Bellway p.l.c.
Annual Report and Accounts 2024

BETTER WITH
Bellway

BETTER WITH
Bellway

Always setting higher standards, with Bellway

Our ‘Better with Bellway’ strategy embodies our philosophy as a responsible homebuilder. We strive to operate our business in an ethical and sustainable manner, while creating long-term value for the benefit of our customers, employees, suppliers, shareholders and key stakeholders.

About Us

Strategic Report

Governance

Accounts

Other Information

1 All figures relating to completions, order book, reservations, cancellations, and average selling price exclude the Group's share of its joint ventures, unless otherwise stated.
2 Bellway uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in note 28.
3 Underlying refers to any statutory performance measure or alternative performance measure before net legacy building safety expense and exceptional items (note 2).
4 Includes the Group's share of land owned and controlled through joint venture partners comprising 905 plots (2023 – 935 plots).
5 As measured by the Home Builders' Federation using the eight-week NHBC Customer Satisfaction survey.
6 Comparatives are for the year ended 31 July 2023 or as at 31 July 2023 ('2023') unless otherwise stated.

About Us

Brammer family enjoying their new Bellway home in Cheadle.

Street scene from our Ridgewood development in Stirling.

Building communities for over 75 years

Growing from a local family business in 1946 to a FTSE 250 company, Bellway has been building high-quality new homes across the UK for more than 75 years, creating exceptional properties in desirable locations.

Father and daughter site team, Ken and Amy Somerville at our Riverbrook Place development, Crawley.

Financial and Strategic Highlights

Resilient performance

Summary

Resilient performance and well-positioned for strong multi-year growth.

	Year ended 31 July 2024	Year ended 31 July 2023	Movement
Housing completions	**7,654**	10,945	(30.1%)
Revenue	**£2,380.2m**	£3,406.6m	(30.1%)
Underlying performance measures:			
Gross profit (underlying)	**£381.1m[2,3]**	£687.3m[2,3]	(44.6%)
Gross margin (underlying)	**16.0%[2,3]**	20.2%[2,3]	(420 bps)
Operating profit (underlying)	**£238.1m[2,3]**	£543.9m[2,3]	(56.2%)
Operating margin (underlying)	**10.0%[2,3]**	16.0%[2,3]	(600 bps)
Profit before taxation (underlying)	**£226.1m[2,3]**	£532.6m[2,3]	(57.5%)
Earnings per share (underlying)	**135.2p[2,3]**	328.1p[2,3]	(58.8%)
RoCE (underlying)	**6.9%[2,3]**	15.8%[2,3]	(890 bps)
Statutory and other measures:			
Adjusting items (pre-tax)	**£42.4m**	£49.6m	(14.5%)
Profit before taxation	**£183.7m**	£483.0m	(62.0%)
Earnings per share	**109.8p**	297.7p	(63.1%)
Proposed total dividend per share	**54.0p**	140.0p	(61.4%)
Net asset value per share	**2,913p[2]**	2,871p[2]	+1.5%
Net (debt)/cash	**(£10.5m)[2]**	£232.0m[2]	(104.5%)
Land bank (total plots)	**95,292[4]**	98,164[4]	(2.9%)

Financial performance in line with our expectations

- Total housing completions of 7,654 homes (2023 – 10,945), at an overall average selling price of £307,909 (2023 – £310,306).
- Total revenue reduced by 30.1% to £2,380.2 million (2023 – £3,406.6 million), due to the lower starting forward order book and challenging trading conditions, particularly in the first half of the financial year.
- Customer confidence gradually improved throughout the year, driven by a moderation of both mortgage interest rates and consumer price inflation, and an increase in wages. Combined with an increase in outlet numbers, this led to a 13.8% rise in the private reservation rate to an average of 124 per week (2023 – 109).
- The private reservation rate per outlet per week increased by 10.9% to 0.51 (2023 – 0.46). The private reservation rate per outlet per week in the second half of the financial year increased to 0.58 (six months to 31 July 2023 – 0.53) compared to 0.43 in the first half (six months to 31 January 2023 – 0.38), driven by the improving trading backdrop and a seasonal uplift through the spring.
- The underlying operating margin was in line with previous guidance at 10.0%[2,3] (2023 – 16.0%), with the reduction reflecting the effect of lower volume output, cost inflation and the use of targeted sales incentives, together with higher site-based overheads due to the slower sales market since the summer of 2022.
- Underlying profit before taxation was £226.1 million[2,3] (2023 – £532.6 million) and in line with our expectations.
- Adjusting items relating to net expenses associated with legacy building safety of £37.0 million (2023 – £49.6 million) and aborted transaction costs of £5.4 million (2023 – £nil), resulted in reported profit before tax of £183.7 million (2023 – £483.0 million).
- Underlying RoCE was lower at 6.9%[2,3] (2023 – 15.8%) due to the decrease in both asset turn and the underlying operating margin. The Group has a strong platform from which to increase volume output, and the Board expects this to support an improvement in RoCE from the current financial year.

High-quality land bank to support outlet opening programme and volume growth ambitions

- The Group has a high-quality land bank which comprises 95,292 plots[4] (2023 – 98,164 plots).
- Bellway's owned and controlled land bank of 48,887 plots (2023 – 53,629 plots) remains healthy and provides good visibility with regards to outlet openings in the current financial year and beyond.
- The Group traded from an average of 245 outlets (2023 – 238), an increase of 2.9%, driven by the strength of our land bank and targeted approach to land acquisition, and was achieved despite the delays in the planning system.
- Our site teams successfully opened 80 new sales outlets during the year, and in financial year 2025 we currently expect to open around 50 new sales outlets and maintain the average number at around 245.

Clear strategic priorities

- Overall, during financial year 2024, the Group contracted to purchase 4,621 owned and controlled plots (2023 – 4,715 plots) across 27 sites (2023 – 35 sites) with a total contract value of £344.8 million (2023 – £378.2 million).
- The improving economic outlook in terms of both lower interest rates and house price stability has supported an increase in our activity in the shorter-term land market in recent months, with Heads of Terms agreed on around 8,100 plots at 29 September 2024.
- Building on the expansion of our strategic land bank in recent years, the Group entered into option agreements for 35 sites (2023 – 19 sites), which has enhanced our longer-term growth prospects and overall land supply for a relatively low initial capital outlay.
- Bellway's strategic land bank comprises 45,500 plots (2023 – 43,600 plots), providing the Group with an excellent platform for growth in the years ahead, with this further supported by the new Government's proposed reforms to the planning system.

Robust and well-capitalised balance sheet

- Bellway has a strong balance sheet, with low year-end net debt, in line with expectations, at £10.5 million[2] (2023 – net cash of £232.0 million), and modest adjusted gearing, inclusive of land creditors, of 6.8%[2] (2023 – 4.0%).
- The Group has access to significant levels of committed debt finance, totalling £530 million, and this provides ongoing financial resilience while supporting land investment and our growth ambitions. We expect to end the current financial year maintaining a low level[2] of adjusted gearing.
- The proposed total dividend per share is 54.0p (2023 – 140.0p) which reflects reduced underlying earnings, and is in line with the Board's previously stated policy of underlying dividend cover of 2.5 times[2,3].

'Better with Bellway' – our responsible and sustainable approach to business

- The efforts of our colleagues in delivering our 'Better with Bellway' sustainability strategy have been reflected through multiple industry awards, including 'Large Housebuilder of the Year' and 'Best Staff Development Award' at the 2023 Housebuilder Awards.
- The Group's flagship 'Future Homes' research project into carbon reduction at the University of Salford has also won several accolades, including 'Best Sustainability Initiative' at the 2023 Housebuilder Awards and 'Major Project of the Year' at the 2023 National Sustainability Awards.
- Supported by several initiatives across the business, strong progress has been made in lowering our carbon footprint as we continue reducing the Group's emissions. This includes the Group's scope 1 and scope 2 carbon emissions, which have reduced by 44.7% since our base year of 2019, and we are in an excellent position to meet our goal of a 46% reduction significantly ahead of the 2030 target.
- Timber frame construction offers a proven range of operational, financial and environmental benefits. Following successful trials across the Group in recent years, Bellway is targeting an increase in timber frame usage, to around 30% of housing output by 2030, and this will be delivered, in part, through 'Bellway Home Space', our new proprietary timber frame production facility.
- Our ongoing focus on providing high-quality homes and service for our customers has resulted in Bellway retaining its position as a five-star[5] homebuilder for the eighth consecutive year. Bellway remains fully committed to acting responsibly with regards to building safety, and we continue to make good progress on assessing and remediating legacy properties through our dedicated Building Safety division. Since the start of our remediation programme, the Group has spent £146.3 million on legacy building safety issues.
- An additional net £37.0 million has been recognised in relation to legacy building safety issues, as an adjusting item. This includes an additional £15.3 million for structural defects in relation to an isolated design issue with the reinforced concrete frame of an apartment scheme in London, identified in financial year 2023.

Encouraging recent trading and improving outlook

- The combination of the improvement in trading and growth in outlet numbers led to a strong increase in the forward order book in financial year 2024. This comprised 5,144 homes (2023 – 4,411 homes) and increased in value by 18.4% to £1,412.9 million[2] (2023 – £1,193.5 million) at 31 July 2024.
- Since the start of the new financial year, customer demand has remained robust and has been supported by an overall reduction in mortgage rates over the summer.
- In the nine weeks since 1 August, and against a weak comparative, the private reservation rate increased by 48.5% to 147 per week (1 August to 1 October 2023 – 99), representing a private reservation rate per outlet per week of 0.59 (1 August to 1 October 2023 – 0.41).
- The private reservation rate includes bulk investor sales, on attractive financial terms, totalling 232 homes (1 August to 1 October 2023 – 71 homes) and representing a contribution of 0.10 to the private reservation rate (1 August to 1 October 2023 – 0.03).
- Reflecting recent trading and volume output, the forward order book at 29 September 2024 remained at a healthy level, comprised 5,109 homes (1 October 2023 – 4,636 homes) and had a value of £1,427.9 million[2] (1 October 2023 – £1,232.3 million).
- The strength of the Group's forward order book, outlet opening programme and work-in-progress position provides Bellway with an excellent platform to deliver a material increase in volume output in financial year 2025.
- If market conditions remain stable, the Group is targeting to deliver completions of at least 8,500 homes in the current financial year (2024 – 7,654 homes), and as was the case in financial year 2024, volume output is expected to be weighted towards the first half (half year ended 31 January 2024 – 53.5%).
- We are aiming to retain a healthy forward order book at the end of the current financial year (2024 – 5,144 homes) to serve as a platform for further growth in volume output in financial year 2026.
- Overall, pricing has remained firm across our regions, and in financial year 2025 we currently expect the average selling price to be around £310,000 (2024 – £307,909), and the underlying operating margin to approach 11.0%[2,3] (2024 – 10.0%).
- The combination of Bellway's operational and financial strength leaves the Group very well-placed to deliver long-term sustainable growth and ongoing value creation for shareholders.

Who We Are

Bellways three brands represent our commitment to meeting the different needs of our customers. Buying a home is one of the biggest decisions our customers will ever make. Each brand offers choice to meet their needs, while ensuring consistently high levels of quality and service.

Bellway

Bellway is our main brand, established in 1946 with a passion for building high-quality homes in carefully selected locations, designed to meet the needs of families. To this day, we maintain these fundamental values, combining our decades of expertise with the personalised local care that Bellway is known for.

6,589
Homes sold

Ashberry Homes

The Ashberry brand was launched in 2014 and is typically offered on larger sites, alongside our Bellway brand. This provides two differentiated outlets, offering greater choice for our customers. This allows for improved sales rates, often exceeding what can be achieved through the use of two Bellway outlets.

707
Homes sold

Bellway | London

Bellway London was launched in 2018 to provide the London market with a contemporary and cohesive identity that is recognisable across the capital. This encompasses all of our developments in the London boroughs, with a primary focus on the outer London boroughs and commuter towns within the M25. Our property offerings range from one-bedroom apartments to four-bedroom houses.

358
Homes sold

Creating communities across the UK

20 trading divisions

covering the main population centres across England, Scotland and Wales

2,659 people

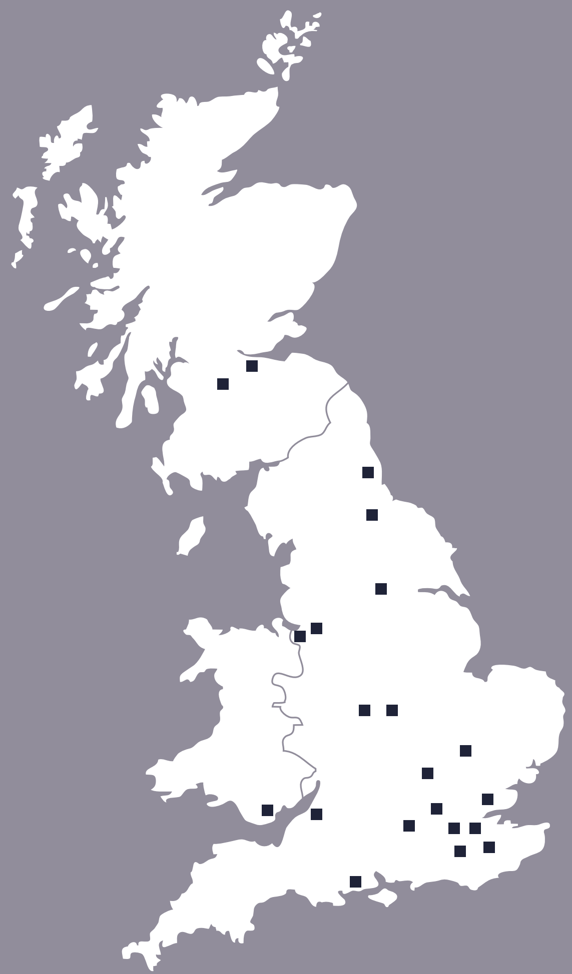
employed in the Group as at 31 July 2024

We currently operate from 20 divisions across the UK, covering England, Scotland and Wales.

Our divisional structure allows our experienced local management teams to respond to specific local geographical demands. Due to their detailed knowledge about the areas surrounding our land acquisitions, we are able to design and build homes that meet high standards, and help create strong local communities. In addition, we have a dedicated Building Safety division, a specialist team dedicated to assessing and remediating legacy properties.

Divisional Office Locations

(including our Building Safety division)



Motivated by a clear vision

Our aim is to operate our business in an ethical and sustainable manner, while simultaneously building attractive, desirable and sustainable developments where customers want to live in harmony with existing communities.

Strategic Report

Karl and Alex with their two children exploring their new community in Worksop.

Street scene at Wellfield Rise development in Wingate.

Creating better communities, with Bellway

Bellway aims to provide a consistently high service and quality homes to all our customers, and the efforts under our Customer First programme have resulted in the Group retaining its position as a five-star[5] homebuilder for the eighth consecutive year.

Sales Adviser Arjini Karunanithy promoting a 'Dusty Boot' event at our Millworks development in Kings Langley.

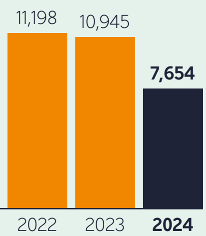
Principal KPIs

The Group has ten principal KPIs, which are shown below. Our secondary performance measures, which support these KPIs, are shown on pages 16 to 21 .

Financial and Operational KPIs

Number of homes sold (homes)

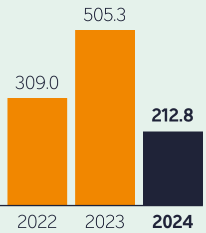
7,654 homes
(30.1%)



This KPI illustrates how the business model is able to support the Group's strategy of delivering volume growth.

Operating profit (£m)

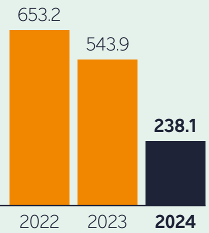
£212.8m
(57.9%)



Operating profit measures how efficiently the business is being operated and the profitability of the Group's core business.

Underlying operating profit (£m)(2)(3)

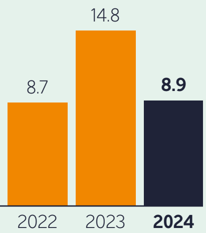
£238.1m
(56.2%)
R



The underlying operating profit is one of the measures used to determine the Directors' annual bonus payment. Underlying operating profit is before net legacy building safety expense and exceptional items.

Operating margin (%)(2)

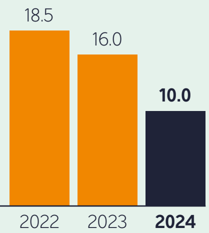
8.9%
(590bps)



Operating margin demonstrates how efficiently the business is being operated.

Underlying operating margin (%)(2)(3)

10.0%
(600bps)
R



Underlying operating margin is before net legacy building safety expense and exceptional items.

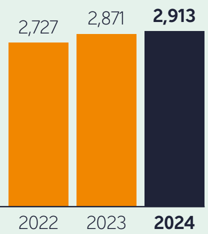
Key:

R Link to remuneration – see pages 130 to 152.

Net asset value per ordinary share (p)[2]

2,913p

+1.5%

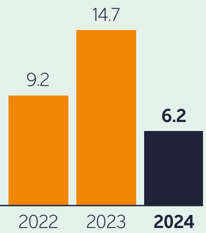


The Directors consider net asset value per ordinary share ('NAV') to be a useful proxy when reviewing whether shareholder value, on a share by share basis, has increased or decreased in the period.

Return on capital employed (%)[2]

6.2%

(850bps)



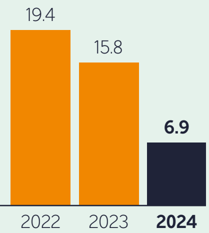
Return on capital employed ('RoCE') is a key indicator of how we are delivering our strategy of building shareholder value, which is reliant on land acquisition and the subsequent performance of our developments.

Underlying return on capital employed (%)[2][3]

6.9%

(890bps)

R



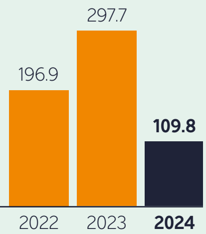
Underlying RoCE uses the underlying operating profit as defined on page 10.

Earnings per ordinary share (p)

109.8p

(63.1%)

R

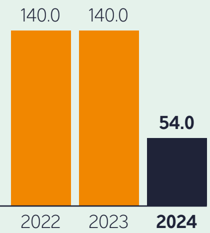


Earnings per ordinary share ('EPS') is a useful measure of how profitable Bellway is, year on year.

Total dividend per ordinary share (p)

54.0p

(61.4%)



This is another useful indicator of how the Directors are delivering the strategy of generating shareholder value, particularly when combined with NAV. Note that the 2024 final dividend figure is proposed.

Principal KPIs continued

The Group has ten headline KPIs mapped to our 'Better with Bellway' strategy.

Read more about our 'Better with Bellway' sustainability strategy on pages 44 to 59.

'Better with Bellway' KPIs

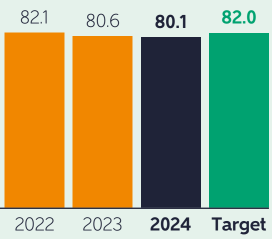
Customers and Communities

HBF 9-month survey score (%)

80.1%

(0.5ppt)

R



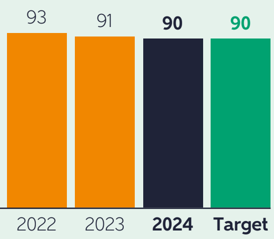
This KPI shows the Group's commitment to customer service, with the long-term aim to achieve a 82% score by December 2026.

Employer of Choice

Employees who would recommend Bellway as 'a great place to work' 3-year average score (%)

90% **(1.0ppt)**

R



This KPI shows the average percentage of employees that stated they would recommend Bellway as 'a great place to work' in our Employee Engagement Survey over a three-year period.

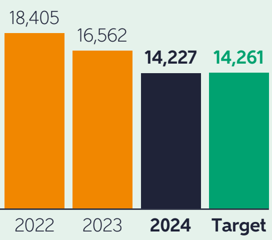
Carbon Reduction

Scope 1 and 2 emissions (tonnes)

14,227 tonnes

(14.1%)

R

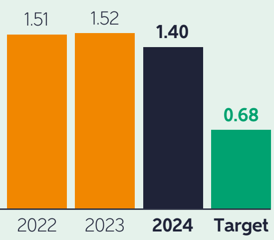


Demonstrates how the Group is working towards reducing our carbon emissions, in line with our pledge to reduce scope 1 and 2 emissions by 46% in absolute terms by July 2030.

Scope 3 emissions (tonnes CO_2e per m^2)

1.40 tonnes

(7.9%)



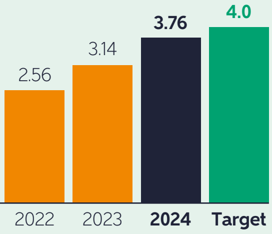
The Group is committed to reduce scope 3 GHG emissions by 55% per square metre of completed floor area by July 2030, against FY19 baseline of 1.53 tonnes.

Charitable Engagement

CRUK fundraising total (£m)

£3.76m

+£0.62m



This KPI indicates the cumulative fundraising total for our charity partner Cancer Research UK since 2016, with the target to raise £4 million by December 2024.

Key:

R Link to remuneration – see pages 130 to 152.

Denotes flagship business priority – see pages 39 to 48.

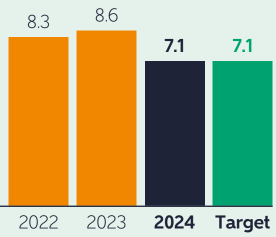
Resource Efficiency

Waste per home built (tonnes)

7.1 tonnes

(17.4%)

R



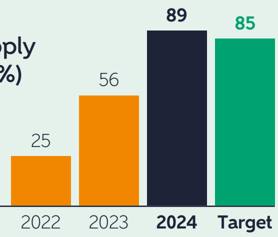
This KPI shows the Group's commitment to Resource Efficiency, where we aim to reduce waste per completed home by 20% to 7.1 tonnes by July 2025.

Sustainable Supply Chain

100 key suppliers achieving Gold membership of the Supply Chain Sustainability School (%)

89%

+33ppt



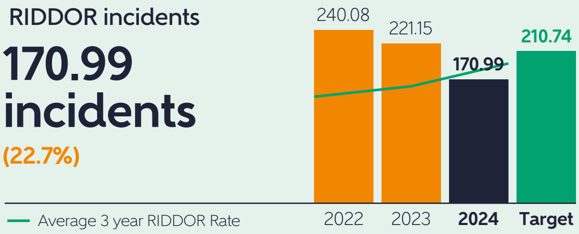
Percentage of 100 key suppliers who have achieved Gold membership of the Supply Chain Sustainability School against a target of 85% by 31 July 2024.

Building Quality Homes, Safely

RIDDOR incidents

170.99 incidents

(22.7%)

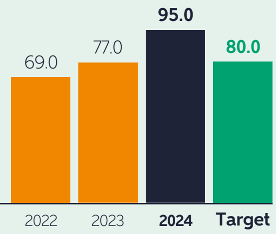


Number of RIDDOR seven-day reportable incidents per 100,000 site operatives. We aim to reduce the annual RIDDOR rate to below the three-year rolling average.

Applicable employees trained on Group Fire Safety Policy (%)

95.0%

+18.0ppt



This KPI demonstrates the Group's commitment to fire safety against a target of >80% of applicable employees. During FY24 a new Group fire safety programme was rolled out to applicable staff.

Biodiversity

Sites with 10% biodiversity net gain (%)

100%

No change

Percentage of sites where planning permission has been submitted, since 1 July 2023, where a 10% biodiversity net gain is achieved.

Enhancing and growing value for our shareholders

Bellway's long-term strategy is designed to deliver shareholder value through the cycle. We have a strong track record of value creation and have generated an annualised accounting return in NAV and dividend payments of 13.6%[2] over the last decade.

Our strategy is supported by the positive long-term fundamentals of the UK housebuilding industry, which include healthy underlying customer demand, a structural undersupply of high-quality housing, and an improving planning outlook.

