREMENT BENEFIT ASSETS

The Group accounts for pensions and similar benefits under IAS 19 (Revised): 'Employee benefits'. In respect of defined benefit schemes, the net surplus or obligation is calculated as the fair value of the scheme assets, less the estimated amount of future benefit that employees have earned in return for their service in the current and prior years, such benefits are measured at discounted present value. The discount rate used to discount the benefits accrued is the yield as at 31 December 2023 on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the Projected Unit Credit Method. The operating and financing costs of such plans are recognised separately; service costs are spread systematically over the lives of employees and financing costs and credits are recognised in the years in which they arise. All actuarial gains and losses are recognised immediately in the Group statement of comprehensive income.

Payments to defined contribution schemes are charged as an expense as they fall due.

The Schemes operate under trust law and are managed and administered by the Trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Trustee Board for each Scheme is made up of member appointed, Group appointed and independent trustees.

PENSION COSTS

The Group is accountable for three UK registered trust-based pensions schemes, through the Group's principal subsidiary company Vistry Homes Limited.

The Bovis Homes Pension Scheme (Bovis Scheme), Galliford Try Final Salary Pension Scheme (GT Scheme) and Kendall Cross (Holdings) Limited Pension & Life Assurance Scheme (KC Scheme) are pension schemes that provide defined benefits linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). All schemes are closed to new members and future accrual.

The Trustees of each scheme are responsible for running their scheme in accordance with their scheme's Trust Deed and Rules, which sets out their powers. The Trustees of each scheme are required to act in the best interests of the beneficiaries of their scheme.

There are two categories of pension scheme members:

- Deferred members: former active members of the Scheme, not yet in receipt of a pension
- Pensioner members: in receipt of a pension

The Group is ultimately responsible for making up any shortfall in the scheme over a period of time agreed with the Trustee of each scheme. To the extent that actual experience is different to that assumed, the Group's contribution could vary in the future. The defined benefit obligation has been calculated by approximately adjusting the results of the most recent triennial valuation performed by the Scheme Actuaries.

The weighted average duration of the Schemes' defined benefit obligation as at 31 December 2023 was 12 years (2022: 13 years).

RISKS

Through the Schemes, the Group is exposed to a number of risks:

- Asset volatility: defined benefit obligations are calculated using a discount rate set with reference to corporate bond yields, however each Scheme invests in equities and other growth assets. These assets are expected to outperform corporate bonds in the long-term but provide volatility and risk in the short term.
- Changes in bond yields: a decrease in corporate bond yields would increase the Schemes' defined benefit obligation, however this would be partially offset by an increase in the value of the Schemes' bond, insured annuity and liability driven instruments (LDI) holdings.
- Inflation risk: a significant proportion of the Schemes' defined benefit obligation is linked to inflation; therefore, higher inflation will result in a higher defined benefit obligation (subject to the appropriate caps in place). Through LDI and annuities a proportion of the assets are linked to inflation, therefore an increase in inflation would also increase the assets.
- Life expectancy: if Scheme members live longer than expected, the Schemes benefits will need to be paid for longer, increasing the Scheme's defined benefit obligations. This would be offset to some extent by the annuity policies held.
- Liquidity: the majority of the Schemes' assets are liquid.

The Trustees and Group manage risks in the Schemes through the following strategies:

- Diversification: investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- Investment strategy: the Trustees are required to review their investment strategy on a regular basis.
- LDI: the Schemes invest in LDI assets, whose investment returns are expected to partially hedge interest rates and inflation movements.

The Group is recognising a surplus as the rules of each scheme state that it will be entitled to any surplus remaining if the Schemes are run on until the last members exit the Schemes. It is anticipated that any surplus remaining would be either received as a refund or used as a contribution to the Company's Defined Contributions schemes.

17. RETIREMENT BENEFIT ASSETS *continued*

RETIREMENT BENEFIT SCHEME ASSETS AND OBLIGATIONS

	2023			2022		
	Assets £m	Liabilities £m	Net £m	Assets £m	Liabilities £m	Net £m
As at 1 January	267.0	(232.7)	34.3	428.3	(383.0)	45.3
Contributions received	0.6	-	0.6	4.7	-	4.7
Benefits paid	(12.9)	12.9	-	(13.1)	13.1	-
Interest income / (expense)	12.5	(10.8)	1.7	7.6	(6.8)	0.8
Past service credit	-	-	-	-	1.2	1.2
Administration costs	-	-	-	(1.4)	-	(1.4)
Actuarial gains / (losses)	-	(2.4)	(2.4)	(159.1)	142.8	(16.3)
As at 31 December	267.2	(233.0)	34.2	267.0	(232.7)	34.3

The cumulative loss recognised in equity to date is £17.6m (2022 loss: £15.2m).

From 2023, scheme administration costs are met directly by the Group. Previously, these costs were met via scheme assets and the Group made a subsequent contribution to the scheme assets. Therefore, there are no administration costs shown in the above reconciliation of scheme assets, but administration costs do appear within personnel expenses in note 6.

THE MAJOR CATEGORIES OF SCHEME ASSETS ARE AS FOLLOWS:

	2023 £m	2022 £m
RETURN SEEKING		
Equities	21.0	46.4
OTHER		
Bonds	72.0	46.9
Cash	25.5	10.1
Insured annuities	54.4	56.8
Liability driven instruments	94.3	106.8
Total market value of assets	267.2	267.0

Equities, bonds and liability driven instruments (LDIs) are held in pooled investments vehicles (PIVs), which are unquoted. The majority of the assets held by these PIVs have a quoted market price in an active market. Cash and insured annuities are unquoted assets.

The Schemes' assets were invested in cash, bonds, equities, insured annuities and LDIs. The value of liabilities of a defined benefit pension scheme is particularly sensitive to changes in the discount rate applied to future liabilities (which is determined by the long-term yield on investment grade corporate bonds or gilts) and the level of inflation (see sensitivity analysis table adjacent). The Schemes hold matching assets (bonds, insured annuities and LDIs) which aim to hedge changes in the value of the Schemes' liabilities. Changes in the discount rate and inflation would therefore be partially offset by a change in the value of assets.

ASSUMPTIONS

Principal actuarial assumptions for all defined benefit schemes (expressed as weighted averages):

Group	2023 %	2022 %
Discount rate as at 31 December	4.5	4.8
Inflation - RPI	3.1	3.2
- CPI	2.8	2.8
Remaining years of life expectancies	Current age at 43	Current age at 63
Men	25.1	23.7
Women	27.8	26.4

17. RETIREMENT BENEFIT ASSETS *continued*

SENSITIVITY ANALYSIS

The sensitivity analysis is illustrative only and is provided to demonstrate the degree of sensitivity of results to key assumptions. Generally, estimates are made by re-performing calculations with one assumption modified and all others held constant.

Assumption	Change in assumption	Change in defined benefit obligation
Discount rate	+0.5%pa / -0.5%pa	-6% / +7%
RPI and CPI inflation	+0.5%pa / -0.5%pa	+3% / -3%
Assumed life expectancy	+1 year	+3%

LIMITATIONS OF THE SENSITIVITY ANALYSIS

The Trustees of each scheme are required to carry out actuarial valuations every 3 years.

The most recent actuarial valuations for all three schemes were carried out as at 30 June 2022 by the schemes' actuary. The results have highlighted a technical funding surplus of £7.5m, £7.3m and £0.1m (deficit) respectively. Due to the quantum of the deficit, it has been agreed that no additional contributions will be made.

All three schemes are closed to accrual and therefore no further contributions are required to cover the cost of future service accrual.

Alongside the latest valuation, the Group has also agreed the principles of a longer-term plan to bring the schemes to buy out status. At the valuation date (30 June 2022), the Scheme Actuary estimated a buy-out shortfall (i.e. an estimate of the cash injection needed to secure benefits with an insurer) of £12.8m for the GT Scheme, £0.9m for the Bovis Scheme and £0.5m for the KC Scheme. The shortfalls are expected to be removed through investment returns only, although the Group has committed to making a payment of up to £2m to the Bovis Scheme in the event of a transactable buy-out quotation being available.

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are £0.2m.

18. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads, not including any general administrative overheads, that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated net selling price less estimated total costs of completion of the finished units.

Land held for development, including land in the course of development until legal completion of the sale of the asset, is initially recorded at cost along with any expected overage, or recognised acquisition value. An overage is the amount a landowner may be entitled to receive when completing the sale of a piece of land, provided specific conditions stipulated in the contract are met. Where, through deferred purchase credit terms, cost differs from the nominal amount which will actually be paid in settling the deferred purchase terms liability, an adjustment is made to the cost of the land, the difference being charged as a finance expense.

Options in respect of land are held at the lower of their net realisable value and cost and are reviewed for impairment at each reporting date.

Should planning permission be granted and the option be exercised, the option's carrying value is included within the cost of land purchased.

Investments in land without the benefit of planning consent, either through purchase of freehold land or non-refundable deposits paid on land purchase contracts subject to residential planning consent, are capitalised initially at cost. Regular reviews are completed for impairment in the value of these investments, which are impaired to reflect any irrecoverable element. The impairment reviews consider the existing use value of the land and assesses the likelihood of achieving residential planning consent and the value thereof.

Part exchange properties are held at the lower of cost and net realisable value and include a carrying value provision to cover the costs of management and resale. Any profit or loss on the disposal of part exchange properties is recognised within cost of sales.

18. INVENTORIES *continued*

Group	2023 £m	2022 £m
Work in progress	1,187.3	992.7*
Part exchange properties	31.7	23.7
Land held for development	1,881.7	1,821.7*
Inventories	3,100.7	2,838.1

*2022 comparatives have been amended reclassifying £48.0m from land held for development to work in progress. No adjustment is necessary to the statement of financial position or other notes because of this reclassification.

During the year, there was a net impairment charge to inventories of £4.7m (2022: £1.2m reversal) due to reductions in margins resulting in loss-making sites.

19. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment. The Group applies the IFRS 9: 'Financial Instruments' simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the age of the outstanding amounts.

	Group		Company	
	2023 £m	2022 (restated) £m	2023 £m	2022 £m
Trade receivables	406.5	308.4	-	-
Amounts due from subsidiary undertakings	-	-	406.9	421.1
Amounts due from joint arrangements	113.3	97.7*	-	-
Prepayments and accrued income	60.6	80.4	-	-
Other receivables	46.0	55.6	4.7	-
Total current trade and other receivables	626.4	542.1*	411.6	421.1
Other receivables	-	1.0	-	-
Total non-current trade and other receivables	-	1.0	-	-

*As discussed in note 1.8, trade and other receivables for 2022 have been restated in order to reclassify amounts due from joint arrangements which are short term in nature from Investments.

Included within trade receivables is £165.9m (2022: £159.9m) of contract assets which is principally the timing difference between the revenue being earned and the stage payments being invoiced on long-term contracts, whereby revenue recognised exceeds the stage payments invoiced. The above trade and other receivables are shown net of their expected credit loss allowances, which total £1.7m (2022: £2.6m). The Group's standard invoice payment terms are 30 days.

The above trade and other receivables are shown net of their expected credit loss allowances, which total £1.7m (2022: £2.6m).

The carrying value of amounts due from subsidiary undertakings represents the Company's maximum credit risk. Interest is charged on these amounts at a rate of 3.1% per annum unless the interest rate can be derived precisely from a relevant financial instrument. The Directors consider that any expected credit loss allowance is immaterial on these balances.

Trade receivables which are past due but not impaired are not material in either year. The Directors consider that the carrying amount of trade receivables approximates to their fair value.

20. CASH AND CASH EQUIVALENTS AND BORROWINGS

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less and are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of cash flows.