Bellway's experienced leadership team focuses on value creation through the delivery of disciplined growth in volume output, together with improvements in underlying operating margin and underlying RoCE. Our approach leverages the Group's operational and financial strength, while maintaining the flexibility to respond to changes in the trading environment. This is further supported by 'Better with Bellway', our strategy and long-term commitment to acting responsibly and sustainably (read more on pages 34 to 61).

Financial strength to support long-term growth

Maintaining Bellway's financial strength forms the foundation of our strategy. Operating with a robust balance sheet through the cycle enables the Group to swiftly respond to attractive land opportunities to meet our long-term growth ambitions.

Strong track record of build quality and customer service

Reflecting our ongoing focus on build quality and customer service, we are proud to have retained our position as a five-star[5] homebuilder for the eighth consecutive year, recording a Recommend a Friend score of 91.6%.

5 STAR HOME BUILDER CUSTOMER SATISFACTION
HBF 2024
HOME BUILDERS FEDERATION

National presence and well-established divisional structure

Bellway has a strong national presence with 20 trading divisions across the UK. This geographically diverse structure provides the Group with economies of scale and has the capacity for significant organic growth in the years ahead.

20 trading divisions across the UK

High-quality land bank

Bellway has a high-quality and well-located land bank ,which comprised 95,292[4] plots at 31 July 2024. Our approach to investment and a rigorous approval process remains focused on securing land interests which offer compelling financial returns, and we are committed to enhancing the areas where our new homes are built.

Total number of land bank plots 95,292[4]

Experienced leadership team

The Group has an experienced leadership team with operational strength-in-depth across the organisation. Bellway's Executive Committee comprises our Board Executives and senior leaders from across the Group, all of whom have extensive industry experience and a clear focus on delivering against our strategic priorities.

Wide range of sustainable homes for our customers

We develop much needed sustainable new homes across the country, with our diverse portfolio ranging from one-bedroom apartments to five-bedroom family homes. We offer a wide choice of properties for our customers, primarily from our Artisan Collection standard house-type range, which also supports operational efficiencies and improved build quality.

THE ARTISAN COLLECTION

Delivering quality with Bellway

This section outlines our strategic priorities and through each stage of our business model how we create value, from carefully selecting the right land and navigating the planning process to safely constructing and selling high standard attractive homes, and providing an excellent customer experience.

Strategic priorities

As set out in the Chair's Statement on pages 104 to 105, to achieve our overall strategy we have identified the following three strategic priorities:

1. Deliver long-term volume growth

How we performed in 2023/24

- Contracted to purchase 4,621 plots of land across 27 sites.
- Forward order book of 5,144 homes with a value of £1,412.9 million[2].
- Investment in land concentrated on securing land interests that promise compelling and enhanced financial returns.
- Ongoing investment in strategic land has boosted our long-term growth prospects and expanded our overall land supply with a relatively low initial capital outlay.

Our plans for 2024/25

- Continue to selectively invest in strategic and immediate land, as it allows us to secure and control land with less capital investment and provides more flexibility.
- Maintain our current disciplined long term growth strategy, whilst being mindful of market conditions.

2. Drive a long-term improvement in RoCE

How we performed in 2023/24

- Completed a £100 million share buyback programme.
- Strategic investment in land and work-in-progress, in high demand areas.
- Net Asset Value ('NAV') increased by 1.5% to 2,913p[2].
- £131.7 million paid out in dividend payments.

Our plans for 2024/25

- Continue to maintain a focus on balance sheet management, with particular emphasis on large capital intensive sites.
- Maintain RoCE as a key assessment when buying land, and continue to monitor and control investment in land and work-in-progress.

3. Operate responsibly and sustainably through our 'Better with Bellway' strategy

'Better with Bellway' encompasses our ethos of operating in a responsible and sustainable way. The strategy outlines ambitious targets in respect of our three flagship areas of Carbon Reduction, Customers and Communities and becoming an Employer of Choice.

The metrics we use to measure our performance are on pages 10 to 13.

Our value chain

Select the right land and manage the planning process

Read more on pages 18 and 19.

'Better with Bellway'

What we do

- Our experienced divisional and Group land and planning teams use their local knowledge and contacts to identify land opportunities. The teams then prepare a viability assessment and appraisal, which is assessed in detail at divisional, Regional and then Group level, where the final decision is taken by the Executive Directors on whether to purchase a site. The value and nature of the proposed acquisition will determine whether full Board approval may also be required.
- In line with our strategy, we are highly selective to ensure we secure land that offers compelling and enhanced financial returns, while maintaining a strong land bank.
- We often secure land without the benefit of an implementable detailed planning permission ('DPP'), typically an outline planning consent or on a 'subject to planning' basis. We use the expertise of our land and planning teams to obtain DPP, which thereby reduces risks, adds value and enables higher returns.
- Our land teams assess biodiversity constraints and opportunities at the earliest stage in site selection, supported by our Group Head of Biodiversity. This forms part of our sustainable and responsible business approach.
- Our divisional and Group planning teams work closely with local authorities and communities to obtain DPP to construct homes which reflect local planning and vernacular requirements. We also progress a combination of medium-term 'pipeline' sites and land from our strategic land bank through the planning system to ensure a steady supply of sites.

'Better with Bellway'

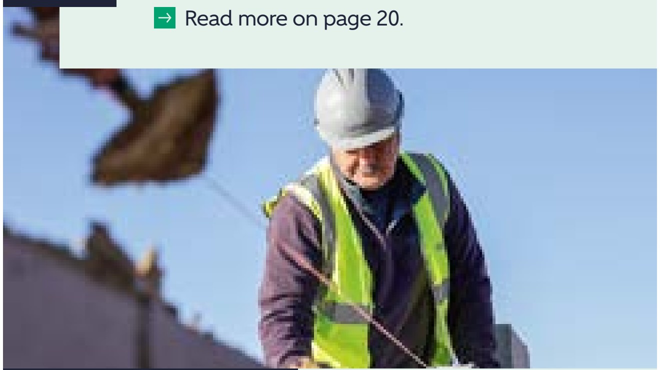
These eight business priorities are integral to everything we do and drive the long-term success of our business model.

- Customers and Communities
- Employer of Choice
- Carbon Reduction
- Building Quality Homes, Safely
- Sustainable Supply Chain
- Resource Efficiency
- Biodiversity
- Charitable Engagement

Denotes flagship business priority. Read more on pages 39 to 48.

Design and construct high-quality homes, safely

Read more on page 20.



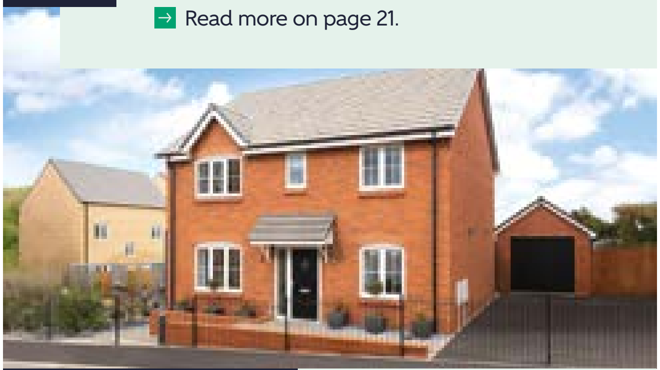
'Better with Bellway'

What we do

- We construct a wide range of homes, with a focus on our Artisan Collection of standard house types. Our Artisan House types vary between two to five-bedrooms, which are designed to suit a variety of customer budgets and lifestyles.
- There are various designs within the Artisan Collection that have been developed to adhere to differing Regional planning requirements. These standard house types drive efficiencies during construction.
- Our homes are built to a high standard in compliance with specific building, technical and health and safety regulations and other regulatory requirements, as well as to our own high-quality standards.
- The health, safety and wellbeing of our employees, subcontractors and visitors to our developments remains our highest priority.
- To reduce health and safety risks and to ensure the commercial availability and quality of materials and labour, we strive to maintain long-term working relationships with reputable subcontractors and supply chain partners.
- To enable us to construct homes to the high standards expected by our customers, in budget and on time, we seek to ensure that we have suitable building materials available at competitive prices.
- We closely monitor work-in-progress to ensure that build rates are consistent with sales rates to avoid unnecessary capital inefficiencies.

Selling homes and delivering an excellent customer sales experience

Read more on page 21.



'Better with Bellway'

What we do

- We provide excellent customer service from the moment our customers decide to look for a new home and throughout all stages of their journey with Bellway, including the early years of home ownership.
- Our Customer First initiative continues to drive future improvements in quality and customer service, and helps us to support our employees and subcontractors to deliver to these high standards of customer service.
- We have dedicated customer care teams within each division, which deliver high levels of customer service and are supported by our Group Customer Care Director and Group Customer Care team.
- Our commitment to providing the highest level of service to our customers, is demonstrated by achieving the HBF five-star[5] homebuilder status for the eighth consecutive year.
- In addition to the HBF survey, Bellway also engages with our customers through Trustpilot, where we actively invite feedback from our customers on all elements of our service.
- Bellway is a member of the New Homes Quality Board ('NHQB'), which means customers who reserve a new home benefit from the protection of the New Homes Quality Code ('NHQC') and the New Homes Ombudsman Service ('NHOS').

Our Business Model continued

Select the right land and manage the planning process

Select the right land

Using their local knowledge and contacts, our experienced divisional and Group land and planning teams identify land opportunities that support Bellway's strategy. A viability assessment and appraisal is prepared by the respective land team, which is assessed in detail at divisional, Regional and then Group level, where the final decision is taken by the Executive Directors whether to purchase a site. Full Board approval may also be required depending upon the value and nature of the proposed acquisition.

Typically, an outline planning consent or a 'subject to planning' basis, we secure the land without the benefit of a DPP. When obtaining DPP, we use the expertise of our land and planning teams to minimise risks, add value and enable higher returns. We strictly control the number of large, long-term sites to avoid having too much capital tied up or concentrated in one location. In order to maintain a strong land bank and enhance financial returns, which are in line with our strategy, we are highly selective in ensuring we secure the right land.

Our land bank is comprised of three tiers:

1. Owned or unconditionally contracted land with DPP.
2. Pipeline of land owned or controlled pending DPP, with development expected to commence within the next three years.
3. Strategic land, which is longer term and typically held under option, or through a promotional agreement.

The risks

The inability to source suitable land that meets our financial and non-financial acquisition criteria, including minimum gross margin and RoCE hurdle rates. There has been no change to this risk during the year.

What we do and how we manage risk

Bellway's solid, asset-backed balance sheet, cash resources and long-term committed debt financing arrangements have enabled the Group to continue its front-footed, yet disciplined, approach to land acquisition. Where sites require planning consent it may take many months to progress a parcel of land through the planning process before we can start building and selling homes.

Alignment with 'Better with Bellway'

Biodiversity

See pages 57 to 59.

By building one third of our homes on brownfield land, we are contributing to the regeneration of areas, in mainly urban locations. Wherever possible, mature trees and woodlands located within our developments are retained, these trees are then protected during development. We have Biodiversity Net Gain ('BNG') protocols for site acquisitions and management, and our land buying teams assess biodiversity constraints and opportunities at the earliest stage in site selection, supported by our Head of Biodiversity, and Group Strategic Land team.

How we measure our performance

Acquiring high-quality, sustainable sites in areas of strong customer demand, that meet or exceed both our financial and non-financial acquisition criteria is key to the success of the business. Failure to have an adequate supply of land would limit our ability to achieve our volume growth targets. We, therefore, link part of the Executive Directors' bonuses to the delivery of a sufficient land bank to meet our growth aspirations. RoCE is a key indicator of how we are delivering our strategy of building shareholder value, which is reliant on land acquisition and the subsequent performance of our developments. Gross margin enables us to monitor the robustness of our land purchasing process and the level of profit on land purchases, and we regularly review the pipeline to ensure that our land bank remains appropriate.

Sufficient landbank plots with DPP

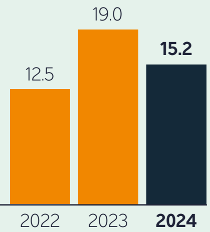
Achieved

R

Gross margin (%)[2]

15.2%

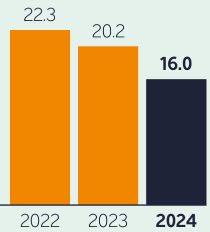
(380bps)



Underlying gross margin (%)[2][3]

16.0%

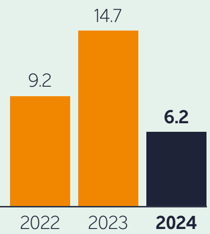
(420bps)



Return on capital employed (%)[2]

6.2%

(850bps)

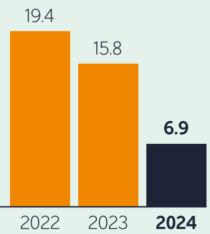


Underlying return on capital employed (%)[2][3]

6.9%

(890bps)

R



Manage the planning process

Our divisional and Group planning teams work closely with local authorities and communities to obtain DPP to construct homes, which reflect local planning and vernacular requirements. The divisional and Group planning teams also progress a combination of medium-term 'pipeline' sites and land from our strategic land bank through the planning system.

New legislation came into effect from February 2024, which requires all new planning applications to have a Biodiversity Net Gain ('BNG') of at least 10%. This requires housebuilders to leave the biodiversity of land used for development in a measurably better state compared to the baseline prior to development. At Bellway, we early adopted this requirement and, from 1 July 2023, all new planning submissions identified how they will achieve the 10% BNG target.

The risks

- Delays, increasing complexity and cost in the planning process. There has been no change in this risk during the year.
- Delay or failure to obtain planning permission if any application is not 10% BNG compliant, from February 2024. This risk is not regarded as a principal risk and so, has not been included in our principal risk table on pages 83 to 87.

What we do and how we manage risk

Our planning teams build collaborative relationships with local authorities, communities and interest groups so that our completed developments benefit the areas in which they are built and support local needs.

Alignment with 'Better with Bellway'

Biodiversity

→ See pages 57 to 59.

From February 2024, new legislation requires 10% Biodiversity Net Gain on all new planning applications submitted. We adopted the new legislation early and ensured that all planning applications submitted from, 1 July 2023 onwards were 10% BNG compliant.

Customers and Communities

→ See pages 39 to 40.

We consult with local residents as part of the planning process to help us build the homes our customers desire locally.

We make contributions to local communities through Section 106 (England and Wales), Section 75 (Scotland) contributions, Community Infrastructure Levy payments, and through the provision of the New Homes Bonus.

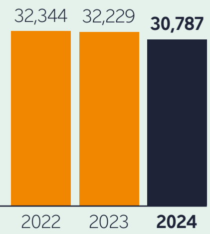
How we measure our performance

These KPIs enable us to monitor the number of plots in each tier of our land bank to ensure they remain sufficient to help us deliver our strategy of volume growth, and at the end of the year, we have an appropriate number of plots in each land bank tier to meet our strategy.

Number of plots in owned and controlled land bank with DPP (plots)

30,787 plots

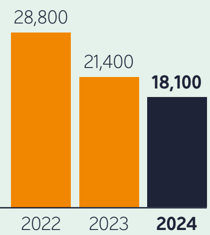
(4.5%)



Number of plots in 'pipeline' (plots)

18,100 plots

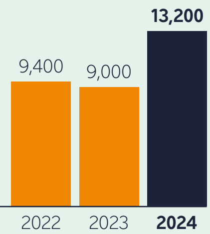
(15.4%)



Number of plots in strategic land bank – positive planning status (plots)

13,200 plots

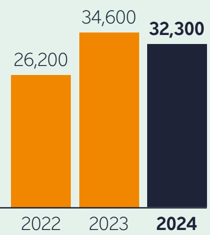
+46.7%



Number of plots in strategic land bank – longer-term interests (plots)

32,300 plots

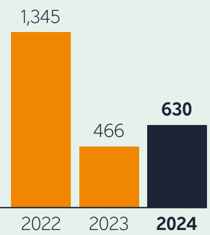
(6.6%)



Number of plots acquired with DPP (plots)

630 plots

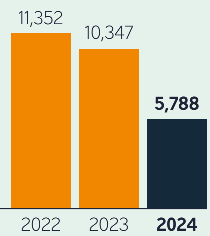
+35.2%



Number of plots converted from medium term 'pipeline' (plots)

5,788 plots

(44.1%)



Our Business Model continued

Design and construct high-quality homes, safely

Our homes are built to a high standard in compliance with specific building, technical and health and safety regulations and other regulatory requirements, as well as to our own quality standards, with a focus on our Artisan Collection of standard house types, to suit a variety of customer budgets and lifestyles.

The health, safety and wellbeing of our employees, subcontractors and visitors to our developments, is our key priority. We continue to evaluate our working methodologies to ensure they are robust, compliant, and create a safe working environment.

We strive to maintain long-term working relationships with reputable subcontractors and supply chain partners to reduce health and safety risks and to ensure the commercial availability and quality of materials and labour. We seek to ensure that we have suitable building materials available at competitive prices to enable us to construct homes to the high standards expected by our customers, within budget and on time. We closely monitor work-in-progress to ensure that build rates are consistent with sales rates to avoid unnecessary capital inefficiencies.

The risks

- Shortage of building materials at competitive prices.
- Shortage of appropriately skilled construction people and subcontractors.
- Significant health and safety risks inherent in the construction process.

There has been no change to these risks during the year.

What we do and how we manage risk

The key to enabling us to deliver homes built to the right standard, at the right time and at the right price, are the experienced construction people, strong relationships we have with our skilled subcontractors and consultants, together with Group purchasing arrangements with suppliers and manufacturers.

Alignment with 'Better with Bellway'

Building Quality Homes, Safely

See pages 49 to 52.

The health and safety of everyone who works on and visits any of our locations is paramount, and we continue to review our procedures for best practice. We continue to carry out site inductions to anyone visiting our sites, toolbox talks and workshops to ensure high health and safety standards across the Group.

Sustainable Supply Chain

See pages 53 to 54.

We continue to work with our subcontractors, consultants, and suppliers and manufacturers of materials to maintain our strong long-term relationships, which generate benefits for those we do business with and the communities in which we operate.

Customers and Communities

See pages 39 to 40.

We continue to focus on our Artisan Collection of standard house types, to ensure a high-quality variety to suit different customer budgets and needs.

Carbon Reduction

See pages 45 to 48.

We have built several low-carbon exemplar homes on a trial basis to help better understand upcoming challenges and industry targets. These are designed to be constructed using low-carbon methods and reduce end user carbon emissions.

Target: Reduce 'absolute' scope 1 and 2 emissions (tonnes CO_2e) by 46% by July 2030 against FY19 baseline of 14,261.

R **2024: 14,228**

Resource Efficiency

See pages 55 to 56.

Reducing waste on-site, in divisional offices and in sales centres delivers cost savings for the business and reduces the amount of waste sent to landfill.

Target: Reduce waste per completed home by 20% to 7.1 tonnes by July 2025.

R **2024: 7.1 tonnes**

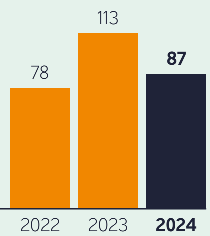
How we measure our performance

Health and safety performance is taken into account as part of the overall assessment of the Executive Directors' potential bonus payment. We continue to improve our reporting procedures, which are measured via the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR') rate. The Group is committed to continuing to improve health and safety standards.

Slips, trips and falls (incidents)

87 incidents

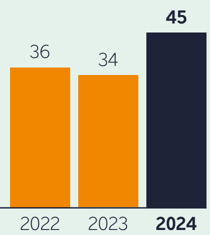
(23.0%)



Number of NHBC Pride in the Job Awards (awards)

45 awards

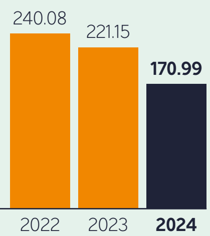
+32.4%



Number of RIDDOR seven-day reportable incidents per 100,000 site operatives (incidents)

170.99 incidents

(22.7%)



Selling homes and delivering an excellent customer sales experience

We provide excellent customer service from the moment our customers decide to look for a new home and throughout all stages of their journey, including the early years of home ownership. Our Customer First programme supports all Bellway employees and subcontractors to deliver to these high standards of customer service.

Our achievement of retaining the HBF five-star[5] homebuilder status for the eighth consecutive year highlights our commitment to providing the highest level of service to all our customers. Our dedicated customer care teams within each division, deliver high levels of customer service with the support of our Group Customer Care Director and our Group office team.

Beyond the HBF survey, we also engage with our customers through Trustpilot inviting customers to feedback on all aspects of our service. In addition to this, we have a subcontractor portal to better manage any post-completion issues reported by our customers.

The risks

- Failure to be responsive to customer requests and feedback.
- The risk to Bellway's reputation if customer service is inadequate.
- These risks are not regarded as principal risks and so have not been included in our principal risk table on pages 83 to 87.

What we do and how we manage risk

Our well-trained and motivated team members through all disciplines within the business have the necessary skills and enthusiasm to deliver the highest levels of customer service. All employees are required to complete annual training on NHQB requirements.

Our construction teams are committed to building quality homes to be proud of.

Alignment with 'Better with Bellway'

Customers and Communities

See pages 39 to 40.

Customer handover packs contain information on sustainable travel, local recycling centres and energy efficiency advice.

We continued to develop our school engagement programme in partnership with The School Outreach Company with the aim of driving awareness of Bellway and highlighting the career opportunities available in our industry.

Carbon Reduction

See pages 45 to 48.

We continue to improve energy efficiency by building homes that are, on average, more energy efficient than is required by building regulations.

How we measure our performance

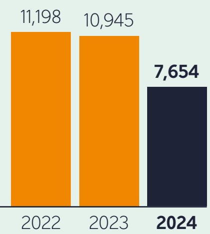
We have chosen the following KPIs as they demonstrate progress made in delivering our strategy of volume growth alongside customer satisfaction. These include responses to the question 'Would You Recommend Bellway to a Friend?' in the 9-month survey, which is the driver for the five-star[5] homebuilder status, and the overall satisfaction score, which captures feedback on a range of categories including Quality, Service After and Standard of Finish.

Bellway were awarded five-star[5] homebuilder status in March 2024 for the period ended 30 September 2023. The final 'Recommend a Friend' score was 91.6% against a target of 90%.

Number of homes sold (homes)

7,654

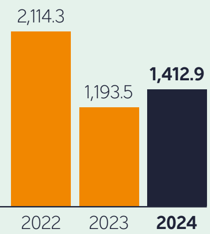
(30.1%)



Order book value at 31 July (£m)[(2)]

£1,412.9m

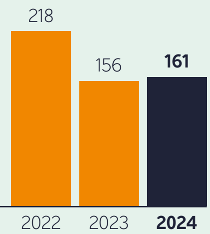
+18.4%



Total reservation rate (homes per week)

161

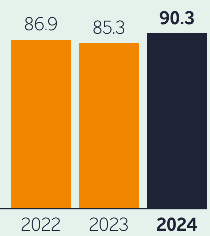
+3.2%



NHBC overall score (%)

90.3%

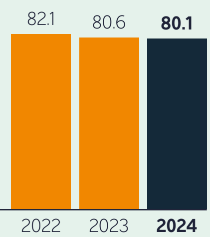
+5.0ppt



NHBC 9-month 'would you recommend Bellway to a friend' satisfaction score (%)

80.1%

(0.5ppt)



Our Marketplace

The housing market backdrop is improving, with customer confidence recovering and supported by a moderation of both mortgage interest rates and consumer price inflation. High-quality, energy efficient housing remains in short supply across many parts of the country, and in recent years, this has been exacerbated by changing regulations in the planning system. In this regard, we welcome the new government's plans to reform the planning system, which in time is expected to unlock land supply, and Bellway remains in a strong position to capitalise on future growth opportunities.