Interest-bearing borrowings are initially recorded at fair value, net of direct issue costs, and subsequently at amortised cost. Finance charges are accounted for on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise. The revolving credit facility, USPP Loan, the Term Loan and the Bilateral Term Loan are all held by the Company, Vistry Group PLC.

Net cash is defined as cash and cash equivalents less borrowings.

NET (DEBT)/CASH IS CALCULATED AS FOLLOWS:

	2023 £m	2022 £m
Cash and cash equivalents	418.3	676.8
Non-current borrowings	(507.1)	(508.7)
Current borrowings	-	(49.9)
Net (debt)/cash	(88.8)	118.2

INTEREST RATE PROFILE OF BORROWINGS - GROUP

Ax zt 31 December	Rate	Available facility £m	Facility maturity	Carrying value 2023 £m	Carrying value 2022 £m
Revolving credit facility*	SONIA +160-250bps	500.0	2026	-	-
Term Loan**	SONIA +190-310bps	400.0	2026	400.0	400.0
USPP Loan***	403bps	100.0	2027	104.6	105.6
Prepaid facility fee	n/a	n/a	n/a	(4.2)	(4.2)
Homes England development loan	ECRR +120-220bps	10.7	2029	6.7	7.3
Overdraft facility	BoE Base +150bps	5.0	2025	-	-
Non-current borrowings		1,015.7		507.1	508.7
Bilateral Term Loan****	SONIA +265bps	-	2023	-	50.0
Prepaid facility fee	n/a	n/a	n/a	-	(0.1)
Current borrowings		-		-	49.9
Total borrowings		1,015.7		507.1	558.6

* This facility commenced on 17 December 2021. This is a sustainability linked finance agreement with a margin ratchet of +/-2.5bps in addition to the rate above, dependent on performance against sustainability KPIs. The facility includes two options to extend the agreement by one year, the first of which was exercised in November 2022, extending the facility maturity to 16 December 2026.

** The term loan was entered into on 5 September 2022 with an original expiry date of 31 March 2025. In December 2023, this expiry date was extended for a further 18 months, with the loan now maturing in September 2026.

*** The carrying value is quoted including the impact from the fair value of future interest payments as the loan was acquired as part of historical acquisitions.

**** This £50m term loan was repaid on 17 March 2023.

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

20. CASH AND CASH EQUIVALENTS AND BORROWINGS *continued*

INTEREST RATE PROFILE OF BANK AND OTHER LOANS - COMPANY

As at 31 December	Rate	Available facility £m	Facility maturity	Carrying value 2023 £m	Carrying value 2022 £m
Revolving credit facility	SONIA +160-250bps	500.0	2026	-	-
Term Loan	SONIA +190-310bps	400.0	2026	400.0	400.0
USPP Loan	403bps	100.0	2027	100.0	100.0
Prepaid facility fee	n/a	n/a	n/a	(4.2)	(4.2)
Overdraft facility	BoE Base +150bps	5.0	2025	-	-
Non-current borrowings		1,005.0		495.8	495.8
Bilateral Term Loan	SONIA +265bps	-	2023	-	50.0
Prepaid facility fee	n/a	n/a	n/a	-	(0.1)
Current borrowings		-		-	49.9
Total borrowings		1,005.0		495.8	545.7

21. TRADE AND OTHER PAYABLES

Trade payables on normal terms are not interest bearing and are stated initially at their fair value and subsequently at amortised cost. They are classified as current liabilities if payment is due within 12 months. If not, they are classified as non-current liabilities.

Trade payables on deferred payment terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to fair value relating to the liability is amortised over the period of the credit term and charged to finance costs using the effective interest rate method.

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade payables	751.0	738.4	-	-
Taxation and social security	6.8	17.3	-	-
Amounts payable to joint arrangements	126.0	147.4	-	-
Other payables	26.4	39.3	-	-
Accruals	391.6	333.8	54.0	3.5
Deferred income	180.1	156.5	-	-
Total current trade and other payables	1,481.9	1,432.7	54.0	3.5
Trade payables	341.0	334.5	0.8	0.8
Total non-current trade and other payables	341.0	334.5	0.8	0.8

Included within deferred income is £73.9m (2022: £40.3m) of contract liabilities which is principally the timing difference between the invoice being raised on stage payments for long-term contracts and when the revenue has been earned, whereby stage payments invoiced exceed revenue recognised.

The Group's non-current liabilities largely relate to land purchased on extended payment terms. An ageing of land creditor repayments is provided in note 24.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

22. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event which is probable to result in an outflow of economic benefits that can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

	Fire safety £m	Site-related £m	Restructuring £m	Other £m	Total £m
As at 1 January 2022	25.2	7.2	-	7.0	39.4
Additions acquired as a result of the Combination	191.8	8.1	-	8.7	208.6
Additional provisions	96.1	1.5	17.0	2.7	117.3
Utilised in the year	(4.7)	(0.8)	-	(3.5)	(9.0)
Impact of discounting	0.8	-	-	-	0.8
Releases	-	(3.1)	-	(0.4)	(3.5)
As at 31 December 2022	309.2	12.9	17.0	14.5	353.6
Additional provisions	12.3	2.2	25.7	6.7	46.7
Utilised in the year	(33.3)	(6.2)	(32.8)	(6.6)	(78.9)
Impact of discounting	19.4	-	-	-	19.4
Releases	(18.6)	(2.2)	-	(2.8)	(23.6)
As at 31 December 2023	289.0	6.7	9.9	11.8	317.4

Of the total provisions detailed above £105.0m is expected to be utilised within the next year (2022: £72.9m).

FIRE SAFETY PROVISION

At the start of the financial year the Group's fire safety provision was reflective of the Group's commitment to the signed Developer Remediation Contract with the Department for Levelling Up Homes and Communities. Where known obligations exist, they were evaluated for the likely cost to complete and an appropriate provision has been recognised.

On 24 July 2023 the Government made an announcement confirming the requirement of a second staircase on residential buildings over 18 metres tall, lowering the height requirement from the previous 30 meters at December 2022 and therefore increasing the Group's exposure to costs associated with fire safety. In the year the Group has recognised an increase in provision of £12.3m in relation to the second staircase requirements.

As at 31 December 2023 the Group now holds a £289.0m provision for future obligations on remedial works and additional costs pertaining to 327 buildings (2022: 304). The remaining remediation spend is expected to be phased relatively evenly over the next four to five years.

Risks & estimation:

Currently proposed legislative and potential future regulatory changes create uncertainty around the extent of remediation required for legacy buildings and the liability for such remediation. This implies inherent uncertainty as to the precise future obligations of the Group in respect of legacy fire safety issues.

The Directors have made estimates as to the extent of the remedial works required and the associated costs, using current available information including third-party quotations where possible. The quantification of the cost of these remedial works is inherently complex and depends on a number of factors including the number of buildings potentially requiring remediation; the extent of remedial works required; the size of the buildings; the timeframe over which the remediation will take place; the associated costs of investigation, materials and labour; the potential cost of managing disruption to residents; and the impact of inflation over the next five years. The Group has now commenced works on multiple sites and are developing a greater understanding of the complications of delivery on occupied buildings, however every project still needs to be assessed on its own constraints.

It is also highly likely that there will be further revisions to these estimates as government legislation and regulation in this area evolves. Management have completed extensive work to identify properties requiring remediation and considers the buildings identified and the value of works provided for, reflect management's best view of where remedial action is needed.

22. PROVISIONS *continued*

Sensitivity:

To date, the Group's estimate of the costs to rectify known fire safety obligations has been in line with previous estimates. However, if the risks identified on the previous page materialised it could result in a material adjustment to the carrying amount of the provision. As such, a 10% increase to the estimated remediation spend assumption would result in a £26.1m increase to the provision.

RESTRUCTURING

During the year, additional restructuring and integration provisions relating to the Combination of £16.7m was created and utilised (see note 4). Further additional provisions in the year relate to the estimated costs relating to the restructuring linked to the Group's change in strategy.

OTHER PROVISIONS

Other provisions primarily relate to site related costs, property related costs, such as dilapidation provisions, and expected legal and insurance claim obligations. The increase in the restructuring

23. FINANCIAL RISK MANAGEMENT

GROUP

The Group's activities expose it to a variety of financial risks which have been identified as: market risk, credit risk and liquidity risk. Given that the Group trades exclusively in the UK and all financial assets and liabilities are denominated in Pounds sterling, there is no material currency risk.

a. Market risk

Property market volatility: The Group is affected by price fluctuations in the UK housing market. These are in turn affected by the wider economic conditions such as mortgage availability and associated interest rates, employment and consumer confidence. Market downturns could adversely affect property valuations, sales volumes, and project profitability.

Whilst these risks are beyond the Group's ultimate control, the Group's mixed tenure model provides resilience by reducing the reliance on the private for sale market. The geographical spread of the Group's sites across the UK also reduces the risk of adverse conditions in regional housing markets significantly impacting the Group.

Interest rate volatility: Interest rate risk reflects the Group's exposure to fluctuations in interest rates in the market. This risk arises from bank loans that are drawn under the Group's loan facilities with variable interest rates based upon various interest benchmarks. The interest rate profile of the Group's interest-bearing financial instruments is set out in note 24.

In managing interest rates, the Group aims to reduce the impact of short-term fluctuations in the Group's earnings, given that Group borrowings are variable in terms of interest rate. Over the longer-term, however, permanent changes in interest rates would have an impact on consolidated earnings. For the year ended 31 December 2023, a general increase of one percentage point in interest rates applying for the full-year would equate to £5.9m (2022: £2.5m) of additional interest expense in 2023.

b. Credit risk

The Group's exposure to credit risk is limited by the fact that the Group generally receives cash at the point of legal completion of its Open Market sales. For the Group's Partner Funded sales, the Group collects cash at regular intervals in line with build progress in order to minimise its credit risk. The total amount outstanding from customers which are recognised as trade receivables and contract assets arising from Partner Funded sales as at 31 December 2023 is £322.0m (2022: £261.5m).

The Group also has credit exposure through amounts recoverable from joint ventures. These amounts relate to the funding mechanism in place to enable the joint venture to invest in land or work in progress and outstanding trading balances. The Group's credit risk is limited by the fact that, through our joint venture equity ownership, we retain title to our proportionate share of any assets held by the joint venture. There are limited occasions where debt advanced to joint ventures is not proportionate to the equity holding. Additionally, the Group performs regular credit assessments of our joint venture partners. The total amount outstanding from joint ventures was £433.7m at the year end (2022: £408.4m).

In managing risk, the Group assesses the credit risk of its counterparties before entering into a transaction. This assessment is based upon management knowledge, experience, and where possible independent assurance. In the event that land is disposed of, the Group seeks to mitigate any credit risk by retaining a charge over the asset disposed of, so that in the event of default, the Group is able to seek to recover its outstanding asset.

c. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. The Group's strategy in relation to managing liquidity risk is to ensure that the Group has sufficient liquid funds to meet all its potential liabilities as they fall due.

The Group's banking arrangements outlined in note 20 are considered to be adequate in terms of flexibility and liquidity for the Group's medium-term cash flow needs, thus mitigating its liquidity risk. The Group's approach to assessment of liquidity risk is outlined in the going concern sub-section in the risk management section on page 68.

23. FINANCIAL RISK MANAGEMENT *continued*

COMPANY

The Company's activities expose it to a limited number of financial risks which have been identified as: credit risk and liquidity risk. The Company's exposure to credit risk is limited because all outstanding balances are receivable from companies within the Group. The Company manages liquidity risk in the same manner as the Group described above.

24. FINANCIAL INSTRUMENTS

ESTIMATION OF FAIR VALUES

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

LAND PURCHASED ON EXTENDED PAYMENT TERMS

When land is purchased on extended payment terms, the Group initially records it at its fair value with a land creditor recorded for any outstanding monies based on this fair value assessment. Fair value is determined as the outstanding element of the price paid for the land discounted to present day. The difference between the nominal value and the initial fair value is amortised over the period of the extended credit term and charged to finance costs using the 'effective interest' method, increasing the value of the land such that at the date of maturity the land creditor equals the payment required.