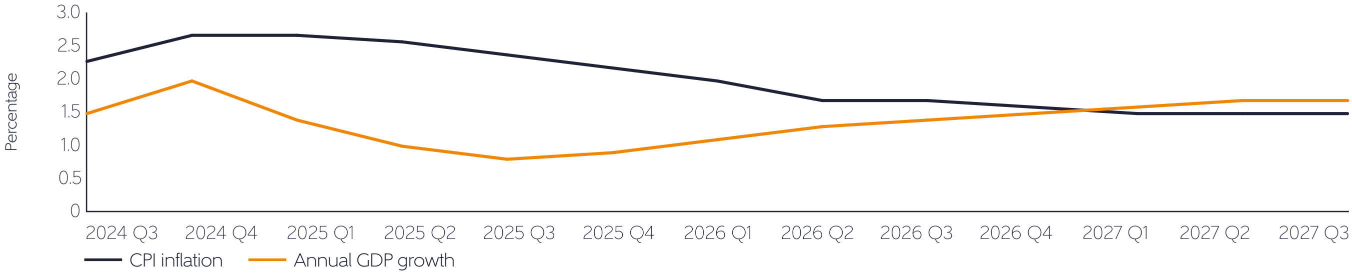
Demand factors

The UK economy

The UK economy has shown a modest recovery in calendar year 2024, with GDP growth of 0.7% in the quarter to 31 March 2024, and 0.6% in the quarter to 30 June 2024. This follows an annual increase of only 0.1% in calendar year 2023, which was the lowest level of economic growth since the Global Financial Crisis in 2009.

The medium-term economic growth outlook is for further gradual improvements, with the Bank of England's August 2024 projections implying annual GDP growth rising to 1.7% by 2027. This recovery is supported by low levels of unemployment which, at 4.1% in July 2024, remains low by historical standards. In addition, consumer price inflation is coming under control, with the Consumer Prices Index ('CPI') at 2.2% in the year to August 2024, having fallen from a recent high of 11.1% in October 2022. CPI inflation is now close to the Bank of England's 2% target and, as a result, its Monetary Policy Committee ('MPC') has begun to lower the base rate, which was reduced from a 15-year high of 5.25% to 5.00% in August 2024.

CPI inflation and growth GDP expectations

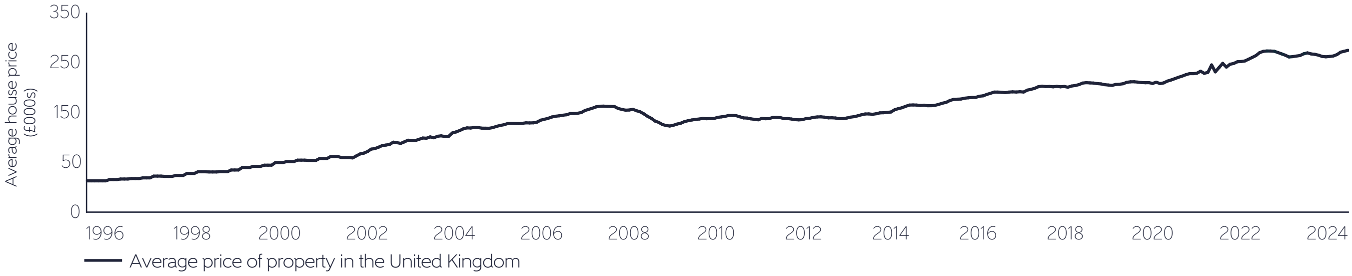


Source: Office of National Statistics

House prices and mortgage affordability

Figures from the UK Land Registry's House Price Index in July 2024 showed an annual increase in the average UK house price of 0.6% to £289,723. Average nominal house prices have remained relatively resilient, however, the effects of high levels of wider inflation in the economy have led to a reduction in real house prices of around 15% since the recent peak in house prices in

House Price Index (£)

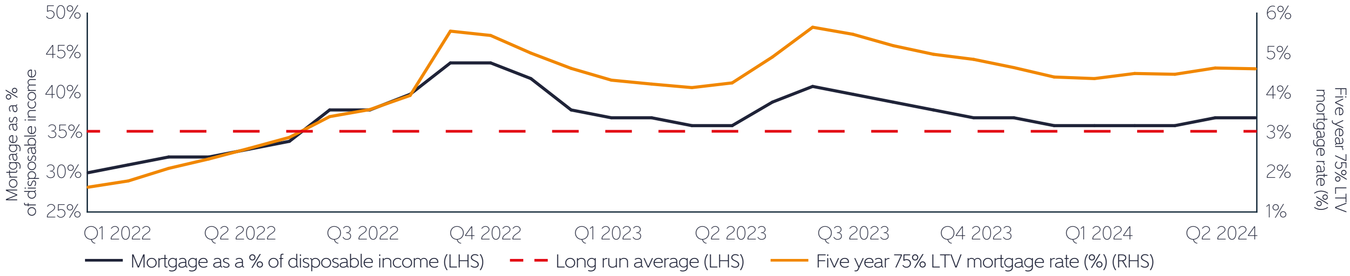


Source: Office of National Statistics

The Bank of England's interest rate decisions and financial market expectations on the future path of interest rates both have a direct impact on mortgage affordability. Overall, mortgage interest rates have reduced through financial year 2024, and together with ongoing wage rises and limited house price inflation, this has led to an easing of affordability constraints and supported an improvement in customer demand.

Average mortgage payments as a percentage of take-home pay have reduced from the elevated levels since the summer of 2022, and are currently within the range of historical norms.

Mortgage costs as a proportion of disposable income

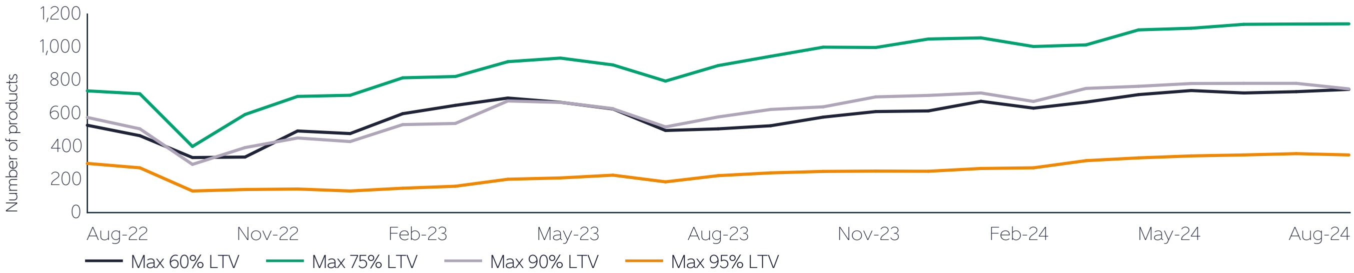


Source: Office of National Statistics ('ONS') / Nationwide House Price Index

Mortgage costs as a proportion of UK average household disposable income, based on Bellway private ASP in H2 FY24 and indexed to historical Nationwide house price index. Interest rates from Bank of England monthly average quoted mortgage rates. Household disposable income data from the ONS. All figures in real terms in 2024 prices and adjusted using RPI from the ONS.

To support the improving trading backdrop, there remains good availability of mortgage products, with healthy increases in product numbers across all loan-to-value categories during the year.

Mortgage products by LTV



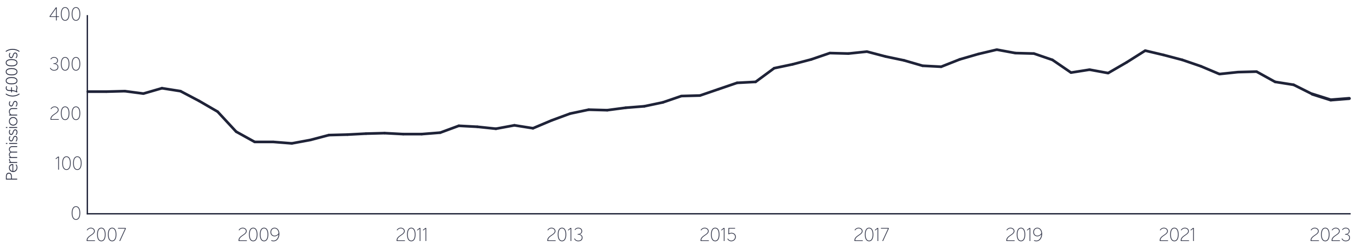
Supply factors

Land supply and planning permissions

Bellway has a high-quality land bank with strength and depth, and our experienced land teams have continued with a disciplined and targeted approach to land acquisition during the year. The improving economic outlook in terms of both lower interest rates and house price stability has driven an increase in opportunities and our activity in the land market, notably since the start of calendar year 2024.

Despite this, the planning system remains fraught with delays, having been impacted by under-resourced planning departments and the dilution of housing targets by the previous government in late 2023. As a result, planning permissions granted for housing are currently at a ten-year low.

Number of units granted planning permission in England



Source: www.Gov.uk

The new government plans to reform the planning system to support a marked increase in the supply of new homes across the country, and we welcome its plans to reintroduce mandatory housing targets.

Building materials and labour

During the year, build cost inflation continued to moderate with the easing of cost increases driven by the combined effect of lower levels of construction activity and the fall in energy costs since their peak in the summer of 2022.

The industry-wide decline in construction activity has reduced the demand for building materials, and there are currently good levels of labour and materials availability across the Group. As a result, there is limited overall material cost inflation on new tenders, and requests for subcontract price increases remain low for most trades.

Bellway has well-established relationships with its subcontract partners and together with our strong commercial disciplines, the Group's subcontract labour costs continue to be closely managed.

Chair's Statement

Creating value for shareholders

> The Group is focused on driving both profitable growth and a long-term improvement in RoCE, given the positive compounding effect on shareholder value that this can create."

John Tutte
Chair

Introduction

Bellway has successfully navigated a period of challenging trading conditions since the summer of 2022, and we are encouraged that the housing market outlook is now improving. On behalf of the Board, I would like to thank our colleagues, subcontractors and supply chain partners who have shown continued resourcefulness and commitment to providing high-quality homes and service for our customers.

The hard work and dedication of our teams has been recognised through several industry accolades, including 'Large Housebuilder of the Year' at the 2023 Housebuilder Awards. I am also delighted that Bellway has been awarded five-star[5] homebuilder status by the HBF for the eighth consecutive year.

Strategic priorities

The Group has a clear focus on maintaining financial and operational strength to enable ongoing value creation for shareholders through the delivery of our strategic priorities. Further details of these priorities are set out below:

- Deliver long-term volume growth;
- Drive a long-term improvement in RoCE; and
- Operate responsibly and sustainably through our 'Better with Bellway' strategy.

Long-term volume growth

The Group is encouraged by the improving economic outlook in terms of both lower interest rates and house price stability. We also welcome the new Government's focus on addressing the ongoing shortfall of housing and its recognition of the importance of housebuilding to drive sustained economic growth. Bellway supports the Government's plans to reform the planning system to drive a marked increase in the supply of new homes across the country.

Given this improving backdrop and the combination of our strong land bank, healthy forward order book and work-in-progress position, the Board is confident that the Group has an excellent platform to build on its proven track record of organic volume growth in the current financial year and beyond. Bellway's balance sheet strength will enable future investment to further support our plans for multi-year volume growth.

Bellway has a strong operational structure, currently with 20 trading divisions, which have capacity for material organic volume growth. The Group also has the potential to scale up this structure, and given a mature division can typically deliver annual volume output of around 650 completions in a stable market, we have scope to significantly increase overall volume output in the years ahead. The long-term fundamentals of the UK housebuilding industry remain positive and Bellway will continue to play an important role in meeting the growing need for new homes across the country.

Long-term improvement in RoCE

The Group is focused on driving both profitable growth and a long-term improvement in RoCE, given the positive compounding effect on shareholder value that this can create.

While lower profitability in financial year 2024 led to a reduction in underlying RoCE to 6.9%[2,3] (2023 – 15.8%), we are pleased that the significant industry headwinds faced in the last two years, including affordability pressures and cost inflation, are receding from the previous elevated levels. Given the improving market backdrop and the strength of our order book and outlet opening programme, we have a strong platform from which to begin a recovery in RoCE from the current financial year.

To help sustain this recovery, and in addition to our ongoing management of costs, we expect to deliver additional volume output from our strategic land bank in the years ahead. Supported by the Government's plans to reform the planning system and unlock land supply, our strategic land bank will underpin our long-term volume growth aspirations and, in turn, help to improve asset turn and margin.

We are also increasing the use of timber frame construction across the Group, which can improve build efficiencies and asset turn, as well as reducing carbon emissions in the supply chain. As part of this strategy, we are planning to open our own timber frame production facility, 'Bellway Home Space', to help meet our target of growing timber frame construction to around 30% of housing output by 2030.

These areas of focus, together with an improvement in operating margin, can support a recovery in underlying RoCE and, combined with our ongoing investment in land with compelling financial returns, the Board remains optimistic that Bellway is well-placed to deliver a normalised underlying RoCE of up to 20%[2,3] over the longer-term.

'Better with Bellway'

'Better with Bellway' is the Group's strategy and long-term commitment with regards to acting responsibly and sustainably. The strategy outlines ambitious targets in respect of our three flagship areas of Carbon Reduction, Customers and Communities, and becoming an Employer of Choice.

Supported by several research projects underway across the business, strong headway has been made in laying the foundations for a lower carbon footprint as we work towards a significant reduction in the Group's emissions by 2030. The Group's scope 1 and 2 carbon emissions have reduced by 14.1% compared to the prior year and by 44.7% since our base year of 2019, and we are in an excellent position to meet our goal of a 46% reduction by 2030, significantly ahead of target.

Reflecting our focus on build quality and customer service, we are proud to have retained our position as a five-star[5] homebuilder for the eighth consecutive year. There has also been an excellent response to our most recent employee engagement survey and, despite the ongoing challenges in the market during the year, 87% of colleagues (2023 – 89%) said they would recommend Bellway as 'a great place to work'.

In addition to the flagship priority areas, the 'Better with Bellway' strategy includes targets in respect of biodiversity, resource efficiency, charitable engagement, sustainability throughout the supply chain and building quality homes safely. Through a range of initiatives, we have embedded 'Better with Bellway' across the Group's operations, and we are proud that the efforts of our colleagues have been recognised through several industry awards. More details are set out later in this report and are also available on our website at www.bellwayplc.co.uk/sustainability

In relation to building safety, our ongoing focus on this serious matter is reflected by the proactive approach to assessing and remediating schemes through our dedicated Building Safety division, and the Group is making every effort to further accelerate progress in this area.

Since the start of our remediation programme, the Group has spent £146.3 million on legacy building safety issues. Notwithstanding the ongoing complexities with regards to building safety, Bellway is focused on completing works as promptly and efficiently as possible, and we expect to continue making strong progress with our programme of remediation in the current financial year.

Delivering value creation for shareholders

The successful delivery against our strategic priorities will ensure the Group continues to generate long-term value for shareholders, and the Board believes this is best gauged through increasing NAV per share and supplemented by regular dividends. Over the last decade, Bellway has delivered a strong annualised accounting return in NAV and dividends paid of 13.6%[2].

In the year ended 31 July 2024, NAV per share rose modestly to 2,913p[2] (2023 – 2,871p), with the effect of lower volume output and earnings offset by the benefits of our value-driven approach to capital allocation. This included the positive effect of the final tranche of the £100 million share buyback, which completed in October 2023, and £131.7 million of dividend payments made during the year.

The Board has recommended a final dividend for financial year 2024 of 38.0p per share (2023 – 95.0p). This brings the total proposed dividend to 54.0p per share (2023 – 140.0p) and, if approved, the overall dividend will be covered 2.5 times[2,3] by underlying earnings (2023 – 2.3 times), in line with the Board's previously stated policy.

Looking ahead, the strength of our land bank and balance sheet provides the Group with optionality, and the reinvestment of capital into compelling land opportunities will continue to be balanced with future shareholder returns.

Board changes

Simon Scougall has recently joined the Board in the newly created executive role of Chief Commercial Officer. Simon has held a number of senior positions within Bellway over the past 13 years, including Group General Counsel and Company Secretary and joined the Board on 1 August 2024. We look forward to working with Simon in the years ahead as he continues to support the Group in the delivery of our strategy.

Cecily Davis joined the Board on 1 May 2024 as an independent Non-Executive Director. Cecily's expertise as an engineering, procurement and construction lawyer combined with her experience as a Non-Executive Director and strong commitment to the improvement of ESG in the construction sector, has further strengthened the Board.

As previously announced and following a successful career that has spanned over 15 years with Bellway, Keith Adey, Group Finance Director, is to step down from his role on 1 December 2024. Keith will remain on the Board as an Executive Director until 21 March 2025. On behalf of the Board and everyone at Bellway, I want to place on record our sincere gratitude for Keith's significant and highly valued contribution to Bellway's growth and sustainability strategy, and for his dedicated service over the years.

Following a thorough recruitment process for Keith's successor, and as announced on 11 October 2024, Shane Doherty will join the Board as our new Chief Financial Officer on 2 December 2024. Shane brings a wealth of financial and sector experience to Bellway, having most recently held the same position at Cairn Homes plc, and we look forward to welcoming him to the Group.

Future long-term success

Bellway has an experienced leadership team with operational strength-in-depth across the organisation. Given these qualities and our robust balance sheet, I am confident that the Group is well-positioned to capitalise on future growth opportunities, deliver against our strategic priorities and create a positive outcome for our stakeholders over the long term.

John Tutte
Chair

14 October 2024

Chief Executive's Market and Operational Review

Strong long-term fundamentals with Bellway

> **"Bellway's divisional structure has significant capacity to deliver sustainable volume growth… combined with our operational strength and robust balance sheet, the Group is well-placed to deliver strong multi-year growth and to continue creating value for all our stakeholders."**
>
> **Jason Honeyman**
> Group Chief Executive

Market

Customer confidence gradually improved throughout the year, driven by a moderation of both mortgage interest rates and consumer price inflation, and an increase in wages. Trading patterns were less volatile than the prior financial year when rapid changes in borrowing rates led to significant variations in customer demand. We have been encouraged by the improvement in affordability during the year and the relative stability in mortgage interest rates since January 2024. Overall, this led to a reduction in the cancellation rate to a normalised level of 14% (2023 – 18%).

The private reservation rate was 13.8% higher than the prior year at an average of 124 per week (2023 – 109), with the improvement driven by stronger demand and an increase in outlet numbers. The private reservation rate per outlet per week increased by 10.9% to 0.51 (2023 – 0.46) including a small contribution from bulk investor sales of 0.02 (2023 – 0.01). The private reservation rate per outlet per week in the second half of the financial year increased to 0.58 (six months to 31 July 2023 – 0.53) compared to 0.43 in the first half (six months to 31 January 2023 – 0.38), reflecting the improving trading backdrop and a seasonal uplift through the spring.

The overall reservation rate, including social homes, rose by 3.2% to 161 per week (2023 – 156). The more modest rate of increase reflects the planned reduction in social housing completions, in both financial years 2024 and 2025, compared to the elevated level achieved in financial year 2023. This is in line with expectations and follows a period in which the Group accelerated the construction of social homes as part of a wider programme of cash generation and maintaining financial resilience when trading conditions became challenging in late summer 2022.

The Group traded from an average of 245 outlets during the year (2023 – 238), in line with our expectations, with a closing position of 250 outlets at 31 July 2024 (2023 – 240). The 2.9% increase in average outlets was driven by the strength of our land bank and targeted approach to land acquisition and was achieved despite the ongoing delays in the planning system.

Bellway's focus on traditional two-storey family housing attracts a wide range of customers and, notwithstanding variations in mortgage rates during the year, demand for our high-quality new homes was supported by good availability, in general, of mortgage finance. The availability of mortgage products and affordability does, however, remain relatively constrained for those customers requiring higher loan-to-value mortgages, although we have seen continuing demand from first-time buyers, which accounted for around 36% of private reservations (2023 – 34%). We have continued to see relatively healthy levels of underlying demand from second-time buyers, which accounted for around 60% of private reservations (2023 – 64%). Sales to investors have remained low and represented around 4% of private reservations (2023 – 2%), with the increase partly reflecting the modest rise in bulk sales during the year.

Overall, headline pricing across our regions has remained firm, and our sales teams continue to use a range of targeted incentives to encourage further customer interest and secure reservations. The use of selling incentives has generally remained stable during the year, although there has been more limited use in regions where affordability remains good in the context of the local market and in areas with healthy employment levels.

High-quality land bank to support outlet opening programme and volume growth ambitions

Bellway has a high-quality land bank with strength and depth to support our growth plans, and our experienced land teams have continued with a disciplined and targeted approach to land acquisition during the year. Our approach to investment and rigorous approval process remains focused on securing land interests which offer compelling financial returns and where possible, have flexibility in the contract terms.

There is a well-established Group-wide oversight for land approval at Bellway which ensures we focus our investment resource in the areas where investment returns are supported by strong demand. As part of this process, all sites are reviewed by our divisional teams, a Regional Chair, and again by the Group's Head Office land acquisition team, prior to entering into contract, in order to assess and optimise the margin. This process also includes a review of layouts, product offering and biodiversity solutions, to ensure we are offering a sustainable and attractive product to our customers.

Given the cyclical nature of the housebuilding industry, maintaining Bellway's financial strength forms the foundation of our capital allocation policy, and enables the Group to swiftly respond to attractive land opportunities when they arise. Our land bank was enhanced by a period of front-footed investment prior to financial year 2023 and will help the Group to achieve its strategic priority of long-term volume growth.

The table below analyses the Group's land holdings:

	2024 Plots	2023 Plots
DPP: plots with implementable detailed planning permission	**30,787**	32,229
Pipeline: plots pending an implementable DPP	**18,100**	21,400
Bellway owned and controlled plots	**48,887**	53,629
Bellway share of land owned and controlled by joint ventures	**905**	935
Total owned and controlled plots	**49,792**	54,564
Strategic land holdings	**45,500**	43,600
Total land bank[4]	**95,292**	98,164

Reflecting ongoing planning delays, volume output and the reduced level of land buying during the year, Bellway's owned and controlled land bank has decreased, yet remains healthy at 48,887 plots (2023 – 53,629 plots). This represents a land bank length of 6.4 years (2023 – 4.9 years) when based on the last 12 months' legal completions.

Within our land bank we have 30,787 plots (2023 – 32,229 plots) with an implementable detailed planning permission ('DPP') and our pipeline land bank comprises 18,100 plots (2023 – 21,400 plots). The reduction in the number of pipeline plots reflects our lower land buying activity and several pipeline sites receiving an implementable DPP in the year.

As noted earlier, the Group operated from an average of 245 outlets in the year (2023 – 238) with 250 active outlets at 31 July 2024 (2023 – 240). We have good visibility on the expected timing of near-term planning decisions, and we currently expect to open around 50 new outlets in financial year 2025 (2024 – 80). The Group is well-positioned to maintain the average number of outlets at around 245 during the year to 31 July 2025, with the outcome also dependent on sales rates and therefore the number of outlets closing during the year.

↑ Our Springwood development in Woodville, Derbyshire.

The improving economic outlook in terms of both lower interest rates and house price stability has supported an increase in our activity in the shorter-term land market, notably since the start of calendar year 2024. Overall, during financial year 2024, the Group has contracted to purchase 4,621 owned and controlled plots (2023 – 4,715 plots) across 27 sites (2023 – 35 sites) with a total contract value of £344.8 million (2023 – £378.2 million). We have also continued to rebuild our future pipeline of potential acquisitions, with Heads of Terms agreed on around 8,100 plots at 29 September 2024.

The planning system has remained fraught with delays. The Competition and Markets Authority ('CMA') published the results of its wide-ranging market study into the housebuilding sector in England, Scotland and Wales in February 2024, concluding that the UK's complex and unpredictable planning system was primarily responsible for the persistent under delivery of new homes. The report highlighted that local authority planning departments are typically under resourced, and several do not have up to date local plans, clear targets or strong incentives to deliver the number of homes needed in their areas. This has been exacerbated by the dilution of housing targets by the previous Government in late 2023 and, as a result, planning permissions granted for housing are currently at a 10-year low.

Against this backdrop, we welcome the new Government's clear plan to reform the planning system and its longer-term approach to increase the supply of new housing, which includes the reintroduction of mandatory housing targets. While the Government's reforms will take some time to ease planning delays and unlock land supply, our land teams are focused on progressing an increasing number of planning applications from our high-quality land bank. Overall, we remain well-placed to deliver further increases in outlet numbers by the end of financial year 2026 and beyond to support our volume growth ambitions.

Chief Executive's Market and Operational Review continued

Strategic land investment to further support our long-term growth ambitions

Bellway's investment in strategic land has continued during the year, which has enhanced our overall land supply for a relatively low initial capital outlay. The Group's longer-term land opportunities are primarily sourced through option agreements by the Group's dedicated strategic land function, with commercial terms that will reflect future market values and conditions, while also allowing for prevailing planning policy requirements at the time of acquisition. Strategic land can also generate margin enhancement, in some instances, due to option agreements prescribing that land values will typically be agreed at a discount to open market cost, once planning permission has been obtained.

The Group entered into option agreements for 35 sites (2023 – 19 sites) in the year, building upon our increased activity in the strategic land market in recent years. As at 31 July 2024 the strategic land holdings comprised 45,500 plots (2023 – 43,600 plots) and has grown by 77.7% in the last five years (31 July 2019 – 25,600 plots).

The Group's experienced strategic land team is focused on promoting and delivering sustainable sites through the planning system, and is adept at navigating emerging planning policies and other legislative changes. Given our increased focus on strategic land and the proposed positive planning changes under the new Government, we expect to deliver a growing proportion of volume output from our strategically sourced land bank over the medium term.

Overall, the Group's ongoing investment in strategic land continues to provide balance sheet efficiency and financial flexibility through the use of option and promotion agreements, while also supporting our longer-term growth prospects, with plots usually expected to obtain planning permission over a period of five years or more.

Production and cost control

Build cost inflation has continued to moderate with the easing of cost increases driven by the combined effect of lower levels of construction activity and the fall in energy costs since their peak in late 2022.

The industry-wide decline in construction activity has reduced the demand for building materials, and there is currently limited overall material cost inflation on new tenders. There are presently good levels of product availability across the Group and our experienced procurement teams continue to work closely with our wide range of supply chain partners on demand planning, to ensure we are prepared for our targeted increase in volume output from the current financial year.

Bellway has well-established relationships with its subcontract partners and together with our strong commercial disciplines, the Group's subcontract labour costs continue to be closely managed. As construction output has declined across the country, requests for subcontract price increases remain low for most trades. The Group's outlet opening programme has provided good visibility on pipeline work for subcontractors and remains beneficial when negotiating new labour contracts and pricing, with minimum fixed price periods of 12 months secured for most trades.

Our subcontractors are also becoming increasingly familiar with our Artisan Collection house-types, which continue to drive a range of other benefits across the Group, including improved site layouts. The proportion of Artisan homes within Group housing completions rose to 57% of total output in financial year 2024 (2023 – 45%), and we expect further growth in the current year.

To improve productivity and response times on site, we have also introduced a new site-based quality management and compliance system across the Group. The system, Field View, is a mobile application which significantly reduces the need for office-based administrative work, thereby allowing construction teams to spend more of their time to drive on-site quality improvements. Digitalised forms and quality inspections, including those for key construction stages, health and safety, and fire stopping, can be completed on mobile tablets, while inspecting plots. Field View is also being used to monitor all key build stages to drive further efficiencies in the management of construction programmes.

Bellway has robust cost controls and an ongoing focus on margin protection. During the year, and as a part of our programme of continuous improvement, we have completed training sessions for all commercial colleagues at our Bellway Academy to promote and reinforce our strong commercial culture, while maintaining the high quality of our homes. We have also completed a series of build cost review meetings to enable inter-divisional benchmarking across live developments and Artisan house-types. These meetings are scheduled to continue on a regular basis in order to share best practice and help drive the business towards improved consistency.

Looking ahead, as the industry works towards building to the requirements of the Future Homes Standard, our Artisan Collection standard house-types and centralised approach to design, procurement and site layout reviews will continue to help the Group maintain efficiency and mitigate cost pressures.

'Bellway Home Space' – expanding the use of timber frame construction across the Group

As part of our long-term growth strategy, we are increasing the use of sustainably sourced timber frame construction across the Group. Timber frame construction offers a proven range of operational, financial and environmental benefits, and we have been expanding its use, on a trial basis, in several Bellway divisions in recent years, in addition to its long-established use in our two Scottish divisions.

As a modern method of construction ('MMC'), the use of timber frame in housebuilding is of growing importance in the UK, and the Government is supporting the increased use of MMC as part of its plans to increase the supply of high-quality, sustainable new housing.

We expect to generate a range of benefits from the use of timber frame in the years ahead and this has been corroborated from our onsite trials. These include faster build speed, reduced waste and improved construction quality, as off-site manufacturing can drive higher levels of quality control and consistency compared to traditional construction methods. In turn, these build efficiencies should support improvements in the Group's asset turn, together with strengthening customer care scores.

A street scene at our Heron's Mead development near Newport.

Compared to other mainstream building materials, timber requires minimal processing and has very low relative levels of embodied carbon.

To support our volume growth ambitions and carbon reduction goals, Bellway is targeting an increase in timber frame use to around 30% of housing output by 2030 (2024 – 12%). The planned growth in timber frame output will be achieved primarily by investing in our own proprietary timber frame manufacturing facility, 'Bellway Home Space'. In addition, we will continue to work with the UK's leading timber frame manufacturers for the supply and installation of timber frame homes to Bellway sites across the Group.

The Group has recently taken possession of a 134,000 square foot industrial unit for 'Bellway Home Space' under a long-term lease agreement. The facility, chosen for its transport links, is located within a strong logistics network near Mansfield, Nottinghamshire, and the Group has appointed an experienced Managing Director to run its timber frame operations. In order to drive efficiencies and quality, the facility will operate using computer driven robotic machinery which will be supplied by a leading, well-established manufacturer.

'Bellway Home Space' will have the capability to manufacture open panel systems, together with pre-insulated closed-panel systems, where both insulation and the inner sheath are assembled within the factory environment, further improving thermal efficiency and reducing on-site waste. We currently expect to produce our first homes from the facility in mid-2026, with a gradual increase to full capacity of up to 3,000 homes per annum by 2030. All management, manufacturing and materials control will be undertaken by Bellway, ensuring the Group benefits from its overall investment in the factory and machinery, while also providing the opportunity to innovate product and control costs.

The full benefits of timber frame construction will require some operational changes to the business, including the redesign of our Artisan house types to accommodate the requirements of timber frame and the Future Homes Standard. We expect this process to complete by the end of calendar year 2025.

Overall, we are confident that our investment in timber frame in the years ahead will underpin the delivery of our strategic priorities, to drive long-term volume growth and an improvement in RoCE, and help meet the targets set out in our 'Better with Bellway' sustainability strategy.

Recent trading and improving outlook

The combination of the improvement in trading and growth in outlet numbers led to a strong increase in the forward order book in financial year 2024. This comprised 5,144 homes (2023 – 4,411 homes) and increased in value by 18.4% to £1,412.9 million[2] (2023 – £1,193.5 million) at 31 July 2024.

Since the start of the new financial year, customer demand has remained robust and has been supported by an overall reduction in mortgage rates over the summer.

In the nine weeks since 1 August and against a weak comparative, the private reservation rate increased by 48.5% to 147 per week (1 August to 1 October 2023 – 99), representing a private reservation rate per outlet per week of 0.59 (1 August to 1 October 2023 – 0.41). The private reservation rate includes bulk investor sales, on attractive financial terms, totalling 232 homes (1 August to 1 October 2023 – 71 homes). The bulk sales represented a contribution of 0.10 to the private reservation rate (1 August to 1 October 2023 – 0.03).

Reflecting recent trading and volume output, the forward order book at 29 September 2024 remained at a healthy level, comprised 5,109 homes (1 October 2023 – 4,636 homes) and had a value of £1,427.9 million[2] (1 October 2023 – £1,232.3 million).

Outlook

The strength of the Group's forward order book, outlet opening programme and work-in-progress position provides Bellway with an excellent platform to deliver a material increase in volume output in financial year 2025.

If market conditions remain stable, the Group is targeting to deliver completions of at least 8,500 homes in the current financial year (2024 – 7,654 homes). As was the case in financial year 2024, volume output is expected to be weighted to the first half (half year ended 31 January 2024 – 53.5%), with this completion profile supporting cash generation and ongoing land investment. We are also aiming to retain a healthy forward order book at the end of the current financial year (2024 – 5,144 homes) to serve as a platform for further growth in volume output in financial year 2026.

Over the long term, Bellway's divisional structure has significant capacity to deliver sustainable volume growth. Given the depth and quality of our land bank and the Government's plans to support the increase of new housing supply, we also have scope to scale up the Group's divisional structure to fully capitalise on future growth opportunities. Combined with our operational strength and robust balance sheet, the Group is very well-placed to deliver strong multi-year growth and to continue creating value for all our stakeholders.

Jason Honeyman
Group Chief Executive

14 October 2024

Group Finance Director's Review

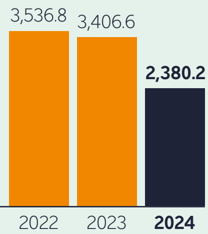
Focussed on long-term value creation

> "Given the Group's financial strength and high-quality land bank, the Board is confident that Bellway is in an excellent position to capitalise on future growth opportunities and to continue creating value for our shareholders over the long term."
>
> **Keith Adey**
> Group Finance Director

Group revenue (£m)

£2,380.2m

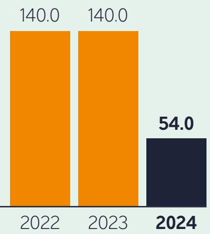
(30.1%)



Total dividend per ordinary share (p)

54.0p

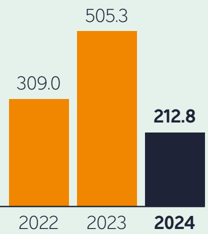
(61.4%)



Operating profit (£m)

£212.8m

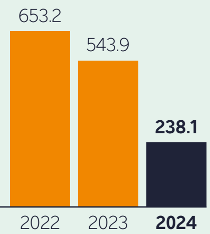
(57.9%)



Underlying operating profit (£m)(2)(3)

£238.1m

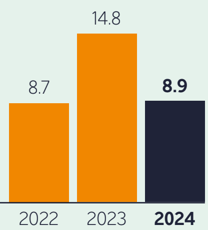
(56.2%)



Operating margin (%)(2)

8.9%

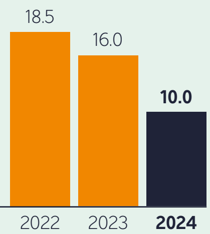
(590bps)



Underlying operating margin (%)(2)(3)

10.0%

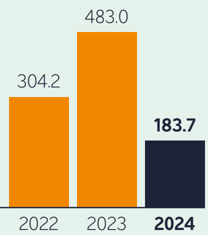
(600bps)



Profit before taxation (£m)

£183.7m

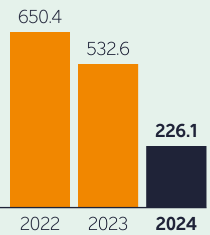
(62.0%)



Underlying profit before taxation (£m)(2)(3)

£226.1m

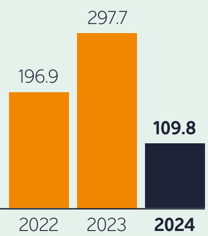
(57.5%)



Earnings per ordinary share (p)

109.8p

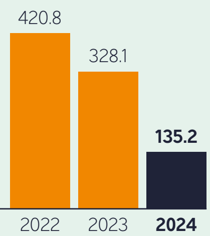
(63.1%)



Underlying earnings per ordinary share (p)(2)(3)

135.2p

(58.8%)



Trading performance

The Group has delivered housing revenue of £2,356.7 million (2023 – £3,396.3 million), a reduction of 30.6%, which was in line with our expectations and driven by the decrease in volume output. Other revenue was £23.5 million (2023 – £10.3 million) and comprises ancillary items such as land and commercial sales, and management fee income earned on our joint venture schemes. Total revenue was 30.1% lower at £2,380.2 million (2023 – £3,406.6 million).

The table below shows the number and average selling price ('ASP') of homes completed in the year, analysed between private and social homes, and against the prior year comparative:

	2024	2024	2023	2023	Variance (%)	
	Homes	**ASP (£000)**	Homes	ASP (£000)	Homes	ASP
Private	**5,758**	**347.7**	8,166	359.0	(29.5%)	(3.1%)
Social	**1,896**	**186.9**	2,779	167.3	(31.8%)	(11.7%)
Total	**7,654**	**307.9**	10,945	310.3	(30.1%)	(0.8%)

Total housing completions reduced by 30.1% to 7,654 homes (2023 – 10,945 homes), with the decline reflecting the lower order book at 31 July 2023 and the generally softer trading conditions in the first half of the financial year. Overall private output reduced by 29.5% to 5,758 homes (2023 – 8,166 homes), with a 31.8% decline in social housing output to 1,896 homes (2023 – 2,779 homes). This resulted in the proportion of social completions decreasing slightly to 24.8% of the total (2023 – 25.4%). We have good visibility on our near-term build programmes, and we expect a similar number of social housing completions in the current financial year.

The overall average selling price was £307,909 (2023 – £310,306), and this modest change was driven by the increase in the level of sales incentives, together with geographic and mix changes. Overall, headline pricing has remained firm across our regions, and we currently expect the average selling price in financial year 2025 to be around £310,000.

Underlying operating performance

The Group's commercial disciplines and proactive management of site-based overheads helped to alleviate some of the margin pressures faced during the year. Notwithstanding this, there has been a decrease in site profitability, in line with expectations, arising from cost inflation and the use of sales incentives, together with higher site-based overheads due to the generally slower sales market since the summer of 2022. This led to a 420 basis point reduction in the underlying gross margin to 16.0%[2,3] (2023 – 20.2%) and as a result, underlying gross profit decreased by 44.6% to £381.1 million[2,3] (2023 – £687.3 million).

Other operating income and expenses, which net to a modest expense of £1.2 million (2023 – £1.2 million), relate to the running of our part-exchange programme. Part-exchange activity remained low and was used for only 2.8% of completions (2023 – 1.7%), with a balance sheet investment as at 31 July 2024 of only £14.5 million (2023 – £18.0 million). The Group has strong controls around the use of part-exchange as a selling tool, and we have the financial capacity to increase its use, in a disciplined manner, if market conditions require it.

The underlying administrative expense decreased slightly to £141.8 million[2,3] (2023 – £142.2 million), with strong cost control and the lower headcount resulting from our workforce planning exercise in calendar year 2023 helping to offset underlying cost inflation. As a proportion of revenue, underlying administrative expenses rose to 6.0%[2,3] (2023 – 4.2%), with this due to the reduction in volume output in the year.

In financial year 2025, while we are maintaining a clear focus on costs, we expect administrative expenses to rise by up to 10%. This follows two years of broadly flat overheads and reflects the requirement to continue offering competitive reward packages to attract and retain talent in order to support our growth plans. It also includes the initial, pre-operational costs of our new proprietary timber frame manufacturing operations.

The underlying operating margin was 10.0%[2,3] (2023 – 16.0%), with the decrease driven by the lower underlying gross margin and the operational gearing effect of the decline in volume output. Overall, underlying cost pressures are beginning to ease, although residual cost inflation incurred in earlier periods will be realised through the income statement for legal completions in the months ahead. In financial year 2025, we expect the underlying operating margin to approach 11.0%[2,3].

We will continue with our disciplined approach to land investment and cost management through the cycle and, together with the support of stable conditions in the housing market, the Board is confident that an underlying operating margin in the mid to high-teens[2,3] is sustainable over the longer term.

Adjusting item: Net legacy building safety expense

Bellway continues to act responsibly with regards to building and resident safety, and this is reflected by the significant resource and funding the Group has committed to remediate its legacy apartments.

In March 2023 the Group signed the Self-Remediation Terms ('SRT') with the Government, and we have also signed up to the Welsh Government Building Safety Developer Remediation Pact (the 'Pact') and the Scottish Safer Buildings Accord, reinforcing our responsible UK-wide approach to legacy building safety.

Group Finance Director's Review continued

In total, for the year ended 31 July 2024, a net £37.0 million (2023 – £49.6 million) has been recognised in relation to legacy building safety. The following table shows the primary components of the net adjusting expense relating to legacy building safety, split by half year:

	H1 2024 £m	H2 2024 £m	FY 2024 £m	FY 2023 £m
SRT and associated review – cost of sales expense/(credit)	8.0	(1.9)	6.1	58.1
SRT and associated review – cost of sales recoveries	–	(0.3)	(0.3)	(50.0)
Structural defects – cost of sales expense/(credit)	(0.6)	14.7	14.1	30.5
Net cost of sales expense	7.4	12.5	19.9	38.6
SRT and associated review – finance expense	8.8	7.1	15.9	11.0
Structural defects – finance expense	0.6	0.6	1.2	–
Total net legacy building safety expense	16.8	20.2	37.0	49.6

The total adjusting expense includes a net adjusting expense of £19.9 million through cost of sales, of which a net £5.8 million relates to the refinement of overall cost estimates in relation to the SRT and associated review, and a modest level of recoveries. It also comprises an additional £14.1 million for the structural defects provision in relation to an isolated design issue identified with the reinforced concrete frame of an apartment scheme in Greenwich, London in financial year 2023.

The additional provision in relation to the Greenwich apartment scheme reflects increases in the estimated costs due to changes in the approach to remediation, following the completion of more intensive modelling work. Bellway is actively pursuing recoveries from the entities involved in the development of the Greenwich apartment scheme, primarily through their insurers, however, given the complexity of this process, these have not yet been recognised as an asset. The Group has undertaken a review of other buildings constructed by, or on behalf of Bellway, where the same third parties responsible for the design of the frame in the Greenwich development have been involved, and no other similar design issues with reinforced concrete frames have been identified.

The Group's legacy building safety provision has been calculated based on our extensive experience to date, using analysis of previously tendered works and prudent, professional estimates based on our knowledge of known issues. For buildings where full investigations have not yet been undertaken or cost reports obtained, an allowance has been made for as yet undiscovered problems, based on experience to date from similar developments. Costs have been provided regardless of whether Bellway still retains ownership of the freehold interest in the building or whether warranty providers have a responsibility to carry out remedial works.

As part of the industry's commitments under the SRT, developers are required to submit quarterly data returns to the Ministry of Housing, Communities and Local Government ('MHCLG'). These detail the progress on building assessments and remediation works, although in some instances, the reporting obligations can be subject to interpretation. Notwithstanding this, Bellway has adopted a consistent and prudent approach, only reporting assessments to have been undertaken when they are supported by a report from an independent qualified fire engineer.

The total amount Bellway has set aside for legacy buildings in England, Scotland and Wales since 2017 is £655.5 million. Demonstrating our ongoing commitment to deliver appropriate solutions for legacy buildings, the Group has spent £146.3 million since the start of the remediation programme, including £36.3 million during financial year 2024 (2023 – £32.9 million). The remaining provision at 31 July 2024 was £509.2 million.

The Group's established and dedicated Building Safety division is making every effort to accelerate progress with assessment and remediation. As at 30 September 2024, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 137 buildings where work is complete or underway.

Our experienced site remediation teams are focused on completing works as promptly and efficiently as possible and, despite ongoing industry-wide delays in relation to obtaining building access licences, we expect to make further strong progress with assessment and remediation in the current financial year and beyond. Overall, Bellway has the operational and financial resources to meet its commitments for legacy building safety.

The adjusting finance expense in financial year 2024 of £17.1 million (2023 – £11.0 million) related to the unwinding of the discount on both the SRT and associated review provision and the structural defects provision. This is a technical interest unwind, based on prevailing gilt rates at 31 July 2023 and 31 January 2024.

We currently anticipate a total adjusting legacy building safety finance expense, in relation to both the SRT and associated review provision and structural defects provision, of around £8 million in the first half of financial year 2025. The expense in the second half of the year will, in part, be dependent upon the movement in gilt rates.

Adjusting item: Aborted transaction costs

During the year, the Group recognised costs of £5.4 million in relation to the aborted Crest Nicholson Holdings plc transaction, as an adjusting item through administrative expenses.

Operating profit

After taking the cost of sales and administrative expenses adjusting items into consideration, total operating profit decreased by 57.9% to £212.8 million (2023 – £505.3 million).

Underlying net finance expense

The underlying net interest expense was £9.7 million[2,3] (2023 – £9.9 million). This includes notional interest on land acquired on deferred terms of £11.1 million (2023 – £13.1 million), with the decrease reflecting the reduction in land creditors.

The expense also comprises interest on the Group's fully drawn fixed rate US Private Placement ('USPP') loan notes of £3.4 million (2023 – £3.4 million) and net bank interest income of £nil (2023 – £4.4 million). Net bank interest income includes net interest receivable on cash balances, less loan interest, commitment fees and refinancing costs, and the reduction largely reflects the lower cash balances and higher borrowing in the period. Other net interest receivable was £4.8 million (2023 – £2.2 million) and primarily comprised £4.5 million (2023 – £2.2 million) in relation to interest received on loans to joint ventures.

Based on prevailing interest rates, the net underlying interest expense in financial year 2025 is currently expected to be around £16 million[2,3], with the anticipated increase to be primarily driven by higher interest rates on the Group's land creditor balance.

Profit before taxation

Including our share of loss from joint ventures of £2.3 million (2023 – £1.4 million), which reflects upfront financing costs on a long-term scheme, underlying profit before taxation reduced by 57.5% to £226.1 million[2,3] (2023 – £532.6 million). Reported profit before taxation decreased by 62.0% to £183.7 million (2023 – £483.0 million).

Taxation

The income tax expense was £53.2 million (2023 – £118.0 million), reflecting an effective tax rate of 29.0% (2023 – 24.4%). The increase in the tax rate in the period was driven by the full year effect of the six percentage points rise in the standard rate of UK corporation tax in April 2023.

The effective tax rate also includes the Residential Property Developer Tax ('RPDT'), which was introduced in April 2022 and charged at a rate of 4% of relevant taxable profits.

Profit for the year

The underlying profit for the year was lower by 60.1%, at £160.6 million[2,3] (2023 – £402.2 million) and underlying earnings per share was 135.2p[2,3] (2023 – 328.1p).

After considering the adjusting items, reported profit for the year reduced by 64.2% to £130.5 million (2023 – £365.0 million). Basic earnings per share was 109.8p (2023 – 297.7p).

Strong balance sheet and financial position

Bellway's well-capitalised balance sheet principally comprises amounts invested in land and work-in-progress. Within total inventories of £4,714.8 million (2023 – £4,575.6 million), the carrying value of land was £2,431.4 million (2023 – £2,578.8 million) and work-in-progress increased by 14.1% to £2,123.9 million (2023 – £1,861.6 million). The higher work-in-progress balance has arisen, as expected, because of the slower sales market, but it also reflects our investment in site infrastructure and early-stage foundation work, for our ongoing strong programme of outlet openings.

Notwithstanding the lower profit in the year, we have maintained financial resilience, and net debt at 31 July 2024 was low and in line with expectations at £10.5 million[2] (2023 – net cash of £232.0 million). Average net debt was £45.8 million[2] (2023 – average net cash of £192.0 million). Expenditure on land, including payment of land creditors, was £465 million (2023 – £467 million), primarily comprising cash payments on contracts approved in previous financial years. Committed land obligations have reduced significantly to £225.3 million (2023 – £368.8 million) and adjusted gearing, inclusive of land creditors, remains low at 6.8%[2] (2023 – 4.0%).

In relation to its legacy, defined benefit pension scheme, the Group had a retirement benefit asset of £0.9 million (2023 – £2.5 million) at 31 July 2024, reflecting an ongoing commitment to fund this future, long-term obligation.

To support our growth plans and ongoing investment in land, the Group has access to significant levels of committed, medium and long-term debt finance, totalling £530 million. This comprises bank facilities of £400 million and £130 million of fully drawn sterling USPP loan notes, which have maturity dates that extend in tranches to February 2031. We remain focused on preserving Bellway's balance sheet resilience and we expect to end the current financial year maintaining a low level of adjusted gearing[2].

Long-term value creation

The Group's net asset value at 31 July 2024 was broadly in line with the prior year at £3,465.4 million (2023 – £3,461.6 million), as lower profitability was offset by cash dividend payments of £131.7 million (2023 – £171.7 million). The positive effect of the final tranche of the £100 million share buyback, which completed in October 2023, led to a modest increase in NAV per share to 2,913p[2] (2023 – 2,871p).