Land creditor (estimated ageing)	Balance as at 31 Dec £m	Total contracted cash payment £m	Due within 1 year £m	Between 1-2 years £m	Between 2-3 years £m	Between 3-4 years £m	Between 4-5 years £m	Due beyond 5 years £m
2023	662.2	690.8	328.5	180.0	106.2	36.6	24.0	15.5
2022	667.4	678.8	359.8	179.4	37.6	53.2	29.7	19.1

As such, following a period of rising discount rates, the fair value of the land purchased on extended payment terms is lower than the carrying value at £632.5m (2022: £623.7m).

BORROWINGS

The carrying amount of the Group's borrowings approximate to fair value as they either earn a variable market interest rate or the fixed interest rate is not materially different to current market interest rates. See note 20 for further details of loan facilities.

TRADE AND OTHER RECEIVABLES / PAYABLES

Trade and other receivables and trade and other payables (excluding land purchased on extended payment terms) approximate to their fair value as the transactions which give rise to these balances arise in the normal course of trade and with industry standard payment terms. Non-current trade payables comprises land purchased on extended payment terms as discussed above.

MATURITIES OF FINANCIAL INSTRUMENTS – GROUP

31 December 2023	Less than 6 months £m	6-12 months £m	Between 1-2 years £m	Between 2-5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying amount £m
NON-DERIVATIVE FINANCIAL ASSETS							
Trade and other receivables*	441.3	-	-	-	-	441.3	441.3
Cash and cash equivalents	418.3	-	-	-	-	418.3	418.3
NON-DERIVATIVE FINANCIAL LIABILITIES							
Borrowings	(18.0)	(18.0)	(35.9)	(533.7)	(6.8)	(612.4)	(507.1)
Trade and other payables**	(724.0)	(585.1)	(179.6)	(167.2)	(15.5)	(1,671.4)	(1,642.7)
Lease liabilities	(15.1)	(15.1)	(26.0)	(32.8)	(34.2)	(123.2)	(98.3)
Net financial assets/(liabilities)	102.5	(618.2)	(241.5)	(733.7)	(56.5)	(1,547.4)	(1,388.5)

*Trade and other receivables excluding prepayments and contract assets which are not financial instruments

**Trade and other payables excluding deferred income including contract liabilities which are not financial instruments

24. FINANCIAL INSTRUMENTS *continued*

31 December 2022	Less than 6 months £m	6-12 months £m	Between 1-2 years £m	Between 2-5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying amount £m
NON-DERIVATIVE FINANCIAL ASSETS							
Trade and other receivables*	275.5	-	-	-	1.0	276.5	276.5
Cash and cash equivalents	676.8	-	-	-	-	676.8	676.8
NON-DERIVATIVE FINANCIAL LIABILITIES							
Borrowings	(66.9)	(15.2)	(30.4)	(524.0)	(7.7)	(644.2)	(558.6)
Trade and other payables**	(776.3)	(526.8)	(179.4)	(120.4)	(19.1)	(1,622.0)	(1,610.7)
Lease liabilities	(10.2)	(10.2)	(16.5)	(35.2)	(42.3)	(114.4)	(86.6)
Net financial assets/(liabilities)	98.9	(552.2)	(226.3)	(679.6)	(68.1)	(1,427.3)	(1,302.6)

*Maturities of trade and other receivables have been restated to exclude contract assets which are not financial instruments. Trade and other receivables also exclude prepayments which are not financial instruments.

**Maturities of trade and other payables have been restated to exclude contract liabilities which are not financial instruments. Trade and other payables also exclude deferred income which is not a financial instrument.

MATURITIES OF FINANCIAL INSTRUMENTS - COMPANY

31 December 2023	Less than 6 months £m	6-12 months £m	Between 1-2 years £m	Between 2-5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying amount £m
NON-DERIVATIVE FINANCIAL ASSETS							
Trade and other receivables*	411.6	-	-	-	-	411.6	411.6
Cash and cash equivalents	18.9	-	-	-	-	18.9	18.9
NON-DERIVATIVE FINANCIAL LIABILITIES							
Borrowings	(17.7)	(17.7)	(35.4)	(532.2)	-	(603.0)	(495.8)
Trade and other payables**	(54.0)	-	-	-	(0.8)	(54.8)	(54.8)
Net financial assets/(liabilities)	358.8	(17.7)	(35.4)	(532.2)	(0.8)	(227.3)	(120.1)

31 December 2022	Less than 6 months £m	6-12 months £m	Between 1-2 years £m	Between 2-5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying amount £m
NON-DERIVATIVE FINANCIAL ASSETS							
Trade and other receivables*	421.1	-	-	-	-	421.1	421.1
Cash and cash equivalents	0.3	-	-	-	-	0.3	0.3
NON-DERIVATIVE FINANCIAL LIABILITIES							
Borrowings	(66.7)	(15.0)	(30.0)	(523.1)	-	(634.8)	(545.7)
Trade and other payables**	(3.5)	-	-	-	(0.8)	(4.3)	(4.3)
Net financial assets/(liabilities)	351.2	(15.0)	(30.0)	(523.1)	(0.8)	(217.7)	(128.6)

25. ISSUED CAPITAL, SHARE PREMIUM AND MERGER RESERVE

EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Where there is a bonus share issue the nominal value of the shares are deducted from reserves and recognised within share capital.

OWN SHARES HELD BY ESOP TRUST

Transactions of the Group-sponsored ESOP trust are included in the Group financial statements. In particular, the trust's purchases of shares in the Company are debited directly to equity through an own shares held reserve.

SHARE CAPITAL

	2023 Number of shares m	2023 Issued capital £m	2023 Share premium £m	2022 Number of shares m	2022 Issued capital £m	2022 Share premium £m
Ordinary shares						
In issue as at 1 January	347.2	173.6	360.8	222.3	111.2	361.1
Issued for cash	0.1	-	0.2	-	-	0.1
Cancellation of shares	(0.4)	(0.2)	-	(2.6)	(1.3)	-
Shares issued as consideration	-	-	-	127.5	63.7	-
Costs of issuing equity	-	-	-	-	-	(0.4)
In issue as at 31 December - fully paid	346.9	173.4	361.0	347.2	173.6	360.8

The holders of ordinary shares (nominal value 50p) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The share premium account is added to when any authorised shares are issued above nominal value.

RESERVE FOR OWN SHARES HELD

The cost of the Company's shares held in the ESOP trust by the Group is recorded as a reserve in equity.

The opening balance of £17.4m on the own shares held reserve represented a holding of 2,129,254 shares. During 2023 the Group performed a share buyback and repurchased 636,254 shares at a cost of £5.3m (2022: 4,056,968 shares, £35.2m), of which 386,254 shares at a total cost of £3.3m were subsequently cancelled (2022: 2,556,968 shares, £22.4m cost). In addition to this 92,929 shares were awarded for exercises under the Group's long-term incentive plan (2022: 59,063 shares) and 487,129 shares were awarded for exercises under the Group's Save As You Earn Option Scheme (2022: nil). The closing balance of £14.7m on the own shares held reserve represents a holding of 1,799,196 shares.

MERGER RESERVE

The opening balance of £1,597.8m on the merger reserve related to the 2020 acquisition of Linden and Partnerships and the 2022 Combination with Countryside.

26. BUSINESS COMBINATIONS

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary, is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition costs are expensed as incurred as required by IFRS 3 'Business combinations'.

On 11 November 2022, the Group completed the Combination with Countryside Partnerships PLC for a consideration of £1,137.0m. The acquisition was of 100% of the share capital and control of Countryside Partnerships PLC and all of its subsidiaries, which are included in note 30. Details of the purchase consideration, the net assets acquired and goodwill at 11 November 2022 are as follows:

PURCHASE CONSIDERATION

	£m
Cash consideration	299.9
Shares in Vistry Group PLC issued	838.0
Replacement of SAYE schemes	0.8
Less: shares issued to acquired employee benefit trust	(1.7)
Total purchase consideration	1,137.0

The share consideration included 127.5m Vistry Group PLC shares with nominal value of £0.50 per share and a fair value of £6.58, being the opening share price on 14 November 2022, the first time the consideration shares could have been traded. £774.3m was recognised within the merger reserve in relation to these consideration shares issued, being the excess of the share price on the date of issue over nominal value of the shares.

The consideration related to the replacement of SAYE schemes is calculated based on the fair value of the various options granted to former Countryside employees multiplied by the number of options and the estimated likelihood of vesting.

The fair values of the assets and liabilities recognised as a result of the Combination are as follows:

	Fair value 11 November 2022 £m
Cash and cash equivalents	224.7
Property, plant and equipment	18.1
Right-of-use assets	60.0
Intangible assets	349.1
Investments	61.6
Inventories	768.8
Amounts owed by joint ventures	105.8
Trade and other receivables	122.1
Trade and other payables	(615.2)
Borrowings	(2.5)
Lease liabilities	(63.0)
Provisions	(208.9)
Net deferred tax asset	36.3
Net identifiable assets acquired	856.9
Goodwill	280.1
Total net assets acquired	1,137.0

26. BUSINESS COMBINATIONS continued

During the measurement period, the Group finalised the purchase price allocation to reflect the impact of new information that became available, which has resulted in a £22.9m increase to goodwill from £257.2m as at 31 December 2022 to £280.1m as at 31 December 2023. This £22.9m increase to goodwill has primarily arisen due to a full write-down of inventory at one particular site which has now been deemed unviable due to the cost estimates at the time of the Combination being significantly underestimated. The corrected cost to complete would result in a net cash outflow to complete the site as well as a significant capital lock-up, and this site would therefore not be progressed by a market participant.

The acquired intangibles include the Countryside Partnerships brand name, the customer relationships and the secured contracts of the acquired business. The acquired intangible assets have estimated useful lives of between 5 and 25 years. The Group engaged external experts to support management in the fair valuation of the acquired intangible assets and preparation of the purchase price allocation.

The goodwill for the acquired business reflects intangible assets which do not qualify for separate recognition including the strong position in the market and future prospects, as well as the assembled workforce and synergies that will be achieved as an enlarged business.

There have been no further business combinations in 2023.

27. RELATED PARTY TRANSACTIONS

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

Transactions between the Group, Company and key management personnel in the year ended 31 December 2023 were limited to those relating to remuneration, which are disclosed on page 170.

Mr. Greg Fitzgerald, Group Chief Executive Officer, is Non-Executive Chair of Ardent Hire Solutions Limited (Ardent). The Group hires forklift trucks from Ardent.

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

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

Mr. Graham Prothero, former Chief Operating Officer who ceased to be a Director of the Group from 31 December 2022 is Non-Executive Director and Chair of the Audit Committee of Marshalls PLC. The Group incurred costs with Marshalls PLC in relation to landscaping services in 2022 which are presented in the table below. Any transactions with Marshall PLC in 2023 are no longer related party transactions and are therefore excluded for the current year in the table below.

Mr. Ian Tyler, former Non-Executive Chair who resigned in 2022, was also the Chair of Affinity Water Limited. The Group received water services from Affinity Water Limited during the prior year when Ian was Non-Executive Chair. Any transactions with Affinity Water Limited in 2023 are no longer related party transactions and are therefore excluded for the current year in the table below.

The total net value of transactions with related parties excluding joint ventures have been made at arms length and were as follows:

	Expenses paid to related parties		Amounts payable to related parties		Amounts owed by related parties	
	2023 £000	2022 £000	31 Dec 2023 £000	31 Dec 2022 £000	31 Dec 2023 £000	31 Dec 2022 £000
TRADING TRANSACTIONS						
Ardent	7,898	5,319	380	774	159	-
The Housing Forum	15	13	-	-	-	-
Forterra PLC	6	67	-	48	-	-
Marshalls PLC	-	1	-	91	-	-
Affinity Water Limited	-	4	-	2	-	-

27. RELATED PARTY TRANSACTIONS *continued*

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

	Sales to related parties		Interest income and dividend distributions from related parties	
	2023 £m	2022 £m	2023 £m	2022 £m
Trading transactions	232.1	134.8	-	-
Non-trading transactions	-	-	68.9	46.6

	Amounts owed by related parties		Amounts owed to related parties	
	31 Dec 2023 £m	31 Dec 2022 £m	31 Dec 2023 £m	31 Dec 2022 £m
Balances with joint ventures	433.7	408.4	85.8	139.7

Sales to related parties including joint ventures are based on normal commercial payment terms available to unrelated third parties, without security. The loans made to joint ventures bear interest at rates of between 0.0% and 6.0% and are all repayable at the end of the contract term; all balances with related parties will be settled in cash.

As at the reporting date, 2 (2022: 3) of the Group's employees have a close family member on the Executive Committee. These individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The combined annual salary and benefits of these individuals is less than £0.3m (2022: £0.4m).

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

28. CONTINGENT LIABILITIES

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

As Government legislation, regulation and guidance further evolves in relation to fire safety and required remediation works, this may result in additional liabilities for the Group that cannot currently be reliably estimated. There may also be changes concerning the use of materials currently undergoing fire safety tests instructed by product manufacturers. If such materials are no longer considered safe, this could result in an increase in the number of buildings requiring remediation works as well as an increase in the estimated cost to remediate the buildings currently provided for. We may however expect further Government intervention if such circumstances arise.

In respect of the remediation costs outlined above, the Directors believe that the Group may be able to recover some of these costs via insurance or, in the case of defective workmanship, from subcontractors or other third parties. However, any such recoveries are not deemed to be virtually certain and therefore no contingent assets have been recognised during the year.

No formal claims have been received by the Group relating to the Defective Premises Act (DPA). The Group cannot reliably estimate the expected liabilities stemming from the DPA and as such no provision has been recognised as at 31 December 2023. The Group maintains a register of buildings constructed over the last 30 years; if the Group is formally notified of potentially defective works through communications from building owners, leaseholders or managing agents on these buildings and the unfit for habitation test has been established, an appropriate provision would be recognised.

29. EVENTS AFTER THE REPORTING PERIOD

In the period from 1 January 2024 to 23 February 2024, the Company purchased 5.1m ordinary shares, which were subsequently cancelled, for a total consideration of £49.8m (including stamp duty and fees).

In line with the Group's capital allocation policy the Board is announcing a further ordinary share buyback programme of up to £100m which is expected to commence in April 2024. This buyback is an ordinary distribution to shareholders and will be in lieu of a final dividend payment.

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

30. GROUP UNDERTAKINGS

The subsidiaries, joint ventures in which the Group has interests are all incorporated in the United Kingdom. In each case for the majority of companies their principal activity is related to property development but there are a small number of entities whose role is to support these activities. As at 31 December 2023, the Group had 168 wholly owned subsidiaries, plus three majority owned, which are listed on the following pages (with the company names as at 14 March 2024).

	Registered Office	Country of incorporation	Ownership interest in ordinary shares %		Registered Office	Country of incorporation	Ownership interest in ordinary shares %	
			2023	2022			2023	2022
Arlsey East LLP†	1	UK	100	100				
Berrywood Estates Limited†	16	UK	100	100				
Blythe Park LLP	1	UK	100	100				
Bovis Country Homes Limited	1	UK	100	100				
Bovis Homes (Broadbridge Heath) Limited	1	UK	100	100				
Bovis Homes (Quest) Company Limited	1	UK	100	100				
Bovis Homes BVC Limited	1	UK	100	100				
Bovis Homes Cornwall Limited	1	UK	100	100				
Bovis Homes Eastern Limited	1	UK	100	100				
Bovis Homes Freeholds Limited	1	UK	100	100				
Bovis Homes Insulation Limited	1	UK	100	100				
Bovis Homes Limited	1	UK	100	100				
Bovis Homes Midlands & Northern Limited	1	UK	100	100				
Bovis Homes North Whiteley LLP	1	UK	100	100				
Bovis Homes Pension Scheme Trustee Limited†	1	UK	100	100				
Bovis Homes Projects Limited	1	UK	100	100				
Bovis Homes Scotland Limited	2	UK	100	100				
Bovis Homes South East Limited	1	UK	100	100				
Bovis Homes Southern Limited	1	UK	100	100				
Bovis Homes Wessex Limited	1	UK	100	100				
Brenthall Park (One) Limited	16	UK	100	100				
Brunel Street Works Energy Services Limited	1	UK	100	100				
C.C.B.(Stevenage) Limited	6	UK	67	67				
Chartdale Limited	1	UK	100	100				
Cophorn Holdings Limited	16	UK	100	100				
Countryside (UK) Limited	16	UK	100	100				
Countryside 26 Limited	16	UK	100	100				
Countryside 28 Limited	16	UK	100	100				
Countryside Cambridge One Limited	16	UK	100	100				
Countryside Cambridge Two Limited	16	UK	100	100				
Countryside Developments Limited	16	UK	100	100				
Countryside Four Limited	16	UK	100	100				
Countryside Partnerships Limited	16	UK	100	100				
Countryside Partnerships Southern Limited	1	UK	100	100				
Countryside Partnerships Southern No.1 Limited	1	UK	100	100				
Fairfield Redevelopments Limited	1	UK	100	100				
Gigg Lane Limited	1	UK	100	100				
Craylingwell Energy Services Limited	1	UK	100	100				
Greyhound Regeneration LLP	1	UK	100	100				
H.Newbury & Son (Builders) Limited	1	UK	100	100				
Hall Green JV LLP†	1	UK	100	100				
Hill Place Farm Developments Limited	1	UK	100	100				
Ink Homes Limited	1	UK	100	100				
Kendall Cross Limited†	1	UK	100	100				
Kenilworth Woodside Conference Centre JV LLP	1	UK	100	100				
Kilbride Tavistock Limited	1	UK	100	100				
Knight Strategic Land Limited	16	UK	100	100				
Linden (Ashlar Court) Limited†	1	UK	100	100				
Linden (Beverley 2) LLP	1	UK	100	100				
Linden (Beverley 3) LLP	1	UK	100	100				
Linden (Beverley 4) LLP	1	UK	100	100				
Linden (Beverley 5) LLP	1	UK	100	100				
Countryside Places for People (Cowley Hill) LLP	16	UK	100	100				
Countryside Properties (Commercial) Limited	16	UK	100	100				
Countryside Properties (Housebuilding) Limited	16	UK	100	100				
Countryside Properties (In Partnership) Limited	16	UK	100	100				
Countryside Properties (Joint Ventures) Limited	16	UK	100	100				
Countryside Properties (London & Thames Gateway) Limited	16	UK	100	100				
Countryside Properties (Northern) Limited	16	UK	100	100				
Countryside Properties (Salford Quays) Limited	16	UK	100	100				
Countryside Properties (Southern) Limited	16	UK	100	100				
Countryside Properties (Special Projects) Limited	16	UK	100	100				
Countryside Properties (Springhead) Limited	16	UK	100	100				
Countryside Properties (Strategic Land) Limited	16	UK	100	100				
Countryside Properties (Uberior) Limited	16	UK	100	100				
Countryside Properties (UK) Limited	16	UK	100	100				
Countryside Properties (WGL) Limited	16	UK	100	100				
Countryside Properties (WHL) Limited	16	UK	100	100				
Countryside Properties (WPL) Limited	16	UK	100	100				
Countryside Properties Land (One) Limited	16	UK	100	100				
Countryside Properties Land (Two) Limited	16	UK	100	100				
Countryside Properties Residential (ABC) Limited ‡	16	UK	100	100				
Countryside Properties Residential (Chelmsford) Limited ‡	16	UK	100	100				
Countryside Properties Residential (Dartford) Limited ‡	16	UK	100	100				
Countryside Residential (South Thames) Limited	16	UK	100	100				
Countryside Residential (South West) Limited	16	UK	100	100				
Countryside Residential Limited	16	UK	100	100				
Countryside Seven Limited	16	UK	100	100				
Countryside Sigma Limited†	16	UK	75	75				
Countryside Thirteen Limited	16	UK	100	100				
Countryside Timber Frame Limited	16	UK	100	100				
Dunton Garden Suburb Limited	16	UK	100	100				
Elite Homes (North West) Limited	1	UK	100	100				
Elite Homes (Yorkshire) Limited	1	UK	100	100				
Elite Homes Group Limited	1	UK	100	100				
Emerald (Ealing) LLP†	1	UK	100	100				
Enhance Interiors Limited†	1	UK	100	100				
Linden Homes Western Limited†	1	UK	100	100				
Linden JV No12 LLP	1	UK	100	100				
Linden JV No17 LLP	1	UK	100	100				
Linden JV No18 LLP	1	UK	100	100				
Linden JV No19 LLP	1	UK	100	100				
Linden JV No20 LLP†	1	UK	100	100				
Linden JVCo No8 Limited	1	UK	100	100				
Linden JVCo No9 Limited	1	UK	100	100				
Linden Limited	1	UK	100	100				
Linden London (Hammersmith) Limited†	1	UK	100	100				
Linden London Developments Limited†	1	UK	100	100				
Linden London LLP	1	UK	100	100				
Linden Midlands Limited†	1	UK	100	100				
Linden North Limited†	1	UK	100	100				
Linden Partnerships Limited†	1	UK	100	100				
Linden Properties Western Limited	1	UK	100	100				
Linden South West Limited†	1	UK	100	100				