Underlying post-tax return on equity was 4.7%[2,3] (2023 – 11.7%) and underlying RoCE was 6.9%[2,3] (2023 – 15.8%), or 6.4%[2,3] (2023 – 14.3%) when including land creditors as part of the capital base. The reduction in these return metrics was driven by the lower asset turn and underlying operating margin. In the current financial year, we expect to deliver a strong increase in volume output and, as a result, improvements in both asset turn and margin will start a recovery in returns.

Over the last decade, and notwithstanding periods of significant challenge for our industry, Bellway has delivered a strong annualised accounting return in NAV and dividends paid of 13.6%[2]. Given the Group's financial strength and high-quality land bank, the Board is confident that Bellway is in an excellent position to capitalise on future growth opportunities and to continue creating value for our shareholders over the long term.

Keith Adey
Group Finance Director

14 October 2024

A responsible and sustainable approach with Bellway

For over 75 years, Bellway has been constructing high-quality new homes across the UK, creating exceptional properties and communities in sought-after locations. We are committed to operating responsibly and sustainably, while acknowledging the increasing importance of understanding our business' impact.

Our flagship business priorities

Customers and Communities

→ Read about how we are engaging in our communities on pages 39 to 40.

'Better with Bellway' vision

Mapping key sustainability topics with business priorities

People

- Customer First
- Diversity and Inclusion
- Building Safely
- Upskilling Workforce

Business priorities

Customers and Communities

Putting customers and communities at the heart of everything we do.

Employer of Choice

Creating an environment that our colleagues can thrive in.

Building Quality Homes, Safely

Quality and safety first for everyone.

Sustainability is at the heart of our business, it is integrated in our day-to-day operations across the UK and long-term business strategy. As an organisation we understand our environmental impact.

Our 'Better with Bellway' strategy, which was launched over two years ago, reflects our dedication to responsible and sustainable business practice, with our eight strategic business priorities designed to ensure Bellway's success now and in the future by embedding our commitment into our operational strategy, as we work to reduce our impact as a business.

Our sustainable approach is a key part of our business strategy, 'putting people and the planet first'. Putting people first means building quality homes, safely, and a commitment to safety and sustainability within the supply chain, working closely with our partners to achieve this.

Fundraising for charities and encouraging our employees to volunteer puts people and community at the heart of our business.

Putting the planet first means delivering on our commitment to build low carbon homes, reducing our own carbon footprint and considering our customers' carbon footprint.

We rethink and reduce our use of resources to avoid waste, minimise energy and water usage whilst also sourcing materials responsibly. It also means taking a positive view of biodiversity so that our developments can leave a lasting legacy.

Employer of Choice

→ Read about our commitment to being a diverse and inclusive employer on pages 42 to 43.

Carbon Reduction

→ Read about the work we are doing to deliver lower carbon and energy efficient homes on pages 45 to 48.

BETTER WITH Bellway

Planet

- Modern Slavery
- Responsible Sourcing
- Charitable Giving
- Low Carbon Homes
- Carbon Footprint
- Resource Efficiency
- Biodiversity

Sustainable Supply Chain

Driving sustainability through long-term partnerships.

Charitable Engagement

Giving, to build better lives.

Carbon Reduction

Delivering low carbon homes.

Resource Efficiency

Reducing waste by building better.

Biodiversity

Restoring and protecting nature.

'Better with Bellway' Overview continued

Sustainability strategy

'Better with Bellway' is our comprehensive sustainability strategy, with the vision of putting people and the planet first. The strategy is integrated within our day-to-day operations and aligned with our commercial strategy.

Our strategy was developed following a review of corporate responsibility in 2021. This review involved a comprehensive materiality assessment, which highlighted the key sustainability risks from a stakeholder and management perspective. The outputs from the materiality assessment helped to inform the development of 'Better with Bellway' and the eight business priorities that make up the strategy.

Of the eight business priority areas (see pages 39 to 61), we identified three as flagship – Customers and Communities; Employer of Choice; and Carbon Reduction. These are the areas Bellway can make the most beneficial impact for our stakeholders.

Each 'Better with Bellway' business priority includes headline KPIs and targets, with actions allocated to business sponsors throughout the Group.

Underpinning our strategy is a robust governance framework, which holds business sponsors to account and ensures progress is made against our objectives and targets.

'Better with Bellway' is overseen by the Sustainability Committee who are responsible for overseeing the development of the overall strategy including objectives, targets and implementation. The Committee reports to the Board on key matters and engages with key external stakeholders.

The 'Better with Bellway' Steering Group is led by the Group Production Managing Director and the Group Head of Sustainability. This group comprises senior leaders responsible for the eight business priorities of 'Better with Bellway'. They co-opt business sponsors from various departments within Bellway to implement projects at both functional and departmental levels, to ensure the achievement of sustainability objectives and the integration of sustainability into everyday operations.

Business sponsors meet with the 'Better with Bellway' Steering Group quarterly. Progress against targets is then reviewed by the 'Better with Bellway' Leadership Team, and a report submitted to the Sustainability Committee. This review process comprises a consideration of any risks (both climate-related and wider risks) to the achievement of 'Better with Bellway', including the effectiveness of mitigations in place and additional actions needed. These are also reviewed collectively as part of our overarching risk management framework of which 'Environment and Climate Change' is a principal risk.

We deliver the key messages of 'Better with Bellway' to all staff using a range of methods, including a 'Better with Bellway' 'hub' on our new 'Pathway' internal communication system, on our corporate and customer websites and presentations to our Employee Listening Groups.

A full summary of the work undertaken to help us form this strategy can be viewed in our 'Better with Bellway' Strategy Report available on our website (www.bellwayplc.co.uk/sustainability).

Reporting frameworks

This report includes non-financial disclosures linked to our 'Better with Bellway' strategy, demonstrating how we disclose and manage key sustainability and climate risks.

We have aligned our 'Better with Bellway' KPIs with three sustainability frameworks that best highlight our value-creating activities for stakeholders. These frameworks are:

- Task Force on Climate-related Financial Disclosures ('TCFD'), see pages 88 to 95.
- Sustainable Accounting Standards Board ('SASB'), see pages 96 to 99 for further detail.
- United Nations Sustainable Development Goals ('SDGs'), integrated into this section under each business priority area.

We continue to contribute to the Carbon Disclosure Project ('CDP') and will disclose all sections of CDP for the first time in 2024/25. The revised CDP submissions align with TCFD, the incoming IFRS S1 and S2, and TNFD frameworks.

In the Carbon Reduction section, we report against the Streamlined Energy and Carbon Reporting ('SECR') framework required by the UK Government, detailing Bellway's energy consumption and greenhouse gas emissions. For more information, please see page 47.

↑ Simon Park, Group Head of Sustainability.

New Group Head of Sustainability

Simon Park joined Bellway in November 2023 as Group Head of Sustainability to drive the 'Better with Bellway' strategy. Simon is a Chartered Environmentalist with ten years' experience working in Corporate Sustainability, and delivering sustainability strategies in housebuilding and construction, having previously worked at Esh Group, Gentoo Green and Durham University.

Targets and KPIs

As part of our 'Better with Bellway' strategy, we have established a series of short, medium, and long-term sustainability targets and corresponding KPIs for each business priority. These targets and KPIs will help Bellway implement our sustainability strategy effectively. They form the foundation of the 'Better with Bellway' sustainability strategy and are reviewed annually to ensure they remain the most appropriate targets to help us achieve our overall aims and objectives.

The KPIs are designed to provide a high-level overview aligned with notable Environment, social and governance ('ESG') rating indices. A headline target has been set for each business priority area, reflecting the vision for that priority. These headline targets typically span at least two years, allowing us to achieve sustained improvements. They are easily communicated to stakeholders and are reported as principal KPIs in this report (see pages 10 to 13).

Awards success

We are proud of the progress we are making through the 'Better with Bellway' strategy. In 2023, we initiated a project to promote the 'Better with Bellway' strategy. We set an initial target to be shortlisted for five awards, which we exceeded. This project saw Bellway win eight awards across a number of categories including:

Industry award	Award received	Link
Housebuilder Awards	– 2023 Large Housebuilder of the Year – Best Staff Development Award (Employer of Choice) – Best Sustainability Initiative (the Future Homes Project)	
National Sustainability Awards	– Major Project of the Year – The Future Home @ University of Salford	
Building Innovation Awards	– Most Sustainable Construction Project – The Future Home @ University of Salford	
Supply Chain Sustainability School	– Partner Award for Supply Chain Engagement	
North East HR&D Awards	– Excellence in Leadership Award	
WhatHouse? Awards	– Large Housebuilder of the Year – Bronze Award	

Our key achievements in 2023/24

FY24 saw the third year of progress against our 'Better with Bellway' targets. In total, we had 54 external targets spanning the eight business priority areas, of which 23 have been achieved, 21 are in progress and 10 have been missed or re-evaluated where business priorities have changed or the planned objectives have been delivered via other means. Full details of target performance can be found under the relevant 'Better with Bellway' business priority sections on pages 39 to 61.

23
targets achieved

21
targets in progress

10
targets missed

Flagship business priorities headline KPIs

Customers and Communities

Achieved our

Five-star[5] homebuilder status

for the eighth consecutive year, recording a Recommend a Friend score of

91.6%

(2023 – 91.1%)

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2024 HOME BUILDERS FEDERATION

Employer of Choice

Implemented our fifth Employee Engagement Survey, achieving an average 'a great place to work' engagement score over a 3-year period.

90%

(2023 – 91%)

Carbon Reduction

Achieved a

44.7% reduction

in our scope 1 & 2 emissions against the baseline verified by Zeco Energy.

Our science-based target is a 46% reduction by 2030 in our scope 1 & 2 emissions against the baseline. Our FY23 and FY24 emissions have been verified by The Carbon Trust.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

‘Better with Bellway’ Overview continued

Key highlights from the year

Carbon Reduction

Achieved a reduction of

14.1%

in absolute terms in our scope 1 and 2 carbon emissions (tonnes CO_2e) against 2022/23.

Building Quality Homes, Safely

Won a total of

45

NHBC Pride in the Job Awards. (2023 – 34).

Charitable Engagement

Continued our partnership with Cancer Research UK, raising

£612,722

this year, bringing our eight-year total to £3.76 million.

Resource Efficiency

89% of key suppliers achieved Gold

Supply Chain Sustainability School membership. (2023 – 56%).

Carbon Reduction

Increased the proportion of REGO electricity we procure to

90%

across the year, saving 3,671 tonnes of carbon from entering the atmosphere.

Customers and Communities

101 House to Home

view homes now incorporated into our developments, showing customers different stages of construction from pre-plaster to first fix.

Carbon Reduction

First report from Energy House 2.0 project, showed

Industry leading Fabric Performance

from the Bellway home constructed in the monitoring chamber at University of Salford.

Biodiversity

Partnered with

‘Plantlife’

to create Biodiversity Design Guide and help our customers create a ‘Space for Nature’ in their gardens.

Carbon Reduction

Continued to use HVO biofuel across our sites, utilising over

549,024 litres

of biofuel and saving over 1,334 tonnes of carbon.

Customers and Communities

Achieved our

Five-star[5] homebuilder status

for the eighth consecutive year, recording a ‘Recommend a Friend’ score of 91.6% (2023 – 91.1%).

Employer of Choice

Implemented our fifth

Employee Engagement Survey

achieving an average ‘a great place to work’ engagement score over a three-year period of 90% (2023 – 91%).

Employer of Choice

Implemented a new

‘Pathway’ Communications System

to ensure that staff are able to access the most up-to-date information across the Group.

FLAGSHIP BUSINESS PRIORITY

Customers and Communities

Putting customers and communities at the heart of everything we do

Target	Progress	Performance
Headline		
Increase year-on-year the HBF 9-month survey score with the objective of achieving 82% by December 2026.	Current performance at 80.1% (2023 – 80.6%).	→
Retain five-star[5] homebuilder status (>90% 'Recommend a Friend') and improve our score to 95% by July 2024.	Current performance at 91.6% (2023 – 91.1%). This target will be rolled forward to FY25.	✕
All new sites starting construction works in FY24 to incorporate House to Home view homes.	77 House to Home View Homes constructed on our developments in FY24, with 101 now open across the Group.	✕
Introduce new site-based quality management and compliance system including training for all site teams by July 2024.	Field View system introduced and all site teams trained by July 2024.	✓
Each division to engage with four local schools by July 2024.	664 schools engaged and 20,839 students reached in FY24. This target was narrowly missed, with all but one division engaging with four or more schools. This target will continue in FY25.	✕
Improve customer satisfaction through a reduced 'Time to Fix' for defects (target to close down defects within 28 days).	The 'days open' average for reported jobs is 20 days. Our Service After scores in both NHBC survey periods are at their highest since 2013.	✓

Customers are central to everything we do, and we take pride in delivering high-quality service from the very start of their home buying journey. We continuously enhance our service, as reflected in our five-star[5] homebuilder rating with a score of 91.6%. Our goal is to build communities in desirable locations by engaging with, and investing in, the areas we develop.

Enhancing customer satisfaction

In 2021, we launched our Customer First programme, which aims to put customers at the heart of everything we do, and consistently build high-quality homes across the UK. We are proud of the progress made since its inception, with several initiatives introduced this year to continuously improve customer satisfaction.

The launch of the House to Home view homes offers customers a unique opportunity to witness the housebuilding journey and understand how their new home was constructed, with 101 of these view homes integrated into our developments nationwide. Additionally, we expanded 'Your Bellway' with 'Your Ashberry,' launched in 2022, allowing more customers to receive online updates on build progress and select additional options. This year, we also introduced The Build Right Standard and The Build Right Quality Framework to elevate construction standards.

Our ongoing commitment to customer service and quality has been recognised in the latest HBF surveys, with 95.2% of customers recommending Bellway in the eight-week survey and a stable score of 80.1% in the nine-month survey at 31 July 2024.

We are also proud of our achievements in the NHBC initiatives, with 45 site managers (2023 – 34) receiving the Pride in the Job Award for their high standards, leadership, and technical expertise. Our continued focus on quality improvement is further demonstrated by our increased score in the Construction Quality Review by NHBC independent experts, reaching 89.9% (2023 – 87.9%).

At Bellway, maintaining high-quality customer service after customers move into their homes is equally important. Our Service After score in the NHBC surveys stands at 91.0% as of 31 July 2024, underscoring our commitment to customer satisfaction.

Field View

In FY24, we implemented the Field View system at Bellway, supported with training for all relevant staff, which has had a significant effect at all Bellway sites.

Field View is a digital platform used in the construction sector, which replaces traditional pen and paper methods. The system allows the real-time capture of data, streamlining processes and improving task management. Field View allows users to create and track tasks, use custom forms and produce detailed reports.

'Better with Bellway' Strategy and Priorities continued
Customers and Communities continued

Building better communities

At Bellway, we are dedicated to engaging with, and investing in, our communities, going beyond our role as a housebuilder. This year, we have invested a total of £36.3 million through the planning process to provide our customers with facilities they can be proud of, including improvements in education, health services, and transport infrastructure.

We have also launched several initiatives to engage with our communities. This year marked the first year of volunteering under our new Volunteering Policy, with employees across the country contributing their time to good causes such as food banks, hospitals, and animal shelters.

We continue to raise awareness of the construction industry in primary and secondary schools, encouraging young people to consider a career they can be proud of. Through our Schools Outreach programme, we have reached over 20,000 students and engaged with 664 schools through newsletters and face-to-face interactions with colleagues across the UK. We set a target for each division to engage with four local schools by July 2024. While this target was missed, with all but one of our divisions engaging with four or more schools, we will continue to work towards this target in 2025.

In addition to national initiatives, our divisional teams organise personalised community days, such as dog walking events and 'green groups' to maintain public spaces in our developments.

Street scene at our Spindrift Park development, Bognor Regis.

Affordability

At Bellway, we provide a variety of affordable house-buying schemes and incentives to help buyers purchase their new Bellway home. To address the ongoing shortage of new homes in the UK, and alleviate cost-of-living pressures, we offer part-exchange or our exclusive express mover programmes, along with a range of mortgage solutions. These include the Own New Rate Reducer, which allows customers to enjoy lower monthly mortgage payments.

Throughout the year, we have supported our customers with the following incentives:

- Up to £24,000 towards mortgage payments to help reduce cost of living pressures.
- Score of the Summer, offering customers the opportunity to receive 5% of their home's value as cashback.

As part of the planning process, we also commit to building affordable homes, which are sold to local authorities and affordable housing providers. Below is a breakdown of affordability initiatives and the number of first time buyers who purchased a Bellway home during FY24.

24.8%
of homes sold to affordable housing providers (2023 – 25.4%)

26.1%
of homes purchased by unassisted first-time buyers (2023 – 18.6%)

26.5%
of homes purchased by first time buyers (2023 – 28.3%)

Contributing to our economy

The housebuilding sector significantly benefits the UK economy. Based on metrics from the HBF, Lichfield, and other public sources, we estimate that our housebuilding activities have contributed £1.86 billion in gross value added. Additionally, these activities have supported an estimated 20,000 to 24,000 direct, indirect, and induced employment opportunities nationwide.

Future KPIs

Develop a procedure for community engagement in the design of developments to be used across all projects by July 2026.
To establish best practice for divisions covering each aspect of sustainability (environmental, social and economic) by July 2025.
Report percentage of developments where we have implemented community wellbeing initiatives, which complement, support and mitigate the impact of our new developments by July 2026.
Each division to engage with four local schools by July 2025.
Develop a 'Customer Care Portal' linked to Your Bellway by July 2025.
Develop a 'Balanced Score Card' system for quality, customer care, health and safety and compliance, using NHBC and Field View statistics by July 2025.
Develop a 'Construction Tech Integration' project to ensure best practice forms are digitalised for quality, programming, customer care and health and safety by July 2025.

Shaping a better future with Bellway

Award-winning apprentices

This year saw Sophie Curtis, who joined Bellway as an apprentice bricklayer in August 2021, named as Apprentice of the Year. Sophie is a huge role model especially for young people coming into the construction industry. Sophie also chairs the Early Careers Network where she is able to share ideas, experiences and shape future careers with the support of colleagues across the Group. Following successfully completing her apprenticeship, Sophie is now a Trainee Assistant Site Manager.

Charlie Devlin, Trainee Assistant Site Manager, was recognised with the runner-up prize and Jessi-Lou Baker and Ollie Wynne Williams were named highly commended apprentices.

“It is such an honour to be recognised by Bellway in this way. I work hard every day to prove myself, gain new skills and be the best colleague I can be.”

Sophie Curtis
Trainee Assistant Site Manager,
Durham division

↑ Sophie Curtis, Apprentice of the Year 2024, from our Durham division.

← Charlie Devlin, Apprentice of the Year runner-up, from our Scotland East division.

Strategic Report

‘Better with Bellway’ Strategy and Priorities continued

FLAGSHIP BUSINESS PRIORITY

Employer of Choice

Creating an environment that our colleagues can thrive in

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Target	Progress	Performance
Headline		
Achieve a >90% average score in our Employee Engagement Survey of staff who would recommend Bellway as ‘a great place to work’ over a three-year period (FY22–FY24).	A three-year rolling average of 90.3% (FY22–24) of staff would recommend Bellway as ‘a great place to work’.	✓
Reduce voluntary employee turnover rate to 18% or less by July 2024.	Turnover rate in FY24 was 18.3% (FY23 – 21.9%). This target will be extended to FY27.	✗
Improve gender diversity of our directly employed workforce to a 60/40 male/female split by July 2025.	66/34 split for FY24 (FY23 – 69/31).	→
Improve gender diversity of our senior leadership teams to 75/25 male/female split by July 2025.	80/20 split for FY24 (FY23 – 79/21).	→
Improve ethnic diversity of our workforce to 7% or more by July 2025.	FY24 diversity of 4.6% based on minority group classifications (FY23 – 4.9%).	→
Improve ethnic diversity of our senior leadership teams to 5% or more by December 2027.	FY24 diversity of 2.9% based on minority group classifications.	→
Increase percentage of our workforce in an ‘earn and learn’ role to 12% by July 2024 and maintain 5% Club Gold membership.	Currently 6.5% of the workforce are in ‘earn and learn’ roles with 22 new graduate and 41 new apprentice roles recruited in FY24 and we have retained our 5% Club Gold membership for FY24. This target will be extended to FY27.	✗
Implement a formal staff appraisal process across the business with a proposed launch date of February 2024.	Mi Experience, employee performance system launched across Bellway.	✓
Achieve ‘Clear Assured’ Silver status by December 2024, by demonstrating that diversity and inclusion are reflected across all policies and processes.	We continue to work towards achieving Silver status and have completed 37 of the required tasks, we will work on completing the 22 outstanding tasks by December 2024.	→

At Bellway we are committed to becoming an Employer of Choice, it is key to our operations that our people have a safe, diverse and inclusive environment. As at 31 July 2024, we directly employ 2,659 people, and it is vital that we continue to develop and upskill our workforce to retain strong talent at Bellway and recognise the importance this can have on filling skills gaps throughout the Group. During the year, we have introduced a range of initiatives to ensure the success of our employees.

Engaging with our workforce

The opinions and ideas of our employees are an important part of how we progress towards our aim of becoming an Employer of Choice. Under the ‘Better with Bellway’ sustainability strategy, we have set a headline target of achieving a three-year rolling average of more than 90% of employees recommending Bellway as ‘a great place to work’ in our Employee Engagement Survey. This year, saw us carry out our fifth Employee Engagement Survey, the aim of this survey is to identify areas of strength, but most importantly areas of weakness. The results of this survey support the development of our strategic vision for the future and guides the initiatives we roll-out across the Group.

This year’s survey saw an increased response rate with 76% of employees completing the survey. The results show that we achieved ‘a great place to work’ engagement score of 87% (2023 – 89%), with a three-year average score of 90.3% (FY22–FY24) both well above the benchmark and meeting our target to achieve an average score of 90% or above, over the FY22–FY24 period.

Diversity, inclusion and belonging

At Bellway, we are committed to creating an open, diverse and inclusive working environment, this is highlighted through several of our 'Better with Bellway' targets focusing on the gender diversity of our direct employers and senior leadership, while also striving to improve the ethnic diversity across the Group, our aim is to have a 60/40 split in gender by July 2025, currently 66/34, and a representation of ethnic minorities increased to 7% or more by July 2025, currently 4.6% of the workforce.

During FY24, we launched our Inclusion Steering Committee, which forms part of our inclusion governance model to support our aspiration of becoming an inclusive Employer of Choice. The Inclusion Steering Committee is chaired by the Group HR Director and sponsored by the Chief Commercial Officer and brings together employee listening group and diversity group chairs to define and prioritise inclusion goals and deliverables in line with our inclusivity strategy.

We continue to partner with Women into Home Building and the HBF to pro-actively attract more females into Trainee Assistant Site Manager roles, supporting our work towards improving gender balance in our site-based roles. During FY24, we supported seven placements, and in FY25 we have committed to supporting 20 placements, which could result in a permanent offer of employment.

To support our ambition of improving disability diversity across Bellway, we have continued supporting Leonard Cheshire's Change 100 Programme by providing five paid work placements (2023 - two). Following the placements in 2023, we offered a permanent role to one of the interns.

> **"I'm truly grateful for the understanding and support I've received from the amazing team at Bellway. Their commitment to inclusivity is inspiring, and it's a testament to what's possible when organisations prioritise diversity."**
>
> **Ivo Vasilev**
> Marketing Graduate/participant Change 100

The future of Bellway

Bellway would not exist without the talent and commitment of our colleagues. We invest in our people to ensure that they have the training and ongoing development necessary to progress their careers and deliver work they can be proud of. As an active gold member of 'The 5% Club', we are committed to having at least 5% of our workforce employed in earn and learn roles, including apprenticeships, student placements, and graduate roles to support the long-term growth of the business. We are pleased to report that this year 6.5% of our workforce were in earn and learn roles and we have recruited 22 new graduate and 41 new apprentice roles, who joined Bellway in September 2024.

In May 2024, we launched our new digitalised continuous performance enablement model, Mi Experience. Utilising technology, colleagues are encouraged to have regular conversations with their line-manager to support their career development and wellbeing. This new model was piloted for three months, and a comprehensive training programme was rolled out prior to the launch. Following the launch, the Group HR team undertook roadshows across all divisions to support the implementation. During FY25, we will roll-out objectives and colleague feedback to further embed this into our business.

In addressing skill gaps across the Group in FY24 we launched a new senior leaders programme for heads of departments and directors, and we rolled out a bigger cohort of 66 delegates of our award-winning, Chartered Management Institute ('CMI') accredited middle managers programme 'Elevate' to build leadership capability. In addition, we have created a number of bespoke training programmes, such as fire safety, how to create a psychologically safe workplace and how to have great conversations.

Equality of opportunity

Bellway supports diversity and inclusion through several initiatives:

- Bellway has implemented policies and provides training on diversity and inclusion, as well as modern slavery, to ensure all employees understand and uphold these values.
- The Group is committed to providing equal opportunities for all current and prospective employees, ensuring a fair and respectful workplace.
- Employees can report any concerns related to diversity and inclusion to the HR department or through the SpeakUp whistleblowing helpline, which is managed by an external provider to ensure confidentiality and impartiality.

These efforts help create an inclusive environment where everyone feels valued and respected.

Attracting and retaining talented individuals

Labour shortages remains an issue across the entire housebuilding industry, exacerbated by skills gaps and a competitive recruitment market. Bellway's voluntary turnover rate for 2024 has decreased to 18.3% (2023 – 21.9%), narrowly missing the target of less than 18% by July 2024. We have extended this target to FY27. Last year, we achieved Accredited Living Wage employer status, offering competitive remuneration and benefits. These efforts support our Employer of Choice priority, aimed at attracting and retaining talented individuals in the business.

Future KPIs

Be recommended as 'a great place to work' by our employees with an average score of >90% over a three-year period (FY23–FY25).
Develop a purpose and set of values by December 2026.
Establish early careers performance-related progression plans for construction, commercial and engineering trainees by July 2025.
Develop and implement training programmes through the Bellway Academy for the production functions (commercial, technical, construction and customer care) to upskill and develop new skills by July 2026.

Better sustainable living with Bellway

Bellway Eastern Counties has completed its first new home heated by a sustainable air source heat pump.

In FY24, our Eastern Counties division completed its first new homes heated by sustainable air source heat pumps.

The Ivy Hill site is in a location that is difficult to connect to the gas grid. Previously, homes in such areas would be heated using high-carbon oil-fired solutions. However, to support our transition to fossil fuel-free heating, all 85 properties at the Ivy Hill site will feature low-carbon air source heat pumps and underfloor heating.

This marks the first homes delivered by Bellway Eastern Counties to be heated in this manner, representing a significant shift from traditional methods.

↑ Sales Adviser Charlotte Largent and Senior Site Manager John Baker showing, an air source heat pump system.

> **The completion of the first new home benefitting from an air source heat pump is a significant moment for not only Ivy Hill but the division as a whole."**
>
> **Marrissa Gale**
> Sales Manager for Bellway Eastern Counties

→ The Joiner, two-bedroom home at our Ivy Hill development in Bacton.

Carbon Reduction

FLAGSHIP BUSINESS PRIORITY

Delivering low carbon homes

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Target	Progress	Performance
Headline		
Reduce ‘absolute’ scope 1 and 2 emissions (tonnes CO_2e) by 46% by July 2030 against FY19 baseline.	FY24 saw absolute emissions fall to 14,227 tonnes CO_2e, a 14.1% reduction against the previous year and a 44.7% reduction against our base year (FY23 – 16,562; FY19 base year – 25,715).	→
Reduce scope 3 emissions (tonnes CO_2e per m^2 floor area) by 55% by July 2030 against FY19 baseline.	FY24 saw emissions reduced to 1.40 tonnes CO_2e per m^2 floor area (FY23 – 1.52; FY19 base year – 1.53).	→
Build four ‘Future Homes’ exemplar units at a site in Manchester (changed to four units at Barton Quarter, Bolton).	Construction of four ‘Future Homes’ units at Barton Quarter ‘Future Hub’ completed in August 2024.	✕
Build four ‘Future Homes’ exemplar units at a site in Eastern Counties (changed to five units at Stafford, West Midlands).	Five Zero Bills Homes under construction, completed in September 2024.	✕
Complete net zero ready exemplar plots at three sites and install monitoring equipment to compare energy consumption and running costs.	Exemplar plots complete, issues with the installation of monitoring equipment at one site have resulted in us missing this target. We will continue to work towards this target in FY25.	✕
Review car allowance payments to promote choice of low emission, hybrid and electric vehicles by 2025.	Following a review of car allowance payments there is no current plans to change the allowance. At the end of FY24, 73.1% of the vehicles leased through our LEX Autolease scheme were electric vehicles.	→
All divisions to commence Air Source Heat Pump (‘ASHP’) trial sites, delivering space and water heating by December 2024.	All divisions have identified a site to trial ASHPs.	→
Establish a programme to support SME housebuilders through general mentoring, interactive video and in-person training days at Future Homes exemplar projects.	24 SMEs supported in FY24. Further events to take place in FY25, including at Barton Quarter ‘Future Hub’, Bolton.	✓

The IPCC (Intergovernmental Plan on Climate Change) states that global emissions need to peak by 2025 for us to avoid 1.5°C of global warming compared with pre-industrial levels. In response to this challenge, we have set ambitious Science Based Targets for Carbon Reduction, and we are working hard to ensure the transition to air source heat pumps from gas boilers is as smooth as possible.

Science based targets

As part of the ‘Better with Bellway’ Carbon Reduction business priority, we collaborated with the Carbon Trust to establish two science-based targets (‘SBT’s):

- Bellway pledges to cut absolute scope 1 and scope 2 GHG emissions by 46% by July 2030, using FY19 as the base year, in line with the 1.5°C pathway.
- Bellway aims to decrease scope 3 GHG emissions by 55% per square metre of completed floor area by July 2030, from an FY19 base year, following well below the 2°C pathway using the physical intensity target criteria (cumulative base year).

'Better with Bellway' Strategy and Priorities continued
Carbon Reduction continued

In FY24, we saw our market-based scope 1 and 2 emissions fall by 14.1% from FY23, down to 14,227 tonnes of CO_2e, which represents a 44.7% reduction against our FY19 baseline of 25,715 tonnes of CO_2e. Our emissions have reduced due to the increased use of renewable electricity 'REGO' tariffs, our ongoing investment in 'Green Diesel' and a reduction in volume output due to market conditions.

We are close to meeting our 2030 target, and we will continue to implement initiatives to further reduce emissions, including plans to trial energy efficient construction site setups, and a push to connect to the electricity grid earlier. We do however anticipate a slight increase in FY25 emissions as our volume output returns to previous levels.

With regards to our scope 3 target, the most significant emissions are in category 11a (use of sold product), and they will fall as we transition to all-electric air source heat pumps. For FY24, we did see a reduction in scope 3 emissions, of 7.9%, this was due to 130 'all electric' plots (2023 - 95), 354 properties built to the updated Part L 2021 building regulations, plus 24.8% of our homes included Solar PV system, (2023 - 20.4%). We have also benefitted from an update to the Energy & Emissions Projections, released by the Department of Energy Security and Net Zero in October 2023, which shows a quicker decarbonisation of the power grid, which further reduces emissions from electricity. When the Future Homes Standard comes into force, we will be moving towards 'all-electric' homes, and we are working hard to ensure this transition is a success.

Energy Saving Opportunities Scheme ('ESOS') Phase 3 project

ESOS is a mandatory energy assessment scheme, where large organisations are required to carry out energy audits and report on energy consumption and savings opportunities. In FY24, Bellway completed a project to comply with the ESOS Phase 3 scheme. Our route to compliance included appointing an ESOS Lead Assessor, who organised energy audits at 12 locations across our business, including two offices and ten developments. The recommendations from the audits include carrying out a Group-wide energy awareness campaign, reviewing building set-points and the temperature in show homes and sales offices.

Street scene from our Abbey View development in Bourne.

We submitted our compliance notification ahead of the August 2024 deadline.

Streamlined Energy and Carbon Reporting (SECR) Disclosure

In line with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR'), we disclose our greenhouse gas ('GHG') emissions in the annual Strategic Report.

Our GHG reporting year aligns with our financial year, and we provide the previous year's figures for comparison. Scope 1 includes emissions from fuel combustion and the operation of facilities owned or operated by the Group (e.g. diesel in site generators and telehandlers; fuel in company cars used for business; and gas for heating in offices, show homes, and construction compounds), while scope 2 includes emissions from purchased electricity.

Our emissions calculation methodology follows the UK Government's Environmental Reporting Guidelines (2013) and uses emission factors from the 2023 government GHG Conversion Factors for Company Reporting. For scope 2 emissions, we report using both the location-based and the market-based method to account for our use of renewable electricity.

We report all emission sources for which we are responsible, except for the following exclusions:

- Gas from part-exchange properties due to immateriality – an estimation exercise showed that emissions from gas used in these properties from October to May (when heating is active to prevent damp and frozen pipes) account for only 0.42% of the total scope 1 and 2 footprint.
- Emissions from air conditioning units in office buildings in the FY19 footprint due to immateriality and data collection difficulties. This data has been collected and included in the FY23 and FY24 footprints.
- Emissions from site-based combined heat and power units over which we do not have operational control.

We estimate carbon emissions in the following areas:

- Diesel fuel usage on a smaller number of sites where fuel is provided by our groundworks contractors. Bellway's share is estimated based on forklift usage.
- Divisional offices where gas and electricity usage are included in landlord charges. Bellway's usage is estimated using a kWh per square metre of occupied floor space figure derived from other divisional offices with utility billing.

For scope 1 and 2 emissions, data for the FY19 base year has been externally verified by Zeco Energy to a 'reasonable assurance level' using the ISO-14064-3 verification standard, while FY23 and FY24 emissions have been verified by the Carbon Trust to a 'limited assurance level' using the ISO 14064-3 verification standard.

For scope 3 emissions, FY24 and FY23 emissions have been verified by The Carbon Trust to a 'limited assurance level' using the ISO 14064-3 verification standard. Emissions for the FY19 base year were calculated with the assistance of The Carbon Trust for our Science Based Target submission but have not undergone official verification.

We anticipate the publication of the Science Based Target's Construction Sector Guidance in late 2024 and will review our scope 3 target to ensure it aligns with the latest guidance.

Greenhouse gas emissions ('GHG') (tonnes of CO_2e)[(a)]

	2024	2023	2019 (base year)
Scope 1 – Combustion of fuel and operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	**13,590**	15,116	20,560
Scope 2 – Electricity purchased for our own use (market-method)[(b)]	**637**	1,446	5,155
Total market-method scope 1 and 2 GHG emissions	**14,227**	16,562	25,715
GHG intensity (market-method) per Bellway home sold	**1.9**	1.5	2.4
GHG intensity (market-method) per Bellway employee[(c)]	**5.1**	5.3	8.6
Scope 1 – Combustion of fuel and operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	**13,590**	15,116	20,560
Scope 2 – Electricity purchased for our own use (location-method)[(d)]	**4,101**	3,979	5,518
Total location-method scope 1 and 2 GHG emissions[(d)]	**17,691**	19,095	26,078
GHG intensity (location-method) per Bellway home sold	**2.3**	1.7	2.4
GHG intensity (location-method) per Bellway employee[(c)]	**6.4**	6.1	8.8
Out of scope emissions[(e)]	**1,334**	1,678	–
Energy consumption used to calculate above emissions (kWh)	**89,829,236**	96,735,314	109,622,315
Scope 3 (Category 1a: Purchased goods and services – product)	**262,925**	383,179	380,164
Scope 3 (Category 1b: Purchased goods and services – non-product)	**13,493**	15,934	16,261
Scope 3 (Category 2: Capital goods)	**1,013**	2,066	19,030
Scope 3 (Category 3: Fuel and energy-related activities)	**5,055**	5,044	5,081
Scope 3 (Category 4: Upstream transportation and distribution)	**55,967**	81,653	80,916
Scope 3 (Category 5: Waste generated in operations)	**1,554**	2,447	4,253
Scope 3 (Category 6: Business travel)	**2,414**	2,653	418
Scope 3 (Category 7: Employee commuting)	**1,340**	1,489	1,468
Scope 3 (Category 11a: Use of sold products – direct)	**591,475**	958,055	998,544
Scope 3 (Category 12: End-of-life treatment of sold products)	**62,995**	91,865	90,761
Scope 3 (Category 15: Joint venture developments emission)	**7,187**	–	–
Total scope 3[(f)]	**1,005,418**	1,544,385	1,596,895
Scope 3 – GHG intensity (tonnes CO_2e per m^2 of completed floor area)	**1.40**	1.52	1.53

Notes:
a. Carbon dioxide equivalent as per the meaning given in Section 93(2) of the Climate Change Act 2008.
b. Scope 2 emissions reported using the market-based method to account for electricity supplies purchased under REGO contracts.
c. Based on the average number of employees during the year.
d. Scope 2 emissions reported using the location-based method for total electricity used which dœs not account for the zero-carbon nature of electricity supplies purchased under REGO contracts.
e. 'Out of Scope' biogenic emissions arising from our consumption of HVO biodiesel.
f. Total scope 3 emissions are reported in line with our scope 3 science-based target, and so exclude category 11b (use of sold products – indirect). We have separately calculated these category 11b emissions as part of our carbon lifecycle analysis as 36,276 tonnes of CO_2e (2023 – 68,103; 2019 – 88,663). Categories 8, 9, 10 and 14 are not relevant to the Group.

Scope 1 emissions decreased by 10.1%, primarily due to our adoption of HVO biofuel in site generators and telehandlers, which offers approximately a 90% carbon reduction compared to traditional white diesel. This switch to HVO has prevented over 1,334 tonnes of carbon from being released into the atmosphere this year. Scope 2 emissions (market-based) have also dropped by 55.9%, due to our increased use of REGO (Renewable Energy Guarantee of Origin) electricity supplies and the ongoing decarbonisation of the UK electricity grid. Currently, 90.0% of our electricity comes from renewable sources (2023 - 78.4%), saving 3,671 tonnes of carbon over the past year. Excluding the benefits of our REGO supplies, location-based scope 2 emissions rose by 3.1%.

With 7,683 new homes (including our share of JV's) completed this year, scope 1 and 2 emissions (market-based) per home sold rose by 26.7% to 1.9 tonnes (2023 – 1.5). Due to a reduction in total number of employees, our scope 1 and 2 (market-based) emissions per employee decreased by 3.8% to 5.1 tonnes (2023 – 5.3).

We expect a significant reduction in our scope 3 emissions from 2025 onwards, when the Future Homes Standard is expected to come into force. For FY24 we saw a 38.3% reduction in the 'use of sold product' category, as a result of building 354 homes to the updated Part L 2021 building regulations, 130 air-source heat pump properties being completed and a reduction in volume output. We continue to engage with our supply chain partners to gather updated Environmental Product Declarations (EPDs), which are used in our value-chain model and allow us to calculate category 1a, purchased goods and services – product, emissions.

'Better with Bellway' Strategy and Priorities continued
Carbon Reduction continued

The Future Home Research Project

In connection with the development of our Future Homes Standard ('FHS') specification, we have initiated several projects to provide lower carbon and more energy-efficient homes for our customers. The Energy House 2.0 project at the University of Salford is an advanced research initiative aimed at testing the energy efficiency and resilience of homes under various climatic conditions. Bellway is a key partner in this project, having built 'The Future Home', a three-bedroom detached house within the climate-controlled chamber to assess low carbon heating technologies and energy-efficient building materials. This collaboration seeks to offer valuable insights for significant reductions in carbon emissions for new homes from 2025.

In January 2024, the first report from the project was released, presenting initial results from rigorous testing of the homes' fabric. These early findings suggest that the Future Homes Standard can be achieved at scale, provided that the supply chain and skills training keep up. The homes showed resilience against extreme climates, with only a small variance of up to 8% between expected and actual performance. Further testing later this year will examine the effectiveness of different types of electrified heating systems within the homes.

↑ Solar panels fitted to one of our homes.

Octopus Energy Zero Bills Homes

In 2024 we partnered with Octopus Energy to trial their 'zero bills homes' approach across two Bellway developments at Victoria Gate, Stafford and Sharnbrook, Bedfordshire. Our homes will be fitted with 20 Solar PV panels, a 13.5kWh battery, Air Source Heat Pump and an Octopus' 'kraken' energy management system. Customers are guaranteed 'zero' energy bills for five years.

Barton Quarter – award winning 'Future Hub'

The transition to low carbon housing presents a significant challenge for the housebuilding industry. As traditional gas-fired heating is phased out, we will see a significant increase in the number of ASHPs installed in the UK each year, rising from the tens of thousands to the hundreds of thousands.

There's a steep learning curve for companies across the sector who need to upskill their workforce at pace. The stakes are high as if the FHS is not met, it will put the entire net zero pledge at risk. Bellway is committed to driving forward a methodical and incremental approach to ensure the necessary understanding and knowledge is in place at all levels, so that this transition is successful.

Our Future Hub at Barton Quarter in Bolton is an industry-leading project to share expertise about how low-carbon technologies including ASHPs can help homebuilders deliver the changes required at scale to meet net-zero targets.

An important aspect of the Future Hub is getting organisations and individuals on board with ASHPs who may be reluctant, unconvinced, or uninformed about them. For FY24 we set an objective to engage with SME housebuilders, and the Future Hub presents a clear and workable path ahead towards FHS, not only raising the level of training within our own business, but making a significant contribution to the industry, to FHS and to the UK's net zero commitment.

In recognition of our contribution to the wider-net zero aims, we won the 2024 Next Generation 'Innovation Award'.

Reducing transport emissions

In 2022, we launched a salary sacrifice lease scheme to offer Bellway staff an affordable way to lease electric vehicles, thereby reducing our scope 3 transport emissions and their personal carbon footprints. Since its introduction, we have actively promoted the benefits of this scheme, and as of 31 July 2024, a total of 145 employees have participated. To further support this initiative, Bellway has installed EV charging points at all our offices, enabling staff to conveniently charge their vehicles.

Future KPIs

Establish a 'net-zero' target and produce a Climate Transition Plan by July 2025.
Build ten homes to Passivhaus Standard by December 2025.

Building Quality Homes, Safely

Quality and safety first for everyone

Target	Progress	Performance
Headline		
Reduce the annual RIDDOR rate to below the three-year rolling average by July 2024.	The RIDDOR rate for FY24 is 170.99 versus a rolling average for FY22 – FY24 of 210.74 (FY23 RIDDOR rate: 221.15; FY21 – FY23 rolling average: 193.43).	✓
>80% of applicable employees trained on the Group's Fire Safety Policy and the Building Safety Bill by July 2024.	95% of applicable employees have received training on the Group's Fire Safety Policy and the Building Safety Bill.	✓
Reduce accident rates from identified reporting areas to below previous FY levels year on year.	During FY24, there were nil third-party reported accidents (FY23 - nil) and 50 manual handling injuries (FY23 - 76).	✓
Increase the ratio of mental health first aiders ('MHFA') to 1 in 10 (10%) by July 2024.	Current percentage for FY24 is 9.0% (FY23 – 5.8%).	✗
Increase employees receiving mental health awareness training to 1 in 5 (20%) by December 2024.	Currently 14.6% of employees have received mental health awareness training (FY23 – 10.4%).	→
Achieve ISO 14001 certification for the whole business by July 2026.	We are working towards certification and have partnered with consultancy Loreus to assist with system development, and Interface NRM to act as our external auditors.	→
Greater engagement with on-site colleagues and subcontractors on mental health awareness, by providing workshops on every site once a year to discuss key areas such as suicide prevention, panic attacks and first aid.	During the year three workshops were delivered to on-site colleagues and subcontractors on mental health awareness. This workshop has been re-designed and will be rolled-out in FY25.	→
Reduce the number of slips, trips and falls from a FY23 baseline of 113.	FY24 slip, trip and fall incidents fell by 23.0% from 113 to 87.	✓
Increase the number of 'near miss incidents' reported from a FY23 baseline of 403. To provide Bellway with the opportunity to see where action is required.	10,998 near-miss incidents were reported during FY24.	✓
100% of divisions to be provided with customer care maintenance operative training on health and safety subjects such as documentation, dynamic risk assessments and safe use of ladders.	Complete.	✓

As a responsible homebuilder, the health, safety and wellbeing of our stakeholders remains our top priority. We strive to continuously enhance health and safety standards across the Group, both on our sites and in our offices. This commitment is reflected through various key initiatives, policies, and training programmes implemented throughout Bellway.

Near-miss reporting

We continued our focus on near-miss reporting and improving the communication with our subcontractor based staff on-site this year, with incredible results. Statistics show that near misses give employers, such as ourselves, the opportunity to see where action is required, before accidents occur. We encouraged all our employees and contractors to anonymously report near-misses using a QR code, and analysed the data monthly to identify any urgent or recurring areas of risk. A phenomenal uptake in this system meant that we recorded almost 11,000 near misses in the year, and has led to policy changes such as introducing an Anti-cut Gloves Policy, whereby anyone handling or cutting materials that could cause injuries must wear anti-cut gloves.

'Better with Bellway' Strategy and Priorities continued
Building Quality Homes, Safely continued

Group of our Graduates and Apprentices on a site visit.

Introduction of Health and Safety Workshops

Tool box talks have historically been used for delivering generic safety-related information to a wide site audience. We have recognised that alternative methods will further support an improvement in retention of information. Therefore, this year we introduced Health and Safety Workshops. We invited the supervisors and managers of our key subcontractors to our sites to engage for half a day in activities that required participation, 97.5% of those who have attended have provided feedback, stating that they would enjoy more of the workshops on a variety of subjects in the future, and that the information became more understandable because of this approach.

Mental health

At Bellway, we recognise the significance of mental health for our employees and subcontractors. We have established programmes to ensure we have trained mental health first aiders, and we offer employees the opportunity to participate in mental health awareness training to provide quality support to those in need.

Currently, we have 238 (9.0%) trained mental health first aiders across the Group. Under the 'Better with Bellway' strategy, we now aim to have at least 10% of our direct workforce trained by December 2024. Bellway also seeks to raise mental health awareness across the Group, aiming to train 1 in 5 of our workforce in mental health awareness.

We will continue to promote mental health awareness by aiming to train a further 350 employees in the next financial year. We also offer a confidential helpline for employees to speak to an independent third party if they feel more comfortable doing so. Recognising the importance of mental health, this year, following a project by a group of our graduates, we partnered with Bill Hill, the former Chief Executive of The Lighthouse Construction Industry Charity, to release an episode of our 'Bricking It' podcast discussing mental health in the construction sector. The episode covers why mental health issues are more prevalent in the construction industry and the charity's new 'Make It Visible' campaign.

Recognising excellence in health and safety

First held in 2022, the Annual Health and Safety Awards were established to recognise Bellway developments that excel in health and safety practices. While all our sites across the Group uphold high standards, our Earls Way site was selected as the winner of this year's National Award for its exceptional trade discipline, cleanliness, and promotion of a positive safety culture.

Future KPIs

Health and Safety workshops to be delivered in all divisions, informed by accident and near miss data trends by July 2025.
Awareness of Silt Management to be raised with construction, technical and commercial teams by July 2025.
Gap analysis of our Health and Safety Management System against requirements of ISO 45001 by July 2025.
100% of sales operatives to attend a half-day course in Health and Safety, delivered by the Regional Health and Safety Managers by July 2025.

Building Safety – Our Progressing Remediation Work

Proactive remediation

Bellway has consistently taken a proactive approach to fire safety and is committed to delivering remediation works as quickly as possible, having set aside £609.7 million (2023 – £582.8 million) for legacy building safety improvements since 2017.

In August 2022, Bellway established a new standalone Building Safety Division, which is dedicated to the remediation of buildings over 11 metres in height where life critical fire safety issues have been identified. In March 2023, Bellway signed the Ministry of Housing, Communities and Local Government ('MHCLG') Self Remediation Terms ('SRT') in England, which converted the principles of the building safety pledge signed in 2022, in which we committed to resolving any life critical fire safety issues on buildings over 11 metres completed since 5 April 1992, into a binding agreement between the government and Bellway. This was followed with the signing of the Welsh Government's Self Remediation Terms in May 2023, which follows the same remediation principles as those in England. The signing of the English and Welsh SRT's provided clarity for future remediation, particularly with regards to the standards required for internal and external remedial works on legacy buildings. Bellway continues to engage with the Scottish Government and Homes for Scotland in developing the Scottish Accord, and has agreed in principle to the intentions of the Accord.