30. GROUP UNDERTAKINGS *continued*

	Registered Office	Country of incorporation	Ownership interest in ordinary shares %			Registered Office	Country of incorporation	Ownership interest in ordinary shares %	
			2023	2022				2023	2022
Linden (Beverley) LLP	1	UK	100	100	Linden St Albans LLP	1	UK	100	100
Linden (Cawston) LLP	1	UK	100	100	Linden Wates (Hungerford) Limited†	1	UK	100	100
Linden (Highfields Caldecote) LLP	1	UK	100	100	Millgate (UK) Holdings Limited	16	UK	100	100
Linden (Houghton) LLP	1	UK	100	100	Millgate Developments Limited†	16	UK	100	100
Linden (St Bernard's) Limited†	1	UK	100	100	Mountsorrel JV LLP	1	UK	100	100
Linden (Summerstown) LLP	1	UK	100	100	Nether Hall Park Open Space Management Company Limited	1	UK	100	100
Linden (Thurston) LLP	1	UK	100	100	Newhall Land Limited	16	UK	100	100
Linden Barnet LLP	1	UK	100	100	Olive Farm LLP	1	UK	100	100
Linden Cornwall Limited‡	1	UK	100	100	Orchard Homes (Pitt Manor) Limited	1	UK	100	100
Linden Devon Limited†	1	UK	100	100	Oxford Land Limited†	1	UK	67	67
Linden First Limited	1	UK	100	100	Page-Johnson Properties Limited	1	UK	100	100
Linden Guildford Limited†	1	UK	100	100	RTWarren (Builders, St.Albans) Limited	1	UK	100	100
Linden Holdings Limited†	1	UK	100	100	Rasen Estates Limited†	1	UK	100	100
Linden Homes (Bath Road) LLP	1	UK	100	100	Redplay Limited†	1	UK	100	100
Linden Homes (Blackberry Hill) LLP†	1	UK	100	100	Redplay Partnerships Limited	1	UK	100	100
Linden Homes (Marksbury) LLP	1	UK	100	100	Rissington Management Company Limited	1	UK	100	100
Linden Homes (Sherford) LLP	1	UK	100	100	Rosemullion Homes Limited	1	UK	100	100
Linden Homes Chiltern Limited†	1	UK	100	100	Skyline 120 Management Limited ‡	16	UK	100	100
Linden Homes Eastern LLP†	1	UK	100	100	Skyline 120 Nexus Management Limited ‡	16	UK	100	100
Linden Homes South-East Limited†	1	UK	100	100	The Ricardo Community Foundation†‡	9	UK	100	100
Linden Homes Southern Limited†	1	UK	100	100	Thornbury Pickedmoor Development LLP	1	UK	100	-
Unitpage Limited	1	UK	100	100	Vistry Partnerships JV Nol7 LLP	1	UK	100	100
Urban Hive Hackney Management Limited ‡	16	UK	100	100	Vistry Partnerships Limited	1	UK	100	100
Vista Portsmouth Limited	1	UK	100	100	Vistry Partnerships North Limited†	1	UK	100	100
Vistry (Jersey) Limited	10	UK	100	100	Vistry Partnerships Yorkshire Holdings Limited	1	UK	100	100
Vistry Affordable Homes Limited	1	UK	100	100	Vistry Partnerships Yorkshire Limited	1	UK	100	100
Vistry Developments Limited	1	UK	100	100	Vistry Pension Trustee Ltd†	1	UK	100	100
Vistry Homes Central Limited†	1	UK	100	100	Vistry Secretary Limited†	1	UK	100	100
Vistry Homes Limited	1	UK	100	100	Vistry Ventures Limited	1	UK	100	100
Vistry Limited	1	UK	100	100	Westcountry Land (Perranporth) Ltd	1	UK	100	100
Vistry Linden Homes Limited	1	UK	100	100	Westleigh Construction Limited	16	UK	100	100
Vistry Linden Limited	1	UK	100	100	Westleigh Homes Limited	16	UK	100	100
Vistry Partnerships (Wolverhampton) Limited	1	UK	100	100	Westleigh LNT Limited	16	UK	100	100
Vistry Partnerships Investments Limited	1	UK	100	100					

† Denotes entities where the accounting year end is not 31 December.

‡ Company Limited by Guarantee

AUDIT EXEMPTIONS

A number of subsidiaries in the Group have taken the exemption from the requirements of the Companies Act 2006 in relation to the audit of accounts under section 479A of the Companies Act 2006 for the year ended 31 December 2023. The Company has assessed the probability of loss under the guarantee as remote.

The companies exempt from audit are:

Entity name	Company registration number	Entity name	Company registration number
Arlesey East LLP	OC444429	Emerald (Ealing) LLP	OC420245
Bovis Homes (Broadbridge Heath) Limited	08112950	Fairfield Redevelopments Limited	04459094
Bovis Homes North Whiteley LLP	OC424405	Graylingwell Energy Services Limited	07142726
Brunel Street Works Energy Services Limited	11923831	Kilbride Tavistock Limited	07380791
Chartdale Limited	01792431	Knight Strategic Land Limited	06829769
Cophthorn Holdings Limited	05137095	Linden Guildford Limited	06552658
Countryside 26 Limited	06193011	Linden Holdings Limited	04040970
Countryside 28 Limited	06126279	Linden Homes (Blackberry Hill) LLP	OC401701
Countryside Four Limited	04422692	Linden Homes (Sherford) LLP	OC384496
Countryside Partnerships Limited	09878920	Linden Limited	01108676
Countryside Partnerships Southern Limited	02433962	Linden London Developments Limited	06270271
Countryside Partnerships Southern No.1 Limited	02969951	Linden London LLP	OC333207
Countryside Places for People (Cowley Hill) LLP	OC443387	Millgate (UK) Holdings Limited	08860850
Countryside Properties (Housebuilding) Limited	05555391	Millgate Developments Limited	02229073
Countryside Properties (Joint Ventures) Limited	05722274	Newhall Land Limited	10506583
Countryside Properties (Salford Quays) Limited	04422690	Rissington Management Company Limited	08138744
Countryside Properties (Southern) Limited	02771221	Skyline 120 Management Limited	05658220
Countryside Properties (Springhead) Limited	05852497	Skyline 120 Nexus Management Limited	07154697
Countryside Properties (Strategic Land) Limited	13095281	Thornbury Pickedmoor Development LLP	OC450379
Countryside Properties (Uberior) Limited	04814588	Vistry (Jersey) Limited	130175
Countryside Properties (WGL) Limited	10099517	Vistry Partnerships Limited	00800384
Countryside Properties (WHL) Limited	10114350	Vista Portsmouth Limited	11196519
Countryside Properties (WPL) Limited	08575300	Vistry Affordable Homes Limited	06594096
Countryside Residential Limited	02423299	Vistry Homes Central Limited	02281005
Countryside Thirteen Limited	04620288	Vistry Linden Homes Limited	02606856
Countryside Timber Frame Limited	11255094	Vistry Linden Limited	03158857
Dunton Garden Suburb Limited	09421806	Vistry Partnerships (Wolverhampton) Limited	08476225
Elite Homes (North West) Limited	02297984	Vistry Partnerships Yorkshire Holdings Limited	06437711
Elite Homes (Yorkshire) Limited	01530215	Vistry Partnerships Yorkshire Limited	03901222
Elite Homes Group Limited	02781237	Westcountry Land (Perranporth) Ltd	09653572

RESIDENT MANAGEMENT COMPANIES

The Directors set out below information relating to resident management companies which are held by the Group as at 31 December 2023. Control is exercised by the Group's power to appoint Directors and the Group's voting rights in these companies. All the resident management companies listed below are limited by guarantee, without share capital, unless otherwise indicated, and are incorporated in the UK. The capital, reserves and profit or loss for the year have not been stated for the resident management companies listed below as the beneficial interest in any assets or liabilities of these companies is held by the residents. The Group does not have exposure, or rights to variable returns from these companies and therefore they are not included in the consolidated financial statements. They are temporary members of the Group and will be handed over to residents in due course.

Entity name	Registered Office
Abbey Farm Blunsdon Management Company Ltd	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, England, SS2 5TE
Allium Park Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Alma Estate (Enfield) Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Ashdown Gardens (Eridge Road) Residents Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Ashmere Resident (2) Management Company Limited	Countryside House The Drive, Great Warley, Brentwood, Essex, United Kingdom, CM13 3AT
Ashmere Resident Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Ashton Rise Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Aspen Park (Apsley) Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Aspire 95 (Ifield) Residents Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Aston Brook (Aston Clinton) Management Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Avery Hill Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, England, B3 2HJ
Avisford Grange (Walberton) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Barleyfields Ashchurch Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Barnwood Place (Smerden) Management Company Limited	94 Park Lane, Croydon, Surrey, United Kingdom, CR0 1JB
Barrack Road (Ottery St Mary) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Barton Park (Oxford Ph2, Ph4A & Ph4B) Estate Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Bay View (Northam) Management Company Limited	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, England, SS2 5TE
Beacon Road At Seamer Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Beaulieu Park E (Chelmsford) Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Beaulieu Park M&N (Chelmsford) Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Beaulieu Park O&P (Chelmsford) Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Becketts Ridge At Shrivenham Management Company Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Beechgrove (Sunninghill) Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Berengrave Gardens Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, England, B3 2HJ
Bestwood (Ridgeway) Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, England, CW6 9DL
Beuley View (Peters Village) Management Company Limited	C/O Gateway Property Management Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
Bicester (KM3/4) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Birch Gate (Wymondham) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Bitton Mill Bristol Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Blackberry Hill Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Blackmore Meadow (Stalbridge) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Blunsdon Chase Management Company Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

RESIDENT MANAGEMENT COMPANIES continued

Entity name	Registered Office
Boorley Green (Southampton) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Bowbrook Meadows (Shrewsbury) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Bradley Bends (Bovey Tracey) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Bramble Park (Hurstpierpoint) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Brampton Park Parcel C (Brampton) Managing Company Limited	C/O Firstport Property Services No 4 Limited Queensway House, 11 Queensway, New Milton, Hampshire, BH25 5NR
Breedon Place Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Bridgeside Walk (Peters Village) Management Company Limited	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Brimington Heights (Brimington) Managing Company	C/O FIRSTPOINT PROPERTY SERVICES NO.4 LIMITED, Queensway House 11 Queensway, New Milton, Hampshire, BH25 5NR
Brindley Edge (Hawkesbury) Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
Brook Valley (Congleton) Management Limited	Alexander Faulkner Partnership, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Brook View Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
Brookfields (Inkberrow) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Buckby Grange At Burton Latimer Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Buckby Meadows Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Bucklers Park Estate Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Burfield Grange Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Byrons Wood (Hucknall) Management Company Limited	Alexander Faulkner Partnership Ltd, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Campton Fields Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Catherington Park (Waterlooville) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Catkin Gardens (Headcorn) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Chantry Villas Management Company Limited	Adam Church Limited, 256 Southmead Road, Westbury-on-Trym, Bristol, England, BS10 5EN
Charlton Gardens Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, CW6 9DL
Charnwood Place (Rothley) Management Company Ltd	RMG House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
Chatham Maritime Sector 15 Residential Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Cherry Fields (Bickington) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Chivenor Cross (The Landings) Management Company Limited	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Temple Farm Industrial Estate, Southend-On-Sea, England, SS2 5TE
Church Crookham (Vistry) Management Company Limited	11 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Church Meadows (Catshill) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Cleobury Park Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Cloakham Lawns (Axminster) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Coburg Field (Chudleigh) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Coggeshall Mills Resident Association Limited	11 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Collegetate Sandwell Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Collingtree Park 72 Watermill Way Management Limited	13a Building Two Canonbury Yard, 190 New North Road, London, United Kingdom, N1 7BJ

RESIDENT MANAGEMENT COMPANIES *continued*

Entity name	Registered Office
Collingtree Park 77 Watermill Way Management Limited	13a Building Two Canonbury Yard, 190 New North Road, London, United Kingdom, N1 7BJ
Collingtree Park Residents Management Company Limited	13a Building Two Canonbury Yard, 190 New North Road, London, United Kingdom, N1 7BJ
Cotterstock Meadows (Oundle) Managing Company Limited	Queensway House, Queensway, New Milton, Hampshire, England, BH25 5NR
Courtenay Grange (Exminster) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Cribbs Triangle (Almondsbury) Residents Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Herts, United Kingdom, HP2 7DN
Cromwell Abbey (Ramsey) Managing Company Limited	C/O A Dandy Wren Limited 13a Building Two Canonbury Yard, 190 New North Road, Islington, London, N1 7BJ
Crowhurst (Pikes Lane) Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, England, B3 2HJ
Crown Park (Chester) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Davington Fields (Faverham) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Dracan Village Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, CW6 9DL
Drovers Mead Management Company Limited	Unit D2 Minerva House Minerva Business Park, Lynch Wood, Peterborough, England, PE2 6FT
Drovers Way Residents Management Company Limited	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
Eden Park (BH) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Edge, Manford Way Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Edwalton (Sharp Hill) Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Elberry Gardens (Paignton) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Emmer Green Drive Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, United Kingdom, B3 2HJ
Ensleigh Residents Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Falcons Lodge (Cardington) Managing Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Falfield Grange Residents Managing Company Limited	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
Finches Park (Frinton-on-Sea) Managing Company Limited	C/O Stiles Harold Williams Partnership Llp Lees House, Dyke Road, Brighton, England, BN1 3FE
Firs Road (Linden) Management Company Limited	11 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Fletchers Rise (Wombourne) Management Company Limited	Trinity Vantage Point, 23 Mark Road, Hempstead, United Kingdom, HP2 7DN
Forest Edge (Cuddington) Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
French Furze Management Company Limited	Queensway House, 11 Queensway, New Milton, England, BH25 5NR
Fresh Wharf Residents Management Company Limited	C/O Pod Group Services Limited Floor 1, Unit 1, Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JD
Froghall Road (Flitwick) Management Limited	11 Little Park Farm Road, Fareham, Hampshire, England, PO15 5SN
Furrowfields Residents Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Garvey Glade (Padstow) Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, England, CW6 9DL
Glebe Meadows (BH) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Grange Park (Thurston) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Greyfriars Quarter Community Interest Company	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Hainbury Meadows (Ilchester) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Haldon Reach (Alphington) Management Company Limited	Gateway House Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
Hampton Lea Management Company Limited	13a Building Two 190 New North Road, Canonbury Yard, London, United Kingdom, N1 7BJ