In addition, we have implemented a programme to ensure all applicable employees receive training on the principles of the Group's Fire Safety Policy and the requirements of the SRT. This programme has recently undergone a review and an up-to-date training programme was rolled out to all applicable employees during FY24.

Identifying and assessing

Following the Grenfell tragedy in June 2017, Bellway proactively instigated a full review of our high-rise portfolio and identified buildings with aluminium composite material ('ACM') cladding. At the time of construction, all Bellway developments met the required building regulation approvals. We implemented remediation plans immediately following the tragedy, identifying high-risk buildings where ACM cladding was used in the construction. The work to remediate these buildings has been complex and subject to ongoing regulatory changes since 2017, with the scope of work required extending beyond cladding to focus on the wider external wall construction.

The signing of the SRT in March 2023 provided clarity on the standard required for buildings, ensuring that remediation works meet the requirements of the SRT. We have taken a prudent approach to ensure we assess to this standard, even where buildings may have been assessed under previous fire safety standards. Although this is a lengthy process, relying on co-operation of building owners and managing agents, this approach is vital in ensuring Bellway fully remediates buildings to the required standards.

Following the signing of the SRT, the Group identified a total of 499 buildings over 11 metres high, which required assessment. We have been working with key stakeholders, and independently qualified fire engineers to carry out thorough SRT-compliant assessments of these buildings and deliver remediation works as quickly as possible when required.

Building remediation is a complex process and where Bellway no longer retains any legal responsibility for a development, legal permissions need to be in place before we are able to complete assessments or subsequent remediation activity. In some cases, protracted legal negotiations with building owners and/or managing agents have led to delays in performing assessments and remediation works. In addition, progress is dependent on the availability of independent qualified fire engineers and, in some cases, planning requirements both potentially resulting in delays. The introduction of the new Building Safety Regulator, although a welcome move, has meant additional regulatory requirements needing to be met before any work can commence on buildings over 18 metres. We have been working with the newly created Ministry of Housing, Communities and Local Government ('MHCLG') to address the constraints limiting acceleration in the pace of assessments and remediation.

As at 31 July 2024, 293 buildings have been assessed, which identified that remedial work are required on 134 buildings.

'Better with Bellway' Strategy and Priorities continued
Building Safety – **Our progressing remediation work** continued

Moving forward, the Group is proactively working through the assessments required for the remaining 206 buildings, but notwithstanding the issues highlighted above, we expect these to be completed by the end of FY26 subject to the cooperation of building owners and managing agents.

Committed remediation

The total amount Bellway has set aside for the SRT and associated review in England, Scotland and Wales since 2017 is £609.7 million, with a remaining provision of £509.2 million at 31 July 2024. Costs have been provided regardless of whether Bellway still retains ownership of the freehold interest in the building or whether warranty providers have a responsibility to carry out remedial works. The provision has been calculated based on our extensive experience to date, using analysis of previously tendered works and prudent, professional estimates based on our knowledge of known issues. For buildings where full investigations have not yet been undertaken or cost reports obtained, an allowance has been made for as yet undiscovered problems, based on experience to date from similar developments.

Future remediation

Since 2017, Bellway has taken a proportionate approach to remediation of buildings, concentrating on the higher-risk developments where a detailed understanding of the building safety issues was known. We have taken the same approach to our SRT requirements, concentrating on initial remediation and identifying those developments where there is the greatest known risk. This is an evolving strategy as more assessments are undertaken.

Of the 134 buildings identified as requiring remediation, 11 have been completed, 40 have work underway and we expect a further 17 to begin within the next six-month period. In the medium term, we expect a further 7 buildings to begin remediation within 6–12 months, and 14 between 12–24 months. These figures exclude a further 35 buildings where remediation work was completed prior to the signing of the SRT.

In relation to building safety, our ongoing focus on this serious matter is reflected by the proactive approach to assessing and remediating schemes through our dedicated Building Safety division, and the Group is making every effort to further accelerate progress in this area.

Since the start of our remediation programme, the Group has spent over £145 million on legacy building safety issues. Notwithstanding the ongoing complexities with regards to building safety, Bellway is focused on completing works as promptly and efficiently as possible, and we expect to continue making strong progress with our programme of remediation in the current financial year.

293
buildings have been assessed as at 31 July 2024

£609.7m
The total amount Bellway has set aside for the SRT and associated review in England, Scotland and Wales since 2017

Over £145m
has been spent on legacy building safety issues since the start of our remediation programme

Sustainable Supply Chain

Driving sustainability through long-term partnerships

Target	Progress	Performance
Headline		
85% of our key 100 suppliers with GOLD Supply Chain Sustainability School ('SCSS') membership by July 2024.	89% of our key suppliers now have Gold membership with the Supply Chain Sustainability School.	✓
Undertake discovery meetings with top 50 suppliers on joint sustainability and embodied carbon topics by December 2024.	42 Supply Chain Discovery meetings held to date, topics for discussion have included long-term climate scenario analysis.	→
Top 500 subcontractors to be registered with the Supply Chain Sustainability School (%) by July 2026.	Currently 101 Bellway subcontractors are registered with the Supply Chain Sustainability School.	→
Engage with our supply chain to materially reduce single-use plastics in their packaging and products.	All suppliers we have engaged with in our Supply Chain Discovery meetings are implementing initiatives to reduce single-use plastics.	✓
Ensure that at least two Bellway employees in each division have undertaken training with Supply Chain Sustainability School by July 2024.	69 staff members are signed up to SCSS, with at least two from each division.	✓

As a responsible housebuilder, we take all necessary steps to source all of our products and services in an ethical, sustainable and socially conscious way. We have a range of policies, procedures and initiatives that guide this process and the 'Better with Bellway' sustainable approach provides a framework to ensure continuous improvement in this area.

Award winning supplier engagement programme

We received the Partner Award for Supply Chain Engagement from the Supply Chain Sustainability School, announced during the Net Zero Summit 2023. This award acknowledges our success in promoting the School's learning and training to our supply chain partners and our dedication to enhancing their skills in various sustainability issues, including reducing carbon and waste and combating modern slavery.

In FY24, we continued to encourage our supply chain partners to engage with the SCSS, setting an external target for at least 85% of our key 100 suppliers to achieve Gold membership status. By July 2024, 89% of our key 100 suppliers had attained Gold membership status, surpassing our target. Achieving Gold membership requires an organisation to complete a specified amount of training and produce a case study detailing how they have implemented sustainability initiatives within their operations.

This year, we also launched our Supply Chain Discovery meetings, which have been an effective tool for engaging with our suppliers on key sustainability topics. As of July 2024, we have conducted 42 meetings where suppliers showcased initiatives to reduce their impact, such as a steel company switching to an 'electric arc furnace', a timber supplier installing a railway line to a depot to cut transport emissions, and a plant-hire firm incorporating 'just-transition' initiatives into their sustainability strategy to ensure no one is left behind by net-zero.

We are expanding our supplier engagement programme, aiming for our top 500 subcontractors to be registered with the Supply Chain Sustainability School by July 2026.

Maintaining long-term relationships

Building and sustaining long-term partnerships with our subcontractors and suppliers is crucial to Bellway's success. These robust relationships enable us to collaborate effectively with the supply chain, helping us achieve our sustainability objectives. This includes optimising packaging, significantly reducing single-use plastics, and lowering embodied carbon to meet our ambitious scope 3 emissions reduction targets.

In FY24, our supply chain spend was £1.5 billion (2023 – £2.1 billion), delivering a £1.4 billion investment in the UK economy (based on the HBF estimating that 90% of housebuilders' supply chain spend remains in the UK).

Voltage Optimiser Trial at Head Office

Through our stationery supplier 'Commercial' we installed a 'voltage optimiser' at Head Office in January 2024. This equipment regulates and reduces incoming voltage to an optimal level, improving energy efficiency and extending the lifespan of electrical equipment. As at 31 July 2024, the equipment had saved 14,488kWh, which equates to £5,071. For FY25, we are looking to install similar devices across our divisional offices.

'Better with Bellway' Strategy and Priorities continued

Sourcing responsibly

As part of our Sustainable Procurement Policy and Supply Chain Discovery meetings, we have been collaborating with our suppliers to ensure that the products we purchase are responsibly sourced. Since April 2022, we have requested that our supply chain use plastics with a minimum of 30% recycled content. We have been working with suppliers and the SCSS packaging optimisation group to eliminate plastics altogether or to use more recyclable alternatives where available. When plastics are unavoidable, we aim to standardise the types used to facilitate easier segregation and recycling. Many suppliers are now transitioning to recycled cardboard as an alternative and are opting for higher recycled content plastics where no alternatives exist.

For several years, we have required all our timber suppliers to provide only sustainable timber. An audit of Group suppliers showed that 99.8% met our sustainability standards of Forestry Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or Category B standard. We plan to extend this audit to divisional suppliers and subcontractors in FY25.

Ensuring compliance in our supply chain

At Bellway, we have implemented several policies and procedures to ensure our partners adhere to the agreed standards. These policies are overseen by the Board and include:

- Anti-Slavery Policy: Reflects our zero tolerance for any form of slavery, servitude, forced labour, or human trafficking.
- Responsible Sourcing Policy: Demonstrates our agreed standards, which can be monitored.
- Whistleblowing Procedure: Provides a confidential mechanism for reporting any wrongdoing.
- Anti-Bribery and Corruption Policy: Sets out the standards expected of our employees, with a zero tolerance approach to bribery and corruption.

Our Anti-Slavery Policy, which underscores our zero-tolerance stance, is available on our website along with our latest Slavery and Human Trafficking Statement detailing the actions we have taken.

To ensure compliance, we require all applicable suppliers and subcontractors to either have their own modern slavery policies or adopt Bellway's Policy. Employees undergo mandatory training to enhance their awareness and ability to identify signs of slavery, with compliance activities monitored throughout the year.

We continue to conduct risk-based site visits, both internally and externally facilitated, focusing on our subcontracted workers and their adherence to our modern slavery procedures. Additionally, we participate in sector-wide working groups to champion best practices.

Group management is responsible for enforcing compliance and conducting additional checks as needed. We work with partners to address any identified non-compliance issues and reserve the right to terminate relationships as a last resort.

Future KPIs

Arrange a supplier conference with a strong emphasis on Sustainable Procurement by April 2025.
Ascertain approximate spend with suppliers who are certified to BES 6001 Responsible Sourcing of Materials by July 2025.
Establish a process for sustainability and modern slavery checks on Tier 2 suppliers by July 2025.
Support the Group's compliance with the Taskforce for Climate Related Financial Disclosures (TCFD) and Taskforce for Nature Related Financial Disclosures (TNFD) requirements by engaging with our supply chain by July 2027.

↑ Street scene at our Millstone Park development in Yorkshire.

Resource Efficiency

Reducing waste by building better

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target	Progress	Performance
Headline		
Reduce waste per completed unit by 20% by July 2025 (achieving 7.1 tonnes of waste per completed unit).	FY24 performance is at 7.1 tonnes (FY23 – 8.6 tonnes).	✓
Achieve landfill diversion rate above 99% year-on-year.	FY24 performance at 99.2% (FY23 – 99.5%).	✓
Reduce construction site water usage (measured in m^3 of water per 1000 m^2 of completed homes) against a base year of FY21 by July 2025.	FY24 saw construction water usage increased by 16.7% to 270.3 m^3/1000 m^2 against the prior year 231.7m^3/1000 m^2, but was lower against the FY21 baseline of 301.8 m^3/1000 m^2 of completed homes.	→
20% of homes commenced by July 2024 to be in timber frame.	In FY24 12.1% of plots were completed in timber frame (2023 – 11.4%). This target has been extended to FY30.	✗
Undertake three plot studies on waste generation and identify opportunities to reduce in FY24.	In 2024, our Graduate business project saw three plot studies in the North London, Essex and North West divisions.	✓
Develop a longer-term action plan to reduce waste at all stages of our developments, full life cycle to include earthworks, demolition materials, embodied waste in materials we buy, packaging waste and construction waste on-site by July 2026.	In 2024, our Graduate business project reviewed Green Construction Board's Zero Avoidable Waste Roadmap to select the most relevant actions for a long-term action plan.	✓

As a sector, it is estimated that the construction industry is responsible for 60% of the UK's total waste, with an estimated 60 million tonnes of construction and demolition around waste produced each year. However, with a long-term target of 'zero avoidable waste' in construction by 2050, we continue to drive improvement in performance.

Continued improvements in waste reduction

Our headline target under the Resource Efficiency business priority is a 20% reduction in construction waste per completed unit, aiming to hit a Group average of 7.1 tonnes per unit by 2025. We are pleased to report that FY24 saw a final figure of 7.1 tonnes per unit, hitting our target 12 months early. We can attribute this improvement in performance to an ongoing education campaign, engagement with divisional site teams, and the continued roll-out of waste broker Ecoefficiency across the Group.

Through our Waste and Resources Group, we will continue to drive progress in FY25, with the development of a long-term waste plan, linked to the Zero Avoidable Waste in Construction Roadmap, waste champions identified across all divisions, and continued close monitoring of progress against our targets. Our landfill diversion rate was above 99% again, at 99.2% (2023 – 99.5%).

Alongside our internal processes, we continue to work with our supply chain partners and Community Wood Recycling (CWR), a network of social enterprises that collects and reuses waste wood. This year our CWR partnership rescued 410 tonnes of wood from the waste stream (FY23 – 785 tonnes).

We also continue to understand work with our supply chain partners to address waste in the industry. We have targeted packaging and have asked suppliers to investigate reusable alternatives to single-use packaging as well as ensuring where plastic packaging is unavoidable, they use a minimum of 30% recycled content.

Reducing our water consumption

Water is an essential part of the construction process, it is used on our sites by 'wet trades' and in dust suppression and concrete washout activities, and also in our supply chain with cementitious products consuming significant amounts of water. Through 'Better with Bellway' we are looking at ways we can reduce water usage, both on our sites and for our customers.

As a recognition of the importance of being more water efficient we continue to review and improve the designs of our homes to improve water efficiency. Under the 'Better with Bellway' strategy we set a target to reduce construction site water usage measured in m^3 of water per 1000 m^2 of completed home, against an FY21 baseline of 301.8m^3 by 2025. In FY24 we saw an increase of 16.7% to 270.3 m^3 (2023 – 231.7m^3), compared to the previous year, but this was lower than the FY21 baseline of 301.8 m^3.

'Better with Bellway' Strategy and Priorities continued

Graduate Project – plot studies

To achieve our target of carrying out three 'plot studies' assessing waste produced at different stages of build, we worked on a project with a team of Graduates from our 2022 intake. The Graduates documented and weighed waste produced during construction of three plots in our Essex, North London and North West Divisions. The team also reviewed the 'Zero Avoidable Waste' roadmap, to select the actions most appropriate for our long-term plan. Results were written up in a comprehensive report, and presented to a panel of Bellway Group senior management in June 2024.

> **The 2024 sustainability project with Adrian and Simon was very interesting. As a group we learnt a lot about the circular economy and also gained an understanding of the long-term ambitions for the sector. We're confident that with the right engagement on-site, we will be able to reach 'zero avoidable waste' by 2050, or earlier."**
>
> **Carl Hyslop**
> Technical Graduate, Bellway North West division

Incorporating timber frame

As a responsible builder, we recognise the embodied carbon benefits of timber frame construction and its ability to reduce reliance on traditional brick and block methods, leading to material savings. Consequently, we have continued to incorporate timber frame into our developments, delivering 925 homes using this method across various divisions in FY24. This brings the total number of timber frame units since FY21 to 3,797.

Under our 'Better with Bellway' initiative, we set a target to complete 20% of our homes using timber frame by 2024. The current proportion for FY24 is 12.1%. We have extended this target to build a third of our homes in timber frame by FY30 as we continue to expand the use of timber frame in our projects.

Future KPIs

Build a third of our homes in timber frame by FY30.
Work with divisions to promote a site-based league table tracking waste per completed unit on a monthly basis, recommending an incentive scheme for best performance each month.
Identify a 'waste champion' in each division working in a construction role.
Increase awareness of the link between lost and damaged items and overall waste figures.

↑ Drone photo of our Clifford Gardens development in Skipton.

Biodiversity

Restoring and protecting nature

15 LIFE ON LAND

Target	Progress	Performance
Headline		
Achieve 10% Biodiversity Net Gain ('BNG') on all new sites submitted for planning from 1 July 2023 onwards. This target will be continued in the form of our Bellway BNG+ commitment.	From July 2023 all new Bellway homes planning submissions have identified how they will achieve the 10% Biodiversity net gain target.	✓
Establish a partnership arrangement with a nature organisation in FY23. Target was rolled into FY24.	This target was due to complete in FY23, but in 2024 we signed a partnership agreement with nature charity 'Plantlife'.	✓
Work with an appropriate conservation partner to ensure that the mowing regimes implemented on all new Bellway developments are designed to be beneficial to invertebrates during the summer growing period.	A Management Guide was produced showing best practice for our Management Companies. This will be reviewed and implemented in the coming year.	→
Work with our conservation partner to support each new Bellway customer in creating a 'space for nature' in the gardens of their new homes.	In partnership with Plantlife we have created Space for Nature information packs.	✓
Create a new community woodland to benefit both communities and biodiversity as part of every new Bellway planning application.	We have identified five locations across the UK which will support the new community woodland initiative.	→
Investigate additional tree planting for each home sold by July 2024.	This initiative is to be delivered through the Community Woodlands.	✓
Investigate the potential to utilise existing Bellway land to deliver a range of secondary 'stacked' eco-system services to benefit the environment and complement our broader sustainability and biodiversity aims in 2024. This will include renewable energy, nutrient mitigation and biodiversity net gains delivery.	We have completed a review of existing Bellway owned land. This has concluded that the land has limited realistic potential to deliver renewable energy projects, but could be used to host biodiversity habitat improvement in support of future housing projects.	→

At Bellway we are working to ensure we can leave our developments in a measurably better state once a development is completed. We aim to avoid, minimise and where necessary mitigate the impact our operations have on nature, through a range of initiatives.

Biodiversity approach

The preceding 12 months have been a period of significant change for the development sector and the way it interacts with Biodiversity. Biodiversity is an overarching term used to describe the '*variety of all life on earth*' or a particular location or habitat. High levels of biodiversity are essential to the prosperity of all life, including the human population, and the vital natural systems which support it.

The most significant change to occur during this period is the requirement for most new developments, including residential housing, to deliver a measurable Biodiversity Net Gain (BNG). This gain, in order to comply with the statutory process, must be an improvement of at least 10% when the pre-development and post-construction habitats are compared.

Bellway has embraced the arrival of BNG positively, but also recognises the potential challenges presented by such an ambitious new requirement and has therefore invested a significant amount of time and resource into understand the potential impacts and opportunities it represents. This investment has focused on three key activities:

1 – Critical risk appraisal and assessment of potential impacts from BNG upon the business.

2 – Staff awareness, engagement and delivery training.

3 – Key stakeholder engagement and relationship building with prospective BNG delivery partners.

This approach has been driven by our Group Head of Biodiversity, who was appointed to the business in 2022, and in May 2024 was recognised as one of the most influential environmental professionals in the ENDS Report Power List 2024. This was in recognition of his strategic work in preparing Bellway and the wider housing sector for the arrival of mandatory BNG.

The strategic approach aims to build on the biodiversity benefits already delivered by Bellway. For example, in FY24 Sustainable urban Drainage Systems ('SuDS') have been implemented on 246 of our developments (2023 – 253), mimicking natural drainage processes to reduce flooding and pollution whilst also providing habitats for wildlife. In addition, 154 developments included a biodiversity plan (2023 – 146) and we planted 9,665 trees (2023 – 15,023).

'Better with Bellway' Strategy and Priorities continued
Biodiversity continued

Bellway Homes – Westhoughton development – BNG delivery

Bellway Homes recently received planning permission to develop a new housing scheme in Bolton. The scheme, to be built over several phases, will eventually deliver in the region of 300 new homes.

With landscape impact being a key consideration, our approach to BNG played a key role in delivering a design which both complimented sensitive local landscape and provided measurable gains in biodiversity.

Bellway's urban design team worked with our consultants to identify key existing important landscape features such as mature trees, ponds and hedgerows and then sought to identified ways to retain and integrate them into the wider landscaping scheme.

This approach allowed Bellway to deliver gains of between 11% and 41% for habitats across the phases, and between 20% and 40% gains for hedgerows. Key lessons learnt:

- BNG should not be viewed as a standalone constraint, rather part of an integrated planning solution.
- Retention of existing valuable habitats should be prioritised.
- BNG can integrate with the requirements of other ecological constraints such as protected species.

Bellway BNG + promise

In line with BNG statutory framework, Bellway aims to deliver, where practicable, all required BNG within our development boundaries. However, in doing so it is important to reflect upon the fact that the greenspace surrounding our developments not only delivers biodiversity but must also provide functional greenspace to serve the new communities we create. Therefore, onsite delivery must be a balance between the need to create biodiversity gains, with functioning recreational greenspace space required by our residents.

Recreational pressure, the negative effects of a changing climate and a range of other unexpected events all have the potential to lead to adverse effects upon our biodiversity gain space. If these effects are significant, and lead to the degradation of the habitats created then the 10% minimum delivery target could be missed. To resist this and ensure our BNG delivery is resilient, for FY25 Bellway will aim to deliver more than the minimum 10% gain on all new developments. This approach will form the basis of our new headline biodiversity performance indicator known as the '*Bellway BNG+ promise*'.

Ecosystem resilience

The global climate is widely acknowledged to be in a state of change, moving away from traditional patterns and becoming more unpredictable. BNG is delivered for a minimum period of 30 years, therefore it is highly probable that a changing climate will influence the success of the habitats we create within our landscaping areas. To address this, Bellway must ensure that the landscape schemes we create, which are the primary means of delivering BNG on-site, not only deliver the required 10% gain now but will also continue to do so into the future.

To address this, Bellway has in FY24 commenced an internal review of the 'Ecosystem resilience' delivered by our landscaping. With support from a range of industry experts, this work will be continued into FY25 with the aim of establishing a pilot study to look at how best to build eco-system resilience into our new developments. This pilot will consider a range of factors such as onsite soil management and the suitability of our planting schemes.

Offsite BNG delivery options

In situations where onsite BNG is not sufficient to meet the meet the minimum 10% BNG target, a hybrid option should be devised which combines both onsite and offsite BNG delivery. Following a review completed in FY24, Bellway has identified a range of offsite BNG delivery options within its existing freehold land. These options provide flexibility in situations where suitable open-market BNG offsite units are not currently available and allows Bellway to commercially establish its own strategic BNG habitat banks in advantageous locations. This option will be developed further through FY25 and will ensure that BNG can always be delivered.

Partnership working

Our goal is to provide resources and support to equip our customers and management companies with the knowledge and guidance needed to ensure that all developments leave biodiversity in a measurably better state upon completion. To support this ambition, Bellway has partnered with the conservation charity Plantlife this year.

↑ Our Regency Manor Development in Wynyard.

Street scene at our Ebbsfleet Cross development at Garden City.

This partnership has already delivered a range of beneficial resources to help meet our BNG obligations and broader biodiversity goals, including:

1 – The creation of a BNG style guide to inform and support the design of our onsite landscaping schemes to maximise biodiversity.

2 – A show-home Garden design guide to maximise their biodiversity value.

3 – Ecologically sensitive on-site mowing guidance.

In addition to these three key outputs, the Plantlife partnership has also helped Bellway to move towards the delivery of two further key biodiversity aims – the use of 'Native species only' planting schemes within our show home gardens and the use of planting stock from 'peat-free' nurseries only.

Community woodlands

Five sites have been identified and submitted for planning approval that will trial the creation of Bellway's new community woodland strategy. These woodlands will form part of the site landscaping allocation, be populated with the equivalent of one new tree per new plot and use only native and locally suitable tree species.