RESIDENT MANAGEMENT COMPANIES *continued*

Entity name	Registered Office
Hampton Meadow (Stadhampton) Estate Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Hampton Water (Peterborough) Management Ltd	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Hanbury Place Management Company Limited	11 Little Park Farm Road, Fareham, United Kingdom, PO15 5SN
Hanstead Park Management Company Limited	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, England, SS2 5TE
Harfleet Gardens (Ash) Management Company Limited	10 Coopers Way, Southend-on-Sea, United Kingdom, SS2 5TE
Harold Wood Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Harpers Heath (Hatfield) Managing Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Harrington Park (Pinhoe) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Harry Stoke Management Company Limited	Unit 8 Minerva Business Park, Lynch Wood, Peterborough, England, PE2 6FT
Hastings Gardens (Blunham) Managing Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Havesham Gardens (Newport) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Hawkswood (Bicester) Managing Company Limited	Firstport Property Services No. 4 Limited, Queensway House, 11 Queensway, New Milton, Hampshire, BH25 5NR
Haygate Fields (Wellington) Estate Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Hazelmere (Haslington) Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Heathcote Park (Warwick) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Heron's Reach (Cranbrook) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
High Street (Flore) Management Company Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Highfields Road (Highfields Caldecote) Management Company Ltd	Vistry Homes, Eastwood House, Glebe Road, Glebe Road, Chelmsford, England, CM1 1QW
Hilborn Management Company Limited	Countryside House The Drive, Great Warley, Brentwood, Essex, England, CM13 3AT
Hillmorton (Rugby) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Hogwood Park Estate Management Company Limited	11 Tower View Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Holmes Meadow Management Limited	Alexander Faulkner Partnership Ltd, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Homelands Farm (Bishops Cleeve) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Honeyvale Gardens Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Houghton Regis Phase 8 Residents Management Company Limited	Countryside House, The Drive, Brentwood, United Kingdom, CM13 3AT
Hounsome Fields (Basingstoke) Management Company Limited **	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Impact And Willow Brook Management Company Limited	Firstport Secretarial Limited, Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Isleport Grove Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, England, CW6 9DL
Judith Gardens (Sawtry) Managing Company Limited	C/O Firstport Property Services No.4 Limited Queensway House, 11 Queensway, New Milton, Hampshire, BH25 5NR
Kempsey Mead Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Kingfisher Green (Cranbrook) Management Co Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Kingsmere Estate Management Limited **	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Kingswood Residents Management Limited	Market Chambers, 3-4 Market Place, Wokingham, United Kingdom, RG40 1AL
Knights Mount Management Company Limited *	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Laithwaite Gardens (Sutton) Managing Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Langham Meadows, School Road Limited	250 Aztec West, Almondsbury, Bristol, England, BS32 4TR

RESIDENT MANAGEMENT COMPANIES continued

Entity name	Registered Office
Liberty Place (Hailsham) Management Company Limited	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, England, SS2 5TE
Limewood Grange (Fair Oak) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Liskettett (Liskeard) Management Limited	11 Queensway House Queensway, New Milton, Hampshire, England, BH25 5NR
Little Glen (Glen Parva) Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
Livingstone Gardens (Chipping Ongar) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Loachbrook Meadow (Congleton) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Longhedge Village (Salisbury) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Lower Stondon (BH) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Lower Stondon Management Company Ltd	11 Little Park Farm Road, Fareham, England, PO15 5SN
Lunar Park Vistry (West Cambourne) Management Company Ltd	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Lyneham Fields Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Lyneham Management Company Limited	11 Tower View Kings Hill, West Malling, United Kingdom, ME19 4UY
Malago Residents Management Company Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Mallard Quarter (Grantham) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Mandeville Place (Radwinter) Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Mann Island Estate Limited **	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Manor View (East Grinstead) Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, United Kingdom, B3 2HJ
Manor View Block Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
Marbury Meadows (Wrenbury) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Marine View (Teignmouth) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Marlowe Road Management Company Limited	Countryside House, The Drive, Brentwood, Essex, United Kingdom, CM13 3AT3AT
Matthews Green (Wokingham) Management Company Ltd	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Meadow View (Crowborough) Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
Meridian Gate (Royston) Managing Company Limited	C/O Stiles Harold Williams Partnership LLP Lees House, Dyke Road, Brighton, England, BN1 3FE
Middleton Chase Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Mildenhall (Sherborne) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Millfields (Hall Green) Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Millwood Meadows Management Limited	13a Building Two Canonbury Yard, 190 New North Road, London, England, N1 7BH
Millwood Park (Hailsham) Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Minerva Heights (Chichester) Management Company Limited **	2 Centro Place, Pride Park, Derby, Derbyshire, United Kingdom, DE24 8RF
Moat Farm Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Monks Wood Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, EN11 0DR
Moreteyne Park Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Morris Gardens Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Mulberry Green Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
New Avenue (Cockfosters) Management Company Limited	Countryside House, The Drive, Brentwood, Essex, United Kingdom, CM13 3AT

RESIDENT MANAGEMENT COMPANIES continued

Entity name	Registered Office
Newhall Resident Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, HP2 7DN
Newton Heath Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, England, SY1 3BF
Nightingale View (Hamstreet) Management Company Limited	C/O Gateway Property Management Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, England, SS2 5TE
North West Quartet Estate Management Company Limited	Countryside House, The Drive, Brentwood, Essex, United Kingdom, CM13 3AT
Northfields (Somerton) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Northstowe H5 Residents Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
NRR Resident Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Oakford Grange (Telford) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Oakhurst Residents Management Company Limited	Countryside House, The Drive, Brentwood, Essex, United Kingdom, CM13 3AT
Oaklands Hamlet Resident Management Limited **	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Ocean Rise (Hayle) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Olympia (Hall Green) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Orchard Brooks (Williton) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Orchard Fields Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Orchard Grove (Comeytrove) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Orton Copse (Peterborough) Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, England, EN11 0DR
Orwell Park (Sutton Courtenay) Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR
Osprey Rise (Peters Village) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Ospringe Gardens (Faversham) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Otthershaw (Linden & Bovis) Management Company Limited	11 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Oxley Gardens At Milton Keynes Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Paddock Fields (Killinghall) Management Company Limited	Firstport Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR
Paddock Fields II (Killinghall) Management Company	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Park Gate (Hurcott) Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Parklands Manor Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY
Paulton Community Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Pear Tree Walk Residents Management Company Limited	1 Bromwich Court, Gorse Lane, Coleshill, Birmingham, United Kingdom, B46 1JU
Peartree Village Management Limited **	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Pebble Beach (Seaton) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Penn Hill Gardens (Exeter) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Herts, United Kingdom, HP2 7DN
Pippins Place (West Malling) Management Company Limited	Queensway House, Queensway, New Milton, Hampshire, England, BH25 5NR
Poets Corner (Glinton Road) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Porthgwari (Penzance) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Portland Great Park (Kirkby) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Potteric Edge (Doncaster) Managing Company Limited	C/O Firstport Property Services No. 4 Limited Queensway House, 11 Queensway, New Milton, Hampshire, BH25 5NR

RESIDENT MANAGEMENT COMPANIES continued

Entity name	Registered Office
Priory Fields (Wells) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Quartz (Leicester) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Radford Semele (BH) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Rectory Farm At Grantham Managing Company Limited	C/O Vistry Homes Limited Ashurst, Southgate Park, Bakewell Road, Orton Southgate, Cambridgeshire, PE2 6YS
Rectory Gardens (Vistry) Management Company Limited	13a Building Two New North Road, London, England, N1 7BJ
Red Hall Gardens Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Redlands Grove Management Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Regency Grange Residents Management Company Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
Ribbans Park Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Roman Fields (Banbury) Management Limited	13a Building Two Canonbury Yard, 190 New North Road, London, United Kingdom, N1 7BJ
Rosemead Farm (Horam) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Rosewood (Maidstone) Managing Company Limited	Countryside House The Drive, Warley, Brentwood, Essex, United Kingdom, CM13 3AT
Saint Cloud Way Management Company Limited	Countryside House The Drive, Great Warley, Brentwood, Essex, United Kingdom, CM13 3AT
Salford Road (Bidford) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Sancerre Grange (Eccleshall) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Sandbach (Saxon Lea) Management Company Limited	13a Building Two 190 New North Road, London, England, N1 7BJ
Saxon Gate (Wickwar) Residents Management Company Ltd	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Saxon Grove(Gt Denham) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Sayers Meadow Residents Management Company Limited	21-33 Dyke Road Dyke Road, Brighton, England, BN1 3FE
Seymour Place (Undy) Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Shefford Road (Meppershall) Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Sherford (Shel, Sho2 and Sho3) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Sherford Estate Management Company Limited **	11 Queensway House Queensway, New Milton, Hampshire, England, BH25 5NR
Sherford Estate Parcel P Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Sherford Estate Parcel Q Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Sherford SL04 Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Shinfield Meadows Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Shorelands (Bude) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Silverstone Leys Management Limited	13a Building Two 190 New North Road, Canonbury Yard, London, United Kingdom, N1 7BJ
Smithills Glade (Bolton) Management Limited	2 Belmont House, Deakins Business Park Blackburn Road, Egerton, Bolton, England, BL7 9RP
South Gate Lamb North (Apartments) Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
South Gate Lamb North Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Spinnaker Westbury Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Springfields (Deeping St James) Managing Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Springhead Resident Management Company Limited *	Countryside House, The Drive, Brentwood, Essex, England, CM13 3AT

RESIDENT MANAGEMENT COMPANIES continued

Entity name	Registered Office
St Andrews At Biddenham Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
St Clements Site Management Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
St George's Park (Stafford) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
St Johns Chelmsford Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
St Marys At Biddenham Management Company Limited	C/O Scanlans Property Management Carvers Warehouse Suite 2b, 77 Dale Street, Manchester, Greater Manchester, England, M1 2HG
St Mary's Gate (BHDW) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
St Thomas Park At Ramsey Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Stamford Gardens (Uffington) Management Company Limited	RMG House, Essex Road, Hoddesdon, England, EN11 0DR
Stoneleigh View (Kenilworth) Management Company Limited	RMG House, Essex Road, Hoddesdon, England, EN11 0DR
Stortford Fields (Bishops Stortford) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Stortford Fields Estate Management Company Limited	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
Stour Valley Management Phase 1 Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Stowupland (Stowmarket) Managing Company Limited	Vistry Homes, Eastwood House, Glebe Road, Chelmsford, England, CM1 1RS
Stratford Leys Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Strawberry Fields At Great Yeldham Managing Company Limited	Vistry Homes, Eastwood House, Glebe Road, Chelmsford, England, CM1 1RS
Strawberry Grange Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Streethay Residents Management Limited	2 Centro Place, Pride Park, Derby, Derbyshire, DE24 8RF
Tara Fields (East Ayton) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Tattenhoe Park Residents Management Company Limited	Countryside House The Drive, Warley, Brentwood, Essex, United Kingdom, CM13 3AT
The Buntings (Exminster) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Burrows (Paddock Wood) Management Limited	Countryside House The Drive, Warley, Brentwood, Essex, United Kingdom, CM13 3AT
The Chancery (Shottery) Management Company Limited	C/O 13a Building Two Canonbury Yard, 190 New North Road, Islington, London, N1 7BJ
The Chase (Wincanton) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Gateway (Bexhill-on-Sea) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
The Green (Grendon) Management Company Limited	Rmg House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
The Hamlets (Milborne Port) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
The Leys (Ridge Hill) Management Company Limited	RMG House, Essex Road, Hoddesdon, England, EN11 0DR
The Meadows (Staplehurst) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
The Oaks Management Company (Chudleigh) Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
The Orchards Thornbury Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Paddocks Tye Green Management Company Limited	Countryside House, The Drive, Great Warley, Brentwood, Essex, United Kingdom, CM13 3ATT
The Park Chippenham Residents Management Co. Ltd.	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Pastures (Bideford) Management Company Limited	C/O Gateway Property Management Gateway House, 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
The Pavilions (Freehold) Residents Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
The Priors (Europa) Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

RESIDENT MANAGEMENT COMPANIES *continued*

Entity name	Registered Office
The Riddings Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Steadings (Essington) Management Company Limited	Trinity Vantage Point, 23 Mark Road, Hempstead, United Kingdom, HP2 7DN
The Tannery Grampound Management Company Limited	71 Athelstan Park, Bodmin, Cornwall, United Kingdom, PL31 1DT
The Tors (Tavistock) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
The Triangle (Paignton) Management Company Limited	Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-on-Sea, Essex, England, SS2 5TE
The View (Swanpool) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Thurston (Bury St Edmunds) Managing Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, England, SS2 5TE
Tingewick Park (BH) Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Trelowan (Gloweth) Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Uplands Mill (Biddulph) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Wadebridge (Cornwall) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Herts, United Kingdom, HP2 7DN
Walkmill Place (Cannock) Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Walstead Park(Lindfield) Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, United Kingdom, B3 2HJ
Walton Peaks (Chesterfield) Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, England, EN11 0DR
Water Colour Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Watermans Park (Gravesend) Residents Management Company Limited	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, United Kingdom, SS2 5TE
Watersplash Lane Management Company Limited	Countryside House The Drive, Great Warley, Brentwood, Essex, England, CM13 3AT
Wendelburie Rise (Stanton Cross) Management Ltd	11 Little Park Farm Road, Fareham, England, PO15 5SN
Westwood Point (Thanet) Management Company Limited	Lees House, 21-33 Dyke Road Dyke Road, Brighton, England, BN1 3FE
White Willows Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Whitehill Management Company (Newton Abbot) Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, England, HP2 7DN
Whitehouse Park (M Keynes) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Whitelands Way (Bicester) Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Whiteley Meadows Northern Phl Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Whiteley Meadows Southern Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Wilford Fields Management Company Limited **	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Wilton Gate Management Company Limited	Vistry Western Linden House, Jacobs Building, Berkeley Place, Bristol, Avon, United Kingdom, BS8 1EH
Wincanton Management Company Limited	11 Tower View Kings Hill, West Malling, United Kingdom, ME19 4UY
Wirral (Carlett Park) Management Company Limited	11 Little Park Farm, Fareham, England, PO15 5SN
Woodston Mews (Peterborough) Management Company Limited	RMG House, Essex Road, Hoddesdon, England, EN11 0DR
Woodland Park (Costessey) Management Company Ltd	Gateway House, 10 Coopers Way, Southend-on-Sea, Essex, SS2 5TE
Woodlands (Abergavenny) Management Company Limited	11 Coed Y Brenin, Llantilio Pertholey, Abergavenny, Monmouthshire, United Kingdom, NP7 6PY
Woolley Grange Development Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, EN11 0DR
Wootton (Hall End Road) Management Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Wroughton Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Wychwood H Management Company Limited	11 Little Park Farm Road, Fareham, England, PO15 5SN
Yapton View Management Company Limited	11 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
York Road (Maidenhead) Management Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT

* Private Limited Company wholly owned by the Group. ** Company is a 50/50 joint venture.

JOINT VENTURES

As at 31 December 2023 the Group had an interest in the following 123 joint ventures which have been equity accounted to 31 December 2023 and are registered and operate in England and Wales.

	Registered Office	Country of incorporation	Ownership interest in ordinary shares %		Registered Office	Country of incorporation	Ownership interest in ordinary shares %		
			2023	2022			2023	2022	
Acton Gardens LLP†	16	UK	50	50	Develop Warwickshire LLP †	16	UK	50	50
Belmont Street JV LLP†	1	UK	50	50	Develop Warwickshire (Nominee) Limited	16	UK	50	50
Beverley South Developments Limited†	1	UK	50	50	Europa Way JV LLP†	1	UK	50	50
Bishops Park Limited	1	UK	50	50	Evolution (Saffron Walden) LLP†	1	UK	50	50
Boorley Green LLP†	1	UK	50	50	Evolution (Shinfield) LLP†	1	UK	50	50
Bovis Homes Cambourne West LLP†	1	UK	50	50	Evolution Gateshead Developments LLP†	1	UK	50	50
Bovis Latimer (Sherford) LLP†	1	UK	50	50	Evolution Morpeth LLP†	1	UK	50	50
Bracknell Forest Cambium Partnership LLP†	16	UK	50	50	Evolution Newhall LLP†	1	UK	50	50
Brenthall Park (Commercial) Limited†	16	UK	50	50	Gallions 2A Developments LLP†	11	UK	50	50
Brenthall Park (Infrastructure) Limited†	16	UK	50	50	Gallions New LLP†	11	UK	50	-
Brenthall Park (Three) Limited†	16	UK	50	50	Gateshead Regeneration LLP†	1	UK	25	25
Brenthall Park Limited†	16	UK	50	50	Glen Parva JV LLP†	1	UK	50	50
Bromley Regeneration (Calverley Close) LLP†	16	UK	50	50	Grange Walk LLP†	1	UK	50	50
Bromley Regeneration (Pike Close) LLP†	16	UK	50	50	Greenwich Millennium Village Limited	16	UK	50	50
Brookmill Meadows LLP †	16	UK	50	-	Heath Farm Lane LLP†	1	UK	50	50
Cambridge Road (RBK) LLP†	16	UK	50	50	IH Oak Investors LLP	4	UK	26	26
Camden Development Partnership LLP†	16	UK	50	50	Kier Countryside Holdings 1 LLP †	16	UK	50	-
Cedar House Securities Limited	13	UK	50	50	Kier Countryside Holdings 2 LLP †	16	UK	50	-
Clapham Park (Metropolitan Countryside) LLP†	16	UK	50	50	Kilwood Vale LLP†	1	UK	50	50
Countryside 27 Limited†	16	UK	50	50	Lea Castle JV LLP†	1	UK	50	50
Countryside Annington (Mill Hill) Limited†	16	UK	50	50	Linden (Avery Hill) LLP†	1	UK	50	50
Countryside Clarion (Eastern Quarry) LLP†	16	UK	50	50	Linden (Basingstoke) Limited	1	UK	50	50
Countryside L&Q (Beaulieu) LLP†	16	UK	50	50	Linden (Battersea Bridge Road) LLP	1	UK	50	50
Countryside L&Q (North East Chelmsford) LLP†	16	UK	50	50	Linden (Biddenham) LLP†	1	UK	50	50
Countryside L&Q (Oaks Village) LLP†	16	UK	50	50	Linden (Brampton) LLP†	1	UK	50	50
Countryside Maritime Limited†	16	UK	50	50	Linden (Enfield) LLP†	1	UK	50	50
Countryside Neptune LLP†	16	UK	50	50	Linden (Hartfield Road) LLP†	1	UK	50	50
Countryside Places for People (Lower Herne) LLP†	16	UK	50	50	Linden (Manse Farm) LLP†	1	UK	50	50
Countryside Properties (Accordial) Limited†	3	UK	50	50	Linden (Mowbray View 2) LLP†	1	UK	50	50
Countryside Properties (Bicester) Limited †	16	UK	29	29	Linden (Northstowe) LLP†	1	UK	50	50
Countryside Properties (Booth Street 2) Limited†	16	UK	39	39	Linden (Rainham) LLP†	1	UK	50	50
Countryside Properties (Merton Abbey Mills) Limited†	16	UK	50	50	Linden (Sayers Common) LLP†	1	UK	50	50
Countryside Sovereign Swindon LLP†	16	UK	50	50	Linden (Vencourt) LLP†	1	UK	50	50
Crest/Vistry (Epsom) LLP†	14	UK	50	50	Linden (York Road) LLP†	1	UK	50	50
Crewe Lane Kenilworth JV LLP†	1	UK	50	50	Linden and Dorchester Limited†	1	UK	50	50
D R 4 Developments LLP†	1	UK	50	50	Linden and Dorchester Portsmouth Limited†	1	UK	50	50
Linden Sovereign Brockworth LLP†	15	UK	50	50	Linden Homes Westinghouse LLP†	15	UK	50	50
Linden Wates (Barrow Gurney) Limited	1	UK	50	50	Opal (Earlsfield) LLP†	1	UK	50	50
Linden Wates (Bricket Wood) Limited	1	UK	50	50	Opal (Silvertown) LLP†	1	UK	50	50
Linden Wates (Cranleigh) Limited	1	UK	50	50	Opal (St Bernard's) LLP†	1	UK	50	50
Linden Wates (Dorking) Limited	1	UK	50	50	Opal Land LLP†	1	UK	50	50
Linden Wates (Horsham) LLP	1	UK	50	50	Overton View LLP †	16	UK	50	-
Linden Wates (Kempshott) Limited	1	UK	50	50	Peel Hall JV LLP †	1	UK	50	100
Linden Wates (Lovedean) Limited	1	UK	50	50	Pembers LLP†	1	UK	50	50
Linden Wates (Ravenscourt Park) Limited	1	UK	50	50	Ramsden Regeneration LLP†	1	UK	50	50
Linden Wates (Ridgewood) Limited	1	UK	50	50	Sandymoor JV LLP†	1	UK	50	50

JOINT VENTURES continued

	Registered Office	Country of incorporation	Ownership interest in ordinary shares %			Registered Office	Country of incorporation	Ownership interest in ordinary shares %	
			2023	2022				2023	2022
Linden Wates (Ringwood) LLP	1	UK	50	50	Shoo 22 Limited†	12	UK	38	38
Linden Wates (Royston) LLP	1	UK	50	50	Signal Park LLP	16	UK	50	-
Linden Wates (Salisbury) LLP	1	UK	50	50	Stanton Cross Developments LLP	1	UK	50	50
Linden Wates (The Frythe) Limited	1	UK	50	50	The Piper Building Limited†	1	UK	50	50
Linden Wates (Walberton) LLP	1	UK	50	50	Vistry Latimer Collingtree LLP†	1	UK	50	50
Linden Wates (West Hampstead) Limited	1	UK	50	50	Vistry Wates (Buckingham) LLP†	1	UK	50	50
Linden Wates (Westbury) Limited	1	UK	50	50	Vistry Wates (Leybourne) LLP†	1	UK	50	50
Linden Wates Developments (Chichester) Limited	1	UK	50	50	Vistry Wates (Tenterden) LLP	1	UK	50	-
Linden Wates Developments (Folders Meadow) Limited	1	UK	50	50	Vistry Wates (Walshes) LLP	1	UK	50	50
Linden/Downland Graylingwell LLP†	1	UK	50	50	Vistry Wates Finance LLP	1	UK	50	50
Littleport Developments LLP†	1	UK	50	50	Vistry Wates Holdings LLP	1	UK	50	50
Marrco 25 Limited†	16	UK	50	50	Vistry Wates Nominee Limited	1	UK	50	50
Milby Meadows LLP	16	UK	50	-	West Bridgford JV LLP†	1	UK	50	50
Northwick Park Developments LLP	1	UK	50	50	Westleigh Cherry Bank LLP†	16	UK	50	50
One Lockleaze LLP†	1	UK	50	50	White Rock Land LLP†	1	UK	50	50
					Wilmington Regeneration LLP†	1	UK	50	50

† Denotes entities where the accounting year end is not 31 December.

Significant holdings in undertakings other than subsidiary or joint venture undertakings

	Registered office	Country of incorporation	Ownership interest in ordinary shares %	
			2023	2022
Berkshire Land Limited	1	United Kingdom	33	33
Bishop's Stortford North Consortium Limited †	5	United Kingdom	33	33
Haydon Development Company Limited †	7	United Kingdom	39	39
Langley Sustainable Urban Extension Limited †	17	United Kingdom	33	-
Oxfordshire Land Limited	8	United Kingdom	25	25

† Denotes entities where the accounting year end is not 31 December.

REGISTERED OFFICE

1	11 Tower View, Kings Hill, West Malling, Kent, ME19 4UY	10	47 Esplanade, St Helier, Jersey, E1 0BD
2	C/o Gilliespie MacAndrew LLP, 5 Atholl Crescent, Edinburgh, EH3 8EJ	11	Bruce Kenrick House, 2 Kellick Street, London, N1 9FL
3	C/o Interpath Limited, 10 Fleet Place, EC4M 7RB	12	Duncan House Clipston Road, Sibbertoft, Market Harborough, Leicestershire, LE16 9UB
4	1148 Mountview Court High Road, London, N20 0RA	13	8 Gleneagles Court, Brighton Road, Crawley, West Sussex, RH10 6AD
5	Bath House, 6-8 Bath Street, Bristol, BS1 6HL	14	500 Dashwood Lang Road Bourne Business Park, Addlestone, Surrey, KT15 2HJ
6	Croudace House, Tupwood Lane, Caterham, Surrey, CR3 6XQ	15	Sovereign House, Basing View, Basingstoke, Hampshire, RG21 4FA
7	6 Drakes Meadow, Penny Lane, Swindon, Wiltshire, SN3 3LL	16	Countryside House, The Drive, Brentwood, Essex, CM13 3AT
8	Persimmon House, Fulford, York, Yorkshire, YO19 4FE	17	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
9	128 City Road, London, EC1V 2NX		

FIVE-YEAR RECORD - UNAUDITED

	2023 £m	2022 £m (restated)	2021 £m	2020 £m	2019 £m
Revenue*	3,564.2	2,771.3	2,407.2	1,834.4	1,130.8
Operating profit	311.8	212.5	285.4	91.7	179.7
Net financing (costs)/income	(63.0)	(12.2)	4.1	(7.9)	(6.8)
Share of result of joint ventures	56.0	47.2	30.0	14.9	1.8
Profit before tax	304.8	247.5	319.5	98.7	174.7
Income tax expense	(81.4)	(43.2)	(65.4)	(21.9)	(36.3)
Profit after tax	223.4	204.3	254.1	76.8	138.4
ADJUSTED RESULTS					
Adjusted revenue*	4,042.1	3,115.1	2,693.6	2,040.1	1,139.3
Adjusted operating profit	487.9	451.1	368.4	171.0	194.4
Adjusted net financing expenses	(68.8)	(32.7)	(22.4)	(27.1)	(6.2)
Adjusted profit before tax	419.1	418.4	346.0	143.9	188.2
FINANCIAL POSITION					
Net assets	3,318.5	3,249.7	2,390.6	2,195.1	1,272.0
Net (debt)/cash	(88.8)	118.2	234.5	(37.9)	(362.0)
Average capital employed	2,285.5	1,803.2	1,446.3	1,179.1	919.4
RETURNS					
Adjusted operating margin (note 1)	12%	15%	14%	8%	17%
Reported operating margin (note 2)	9%	8%	12%	5%	16%
Return on net assets (note 3)	7%	9%	12%	6%	11%
Return on capital employed (note 4)	21%	25%	26%	14%	21%
HOMES (INCLUDING UNITS SOLD ON THIRD PARTY OWNED LAND)**					
Number of Partner Funded completions (note 5)	10,722	5,447	-	-	-
Number of Open Market completions (note 5)	5,396	6,504	-	-	-
Total number of Completions (note 5)	16,118	11,951	11,080	8,954	3,867
Partner Funded average sales price (£'000)	223	191	-	-	-
Open Market average sales price (£'000)	389	372	-	-	-
Average sales price (£'000)	276	286	270	248	280
ADJUSTED EPS					
Earnings per share (p) before exceptional items	88.2p	137.5p	125.5p	57.9p	104.3p
Earnings per share (p) after exceptional items	64.6p	86.5p	114.6p	34.8p	94.6p
DIVIDENDS PER SHARE					
Paid (p)	32.0	63.0	40.0	-	58.5
Interim paid and final proposed (p) (note 6)	-	55.0	60.0	20.0	61.5

*Reported revenue and adjusted revenue for 2022 have been restated in order to apply the Group's change in accounting policy with respect to part exchange property sales from the beginning of the comparative period, as discussed in note 1.8.

**Following the Group's change in strategy and disaggregation of revenue between Partner Funded and Open Market is only available for FY23 and FY22.

Note 1: Adjusted operating margin has been calculated as adjusted operating profit over adjusted revenue.

Note 2: Reported operating margin has been calculated as operating profit over revenue.

Note 3: Return on net assets has been calculated as profit after tax over opening net assets.

Note 4: Return on capital employed has been calculated as adjusted operating profit over the average capital employed.

Note 5: Completions are shown including 100% of joint venture completions.

Note 6: In 2019 a second interim dividend was declared, not a final dividend. 61.5p includes this second interim dividend.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

DATE	EVENT
08 April 2024	Mailing of 2023 Annual Report and Accounts
16 May 2024	Annual General Meeting
09 July 2024	Trading update
05 September 2024	Announcement of interim 2024 financial results
08 November 2024	Trading update

ANNUAL GENERAL MEETING

The 2024 AGM will be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ on 16 May 2024 12.00 noon. The notice convening the AGM and the form of proxy will be mailed alongside the Annual Report and Accounts. The notice explains the resolutions to be put to the meeting. The Articles of Association of the Company, service contracts of the Executive Directors, and the letters of appointment of the Chair and the Non-Executive Directors are available for inspection at the Company's registered office.



You can also find the Notice of AGM on the Company's website www.vistrygroup.co.uk/investor-centre

SHAREHOLDER ENQUIRES

The Company's share register is maintained by Computershare. Shareholders with queries relating to their shareholdings can contact Computershare by:

Post: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Telephone: Vistry Group Shareholder Helpline: **0370 889 3236**.

Online: www.investorcentre.co.uk is the easy way to manage your shareholdings online.

Investor Centre is Computershare's secure website. With Investor Centre you can view shares balances, history and update your details.

SHARE DEALING

If you wish to sell or purchase shares in the Company, you may do so through a bank or a stockbroker. Alternatively, please go to www.computershare.com/dealing/uk for a range of Dealing services made available by Computershare.

Note: The provision of these services is not a recommendation to buy, sell or hold shares in Vistry Group PLC

DIVIDEND REINVESTMENT PLAN (DRIP)

The DRIP gives shareholders the opportunity to reinvest their dividends to buy ordinary shares in the Company through a special dealing arrangement. For further information please contact the Vistry Group Shareholder Helpline: **0370 889 3236**.

ELECTRONIC COMMUNICATIONS

Instead of receiving printed documents through the post, many shareholders now receive their annual report and other shareholder documents electronically, as soon as they are published. Shareholders that would like to sign up for electronic communications should go to www.investorcentre.co.uk where they can register.

CORPORATE WEBSITE

The Group's corporate website is www.vistrygroup.co.uk. It contains useful information for the Company's investors and shareholders.

For example, it includes press releases, details of forthcoming events, essential shareholder information, a dividend history, a financial calendar, and details of the Company's AGM. You can also subscribe to email news alerts.

SHARE FRAUD

Shareholders should be wary of fraudulent approaches from third parties with respect to their shareholding in the Company.

In some cases, these are 'cold calls' and in others, correspondence. They generally purport to be from a firm of solicitors or an investment company and offer, or hold out the prospect of, large gains on shares or other investments you may hold. Shareholders are advised to deal with firms authorised by the UK Financial Conduct Authority (FCA). You can check whether a firm is properly authorised by the FCA by visiting www.fca.org.uk/register. For more detail on how to protect yourself from an investment scam, or to report a scam go to www.fca.org.uk/consumers or call **0800 111 6768**.

COMPANY CONTACT DETAILS

Registered office

Vistry Group PLC, 11 Tower View, Kings Hill, West Malling ME19 4UY

Registered in England with registration number 00306718.

Company Secretariat

Clare Bates - General Counsel and Group Company Secretary
Company.Secretary@vistry.co.uk

COMPANY ADVISORS

PRINCIPAL BANKERS	STOCKBROKERS	AUDITORS
Bank of China Limited	Numis Securities Limited	PricewaterhouseCoopers LLP
Barclays Bank PLC	Peel Hunt LLP	
Handelsbanken PLC	HSBC Bank PLC	FINANCIAL ADVISOR
HSBC UK Bank PLC		Rothschild & Co
Lloyds Bank PLC	INSURANCE BROKERS	SOLICITORS
National Westminster Bank PLC	Arthur J Gallagher	Linklaters LLP
First Commercial Bank		
Santander UK PL		

REGISTRARS

Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

GLOSSARY

Companies Act	Companies Act 2006	LAs	Local Authorities
AFR	Accident Frequency Rate	LDI	Liability driven instruments
AGM	Annual General Meeting	Linden Homes	the 'Linden Homes' housing brand of the Group
Articles	the Company's Articles of Association	LLP	Limited Liability Partnership
Board	the Board of Directors of the Company	LTIP	the Group's Long-Term Incentive Plan
Bovis Homes	the 'Bovis Homes' housing brand of the Group	LTIR	Lost Time Incident Rate
BNG	Biodiversity Net Gain	L&D	Learning and Development team
CO2e	Carbon Dioxide equivalent	MMC	Modern Methods of Construction
Code	UK Corporate Governance Code issued in July 2018	NHBC	the National House Building Council
The Combination	The combination of Vistry Group PLC and Countryside Partnerships PLC, which completed on 11 November 2022, whereby Vistry Group PLC acquired the entire share capital of Countryside Partnerships PLC.	PRS	Private rented sector
Company	Vistry Group PLC	RP's	Registered providers
CPI	Consumer Price Index	RPI	Retail Price Index
DTRs	Disclosure Guidance and Transparency Rules	SAYE	the Group's Save as You Earn share scheme
EBT	the Company Employee Benefit Trust	SBT	Science Based Target
ELT	the Executive Leadership Team of the Group	SBTI	Science Based Target Initiative
FHS	Future Homes Standards	SHE	Safety, Health and the Environment
FY23	the Company's financial year ending 31 December 2023	SIP	the Group's Share Incentive Plan
GHG	Greenhouse gas emissions	SSFR	Service Strike Frequency Rate
GDPR	General Data Protection Regulations	SSSTS	Site Supervisors Safety Training Scheme
Group or Vistry Group	the Company and its subsidiary undertakings	TCFD	the Task Force for Climate-related Financial Disclosures
HBF	Home Builders Federation	TSR	Total shareholder return
HMRC	HM Revenue & Customs	UKGBC	UK Green Building Council
KPIs	Key Performance Indicators	UNSDG	United Nations Sustainable Development Goals
		UNFCC	United Nations Framework Convention on Climate Change
		Vistry Works	Timber frame manufacturing operation.

Vistry Group

Vistry Group PLC, 11 Tower View
Kings Hill, West Malling, Kent ME19 4UY
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