Nutrient and water neutrality

Bellway's exposure to the planning delays created in some areas as a result of Nutrient and Water Neutrality compliance is limited. Where solutions have been required, Bellway has drawn upon a combination of expert support from its consultant team, solutions secured via offsite credit delivery partners and the benefits provided by Bellway's own innovative approach to water saving technologies now standard on all new homes. Bellway will continue to work with sector partners, local and central government to find robust solutions to protecting sensitive sites while delivering much needed sustainable housing development.

Helping our customers

As part of the drive to improve our sustainability offering to customers, we have developed a green welcome pack. New homeowners will receive a pack that includes a bird box, bee bomb and garden trowel, along with advice on how they can cultivate a nature friendly garden. The pack also contains tea, coffee and biscuits, and families with children will have the addition of a colouring story book, encouraging children to understand how they can be more environmentally aware in a fun way.

We have also incorporated hedgehog highways into our new developments from 31 January 2023 and to date more than 4,000 highways have been installed. Bellway will also undertake to provide one new wildlife feature, such as a swift brick or bat access tile on all new properties delivered from September 2024.

Future KPIs

Deliver the Bellway BNG+ promise on all new sites secured.
Conduct a research project investigating the impact on soil health from different soil storage strategies by July 2025.
Deliver one wildlife feature per house by July 2025.
Understand the implications of the Taskforce for Nature Related Financial Disclosures (TNFD) and the steps we need to take to comply by July 2025.

'Better with Bellway' Strategy and Priorities continued
Charitable Engagement continued

Charitable Engagement

Giving, to build better lives

Target	Progress	Performance
Headline		
Raise £4m for Cancer Research UK by the end of December 2024.	£612,722 raised and donated in FY24, bringing our total to date to £3.76 million.	→
Promote volunteering within Bellway to benefit local charities and good causes, donating 4,000 hours of employee time to charities/good causes by July 2026.	496 volunteering hours logged in FY24. Volunteering opportunities were arranged with Cancer Research UK, Trussell Trust Food Banks and Cat & Dog Shelter.	→
Establish at least one partnership with a charity supporting disability/disadvantaged individuals with a view of providing work placements by July 2024.	Five placements were organised in summer 2024 through the charity Leonard Cheshire's 'Change 100' scheme.	✓

At Bellway we are dedicated to fostering strong relationships with our communities and supporting both local and national charities and initiatives. Charitable engagement is a core part of the Bellway ethos, and we take pride in our efforts to date. As part of the 'Better with Bellway' strategy, we are committed to expanding our support for others by encouraging employees to participate in fundraising and volunteering activities for local charities and our national charity partner, Cancer Research UK (CRUK).

Succeeding in our key partnerships

Bellway's national charity partnership with Cancer Research UK, began in 2016 and we recently extended our partnership until the end of 2025. We are proud of how the partnership continues to grow and at the start of 2024 set an ambitious target of raising £4 million by the end of 2024, the commitment and enthusiasm from employees across the Group has remained high this year, and the Group is well on the way to achieving the £4 million target by 31 December 2024.

In January 2024, we hosted our second National Charity Day for Cancer Research UK, which saw employees from across the Group come together to take part in a virtual quiz and free prize draw, this event raised over £30,000 for CRUK including double matching. This event saw engagement from all 21 of our operating divisions and Head Office, and included both our office staff and site-based staff which was a key objective for the national charity day.

As well as our national events, we saw events organised on a divisional level, including charity balls, golf days, cycling challenges and hiking challenges. This year 15 of our employees took part in the TCS London Marathon raising £87,181 for CRUK.

As a result of the fundraising efforts from employees, suppliers and subcontractors, this year we saw the highest annual fundraising total since the start of the partnership in 2016, with a fundraising total as at 31 July 2024 of £612,722 (2023 – £580,048) raised and donated to CRUK. £147,927 has been raised by employees (2023 – £140,295) with another £168,938 from subcontractors and suppliers (2023 – £157,084), Bellway's award winning double matching of employee fundraising added a further £295,857 (2023 – £282,669). This brings our eight-year total to £3.76 million.

Between April 2023 and April 2024, Bellway and Cancer Research UK teamed up to carry out a workplace health activity, which involved 13 nurse health stands carried out by CRUK and a webinar aimed at spreading awareness of spotting cancer early. A total of 245 employees engaged with these activities which led to 29 of our employees signposted to further health support services. It was reported that 100% of the 16 people asked had a better understanding of ways to improve their health and 67% felt better towards Bellway after the cancer awareness activity.

In addition to our national charity partnership, we continue to support a range of local charities, causes and community groups in the communities where we develop, including corporate donations and employees fundraising for causes close to their hearts. Non-CRUK employee fundraising came to £61,202 this year, with Bellway 'matching' employees' fundraising efforts.

We are proud that across all charitable engagement in financial year 2024, Bellway raised and donated a total of £831,078 (2023 – £799,978), with employees, subcontractors and suppliers raising £378,066 (2023 – £364,744).

£613k raised for CRUK in FY24

£831k raised across all fundraising activity

£3.76m raised for CRUK since 2016

496 volunteering hours donated in FY24

Group Legal, Land and Co Sec team fundraising for CRUK with support of our panel solicitors.

Volunteering Policy

We launched our employee Volunteering Policy on 1 July 2023, which allows our employees the opportunity to participate in one volunteering day per year. During the year, Bellway has been investigating the corporate volunteering opportunities which are available to us and worked with divisional charity coordinators to assist in promoting volunteering opportunities at a divisional level. Volunteering offers additional routes for employees' personal and professional development and enables Bellway to share our skills and knowledge to help create better communities where we live and work.

Cancer Research UK are also supporting our Volunteering Policy by hosting volunteering stands at our divisional offices to provide information on the opportunities available to them, and improve engagement.

We have set a target to complete 4,000 hours of volunteering by the end of 2026. During FY24, a total of 496 volunteering hours were reported, including large group volunteering from our Group, Scotland West, Manchester and East Midlands offices.

We will continue to promote volunteering opportunities across the Group, and aim to incorporate volunteering into our future 'National Charity' events to support our national partner and other local communities initiatives and charitable causes.

Colleagues from our South West completing three peak challenge.

Establishing new partnerships

This year we established three new partnerships with charities supporting disability or disadvantaged individuals with a view of providing work placements. We are currently hosting five summer internships for graduates with disabilities as part of the Change 100 initiative. The Leonard Cheshire's flagship programme aims to kickstart the careers of ambitious disabled university students and graduates, and provide support through the graduate assessment process.

The Percy Hedley Foundation, a local disability charity based in Newcastle upon Tyne, that supports people with complex learning difficulties, disabilities, and additional communication needs, recently attended our Group Head Office to undertake an accessibility audit. They have made some useful recommendations for us to follow to ensure that we are able to host future work placements for a broad spectrum of disabled individuals. Members of the HR teams supported by hosting an employability session at one of their campuses to help with CV writing and interview tips. We also sponsored a vocational award for students of Percy Hedley at their annual ceremony in July.

Future KPIs

Extend the CRUK partnership for a further year and increase the fundraising/donation total to £5 million by end December 2025.
Offer ten new placements per year with disability charity, Leonard Cheshire until July 2027.

Section 172 statement

The Board of Directors confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of the members as a whole, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long-term,

(b) the interests of the Group's employees,

(c) the need to foster the Group's business relationships with suppliers, customers and others,

(d) the impact of the Group's operations on the community and the environment,

(e) the desirability of the Group maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly between members of the Group.

The following page compromises the Group's Section 172 Statement and how the Board has fulfilled its duties to have regards to the above and where to find further information regarding each factor in this report.

How our Directors fulfil their Section 172 duty under the Companies Act 2006

Board report	Strategic planning and direction of culture
The Board receives detailed reports and in-person updates from senior management, which they query, challenge, and debate, to ensure conflicting views are carefully considered. Updates on the progress and decision implementation are also provided, to allow the Board to review and alter where appropriate, as situations (and stakeholder priorities) evolve.	The Board is responsible for setting the strategic direction, values and culture of the Company. It sets the tone of how business is done throughout Bellway and has embedded expectations that stakeholder considerations are important to decision-making at all levels of the organisation. Further information can be found in Our Strategy (pages 16 to 17), Our Business Model (pages 18 to 21) and within the 'Better with Bellway' section (pages 34 to 61).
Diverse set of skills, knowledge, and experience	**Board discussion**
The Board has a wide range of experience and expertise, which is vital to making informed decisions and promoting the success of the Company in the long term, whilst considering the likely consequences of any decision and the needs of stakeholders. Further details on pages 106 to 107 in the Board of Directors and Company Secretary section, and in the Nomination Committee Report on pages 116 to 117.	All Directors are expected to contribute, engage, and constructively challenge discussions, while also offering a differing perspective. Further information can be found in the Division of Responsibilities and Board Evaluation sections on pages 111 to 114 and page 115 respectively.

S.172 factor	Further information can be found
(a) The likely consequences of any decision in the long-term.	• Our Business Model – Pages 16 to 21. • 'Better with Bellway' – Pages 34 to 61. • Key Stakeholder Relationships – Pages 63 to 78. • Chair's Statement – Pages 104 to 105. • Principal Risks – Pages 83 to 87.
(b) The interests of the Group's employees.	• 'Better with Bellway' – Pages 34 to 61. • Key Stakeholder Relationships – Pages 63 to 78. • Nomination Committee Report – Pages 116 to 117.
(c) The need to foster the Group's business relationships with suppliers, customers and others.	• 'Better with Bellway' – Pages 34 to 61. • Key Stakeholder Relationships – Pages 63 to 78. • Our Business Model – Pages 16 to 21.
(d) The impact of the Group's operations on the community and the environment.	• 'Better with Bellway' – Pages 34 to 61. • Key Stakeholder Relationships – Pages 63 to 78. • Our Business Model – Pages 16 to 21. • Sustainability Committee – Page 153. • TCFD – Pages 88 to 95.
(e) The desirability of the Group maintaining a reputation for high standards of business conduct.	• Our Business Model – Pages 16 to 21. • Who We Are – Pages 6 to 7. • 'Better with Bellway' – Pages 34 to 61. • Our Strategy – Pages 16 to 17. • Risk Management – Pages 79 to 82. • Audit Committee Report – Pages 118 to 129.
(f) The need to act fairly between members of the Group.	• Key Stakeholder Relationships – Pages 63 to 78. • Our Strategy – Pages 16 to 17. • Remuneration Report – Pages 130 to 152.

Engaging with our stakeholders

'Better with Bellway'

Our 'Better with Bellway' sustainability strategy (detailed on pages 35 to 61) is an integral part of our overall business approach, addressing the interests of our key stakeholders by putting people and the planet first. This strategy was developed with input from essential business functions and has received substantial engagement and oversight from the Board throughout its creation, approval, and implementation.

Our key stakeholders play a vital role in the development and implementation of 'Better with Bellway', with all key stakeholders being engaged both directly and indirectly as a result including:

Customers
See pages 63 to 66.

Employees
See pages 67 to 69.

Investors, Analysts and Advisors
See pages 70 to 71.

Partners and Supply Chain
See pages 72 to 73.

Local Communities and the Environment
See pages 74 to 75.

Government and Regulators
See pages 76 to 78.

Consequently, the Board has been actively involved in the ongoing execution of this strategy throughout the financial year, approving and supporting key activities under this initiative.

During this period, we proactively engaged with key stakeholders to ensure they understand our strategy and to demonstrate how Bellway's commitment to sustainability is integrated into our daily business operations.

Stakeholder engagement

Engaging with stakeholders is crucial for our business as it informs Board decision-making and ensures the impacts on key stakeholders are considered. These decisions can affect stakeholders collectively or individually, so we must account for the varying outcomes across all stakeholder groups.

Customer

Why we engage

We place our customers at the heart of our business, they have key interactions with our brands at the buying, construction, completion and post-completion stages of their journey. The changing consumer landscape marked by continued uncertain consumer confidence, higher lending rates and changes in the political landscape makes it important to consider our customers in our decision-making. By understanding the challenges they face, we can adapt our product offerings to better meet their needs.

Issues raised as a result of engagement

- Customer service.
- Digital adoption.
- Build quality.
- Sustainability and energy efficiency of homes.
- Innovation.
- Legacy building safety improvements.

Customers service and digital adoption

Customers and Communities – See pages 39 to 40.

Our strong reputation for excellence in customer service along with our dedication to high build quality, ensures that customers are prioritised at every stage of our buying and construction process. Our goal is to provide customers with clear guidance and support to ensure they feel confident and well-informed. We have a range of initiatives to ensure the continuous improvement of our customer service and digital adoption including:

Key Stakeholder Relationships continued

How we engage	Engagement outcomes
Our digital channels	
To improve the experience of potential customers by providing detailed information about our houses and apartments, and additional insights into the customer journey and what to expect before visiting our sales offices. To inform customers of new technologies they will find in their new homes, as we move away from fossil fuels within the homes we build.	Our use of digital channels to help our customers has been beneficial during a period where energy bills have been high. Through our channels, using government data through the HBF, we are able to demonstrate the energy efficiency of our homes. Following the rise in mortgage rates, we have also been able to utilise our digital marketing capability by highlighting promotional campaigns offering incentives on selected plots, which helped our customers during the completion process.
Social media channels and website content	
Using uplifting posts and customer case studies. This engagement is especially valuable during the period between reservation and completion, allowing us to provide helpful content as customers prepare to move into their new home.	We are able to positive engage with customers who have moved into their new homes and provide relevant content for homebuyers who are completing the home purchase journey, by providing them with relevant content and materials.
Face-to-face approach	
Our dedicated and experienced sales teams are available to assist our customers in navigating the sales process and support them throughout their journey.	This is a key part of our customer journey for all Bellway and Ashberry customers.
Digital sales office and customer web portal	
Ensures that we can provide the benefits of both traditional customer service and new technologies throughout the process. 'Your Bellway', our online customer portal designed to keep customers fully informed of the sales and build progress of their home. We continue to enhance this portal and this year we launched 'Your Ashberry' to provide the same experience to customers of our Ashberry brand.	Our digital adoption strategy continued at pace during the year, with 'Your Bellway' being rolled out across every division, and all new developments being added to our digital sales platform. In addition, we launched 'Your Ashberry', which offers Ashberry customers access to the same digital platform. We have introduced Digital Sales Offices on all new developments, which contain digital touchscreens containing information relating to each individual plot, including detailed floor plans, and a street-level tour of a development. Customers can use QR codes to download personalised sales brochures, helping reduce the need for paperwork in our offices.
Customer Care teams	
Post-completion, our dedicated Customer Care teams assume responsibility for any post completion issues that may occur as part of our initial two-year warranty.	Our Customer Care, and site teams, are utilising technologies to improve the after-care process for our customers with all of our site teams now accessing post-completion issues using tablets where they can record and evidence customer care activity in our customers' homes.
Encouraging feedback	
Throughout the sales process via Trustpilot and HBF Customer Satisfaction surveys. The Board places significant emphasis on this feedback, regularly reviewing eight-week and nine-month post-completion HBF scores.	For the eighth year running, Bellway was recognised as a five-star[5] homebuilder in the Home Builders Federation ('HBF') annual awards, this is independently decided by our customers, and achieved by having more than 9 out of 10 of customers stating they would recommend us to a friend.
The New Homes Quality Code ('NHQC') launched by The New Homes Quality Board ('NHQB').	
To enhances protections for customers buying new build we have continued to successfully adopt the Code with complemented existing controls we already had in place, and further enhancements have been made to our processes to ensure we adhere to this.	Our Customer Care teams monitor our controls to ensure we adhere to the Code and where complaints are escalated to NHQB, we ensure that any areas of non-compliance are addressed. This is reported to the Board.

Build quality

Building Quality Homes, Safely – See pages 49 to 52.

At Bellway, we are dedicated to continuously improving our build quality, and the appointment of our new Group Construction Director during the year has enabled us to push several initiatives such as:

How we engage	Engagement outcomes
Customer First Continues to enhance the customer journey and has seen the roll-out of some key initiatives designed to help customers understand our product and meet the teams who are responsible for delivery of their new home.	Our Meet the Builder and Customer Pre-Plaster visits continue to be a popular addition to the customer experience, with these meetings helping customers develop a better understanding of the complexities in building their home.
House-to-Home A new initiative incorporated into our developments across the Group, giving customers a unique opportunity to understand the different stages of build, to improve understanding.	Across the UK, 77 House-to-Homes have been plotted in FY24. These plots offer customers the opportunity to view the first, second, and final fix stage and are usually located alongside our show homes, giving our customers complete transparency on the build process. This also supports our post-completion after-care activities as customers can be educated on how to best manage and run their homes once they move in.
New guides and frameworks The launch of new guides and frameworks for our Sales, Construction and Customer Care teams, including the 'Build Right' framework ensures that process improvements are constantly reviewed and implemented for the benefit of our customers.	Using feedback and Customer Care data, we are able to ensure that our 'Build Right' framework is effective in delivering quality homes.

Sustainability, innovation and energy efficient homes

Carbon Reduction – See pages 45 to 48.

How we engage	Engagement outcomes
'Better with Bellway' sustainability strategy Future Home project at Energy House 2.0	
Provides customers with valuable insights on how to live sustainably in their new home and how we are reducing the impact we have on the planet. We have built a home in a climate chamber at the University of Salford, which is providing us with a unique data-led approach to educating our customers. This enables us to offer guidance to our customers on how to live efficiently in our homes. We also have real-world exemplar projects throughout the UK, where we are building Future Home Standard homes, ahead of the regulations, to help build our understanding, educate construction colleagues and customers as we transition away from fossil fuels as the main source of energy for our homes.	Our 'Better with Bellway' sustainability strategy continues to provide us with opportunities to engage our customers on sustainability. The shift to Interim Future Home Standards for Building Regulations, has allowed us to engage customers on sustainability issues. We are able to take learnings from our live sustainability projects, including The Future Home at Energy House 2.0, to educate customers on some of the new technologies that exist in our homes and this remains a key focus as we move to 2025 Future Home Standards, which will see the phase-out of gas completely. All-electric homes require a different way of living, and Bellway is using its expertise in helping our customers adapt to these changes.

Key Stakeholder Relationships continued

Legacy building safety improvements

Carbon Reduction – See pages 45 to 48.

How we engage	Engagement outcomes
Building Safety division A recently established division, with a team of dedicated and specialist employees, in response to changing building safety legislation post-Grenfell, which continues to engage with customers living in legacy Bellway apartments where historical issues have been identified.	The division allows us to manage legacy building safety improvement projects using our team of experts, in line with our commitment under the Self Remediation Terms ('SRT').
Communication We maintain communication with leaseholders and residents through dedicated websites, resident portals, regular updates, and direct interactions with Resident Liaison Officers or Managing Agents during active remediation efforts.	We are able to manage any risks and ensure our activity is communicated effectively to residents living in active building safety project sites.

Board level engagement

The Board places significant emphasis on the importance of the HBF Customer Satisfaction survey scores, regularly reviewing eight-week and nine-month post-completion scores. Improving our nine-month scores has been a key focus of our Customer First programme, which is a key part of our overall 'Better with Bellway' strategy.

Impact on Board decision-making

The Board is fully committed to improving quality and customer service scores, actively supporting all customer facing initiatives, including our Customer First programme, digital transformation projects, and other key Customer Care enhancements aimed at enhancing the overall customer experience.

Paul Smits welcomed MK City Council leader Councillor Pete Marland to Whitehouse Park.

West Midlands division on International Women's Day.

Employees

Why we engage

Being an Employer of Choice is a key part of our 'Better with Bellway' engagement strategy. Our ambition is to create a safe, diverse, and inclusive environment where our colleagues are recognised, can be their true selves, and be supported in their development and success. We engage with our employees because they are pivotal to the success of the business.

Issues raised as a result of engagement

- Internal communications.
- Training and development.
- Career progression.
- Health, safety and wellbeing.
- Diversity and inclusion.
- Succession planning.

Internal communications

Employer of Choice – See pages 42 to 43.

How we engage	Engagement outcomes
Employee engagement survey	
We conduct an annual Employee Engagement Survey, which this year ran in June 2024, and provides an opportunity for employees from all areas of the business to share their feedback on various topics. This includes their experience working for Bellway, areas for business enhancements, and their views on management and the overall leadership of the organisation.	The latest Employee Engagement Survey undertaken in June 2024 received a strong 76% (2023 – 69%) response rate. During the past year, improvements identified from the 2023 Employee Engagement Survey have been implemented with full support of the Board. Using the data obtained from the survey, we established that the most engaged employees were those who had regular conversations with their line managers about their roles and their career ambitions. As a result, in May 2024, we launched Mi Experience, our new continuous performance enablement process. This process, using a dedicated digital platform, is designed to nurture and support our employees' growth and development. By encouraging employees and their line managers to engage in regular conversations about their roles, it is designed to encourage conversations about their development, wellbeing and the role they play in contributing to the success of the business, not just day-to-day activities.
Regular updates	
A 12-month Communications Transformation Programme is underway to enhance internal communications within the organisation. This initiative has led to the launch of 'Pathway', a new Employee Engagement App and Desktop Intranet, aimed at improving communication with employees. The programme is designed to transition from an email-only approach to a multi-channel strategy, with a focus on reaching employees who work on-site or remotely.	How we communicate with our employees, particularly those who are based on site or in sales offices has always been a challenge as we relied on one-way email communications for most announcements. Our internal communications transformation programme has created a new Employee Engagement App and Desktop Intranet, which allows us to communicate through a multi-channel platform and foster a culture of two-way communication with our employees. Our new App was launched in May 2024 and already 82% have registered – this is ahead of the benchmark for other organisations in the sector who have utilised the same software.

Key Stakeholder Relationships continued

Internal communications continued

Employer of Choice – See pages 42 to 43.

How we engage	Engagement outcomes
Employee Listening Groups These are run on a quarterly basis, and chaired by employees from within the business, and are used to obtain feedback from colleagues on a variety of topics. We use this feedback from employees, alongside the results of our engagement survey, to set our strategy and targets for our Employer of Choice activity. We also take the opportunity to highlight any changes as a result of employee feedback to foster a culture of improvement, with employees feeling empowered to feedback knowing that improvements or action will be taken as a result.	Our Employee Listening Groups, alongside our Employee Engagement Survey have helped shape our employee strategy. Regular attendance from our Non-Executive Directors at the Employee Listening Groups ensures Board level involvement in addressing feedback from these groups.

Training, development and career progression

Employer of Choice – See pages 42 to 43.

How we engage	Engagement outcomes
Mi Experience We have also recently launched our new continuous performance enablement process, Mi Experience, to promote ongoing feedback and dialogue between employees and their managers. This has been implemented in response to our 2023 Employee Engagement Survey. We have also enhanced our training and development programmes, as investing in our people is paramount to the success of Bellway.	To support our colleagues in customer facing roles, we have reviewed and updated Sales Manager and Sales Advisor training, and following an initial pilot this will be rolled out from September 2024. We have also been working with our Customer Care teams, who are pivotal in maintaining our customer experience scores post completion, and we have plans to roll out role-specific training. Our commitment to mental health awareness, a key target of our Employer of Choice strategy, has resulted in mental health awareness training being mandatory for all people managers. As of 31 July 2024, 387 employees, representing 14.6% of our workforce, have completed mental health awareness training (with a target set of 20% by December 2024). Additionally, we have recruited and trained 238 mental health first aid advocates, which constitutes 9.0% of our workforce, aiming for a target set of 10% by December 2024. Of these advocates, 59.7% are based on-site and 40.3% are office-based. Our emphasis on early careers remains strong, with 22 graduates joining our Graduate Programme in 2024, filling roles across various departments. Additionally, our Apprenticeship Programme recruited 41 new apprentices this year.
Middle managers training programme Our development programme 'Elevate' for senior leaders and middle managers.	We have expanded Elevate, our award-winning middle managers training programme, and have additionally launched a new senior leader development programme designed for Directors and Heads of department to build leadership capability across the business.

Diversity and inclusion

Employer of Choice – See pages 42 to 43.

How we engage	Engagement outcomes
Women into Construction We have also been working with Women into Construction ('WiC'), the not-for-profit organisation to encourage more women into construction-based roles.	We have introduced ambitious targets to specifically increase the number of females in site-based roles. Each of our 20 trading divisions will be offering a placement as part of the 2024-25 programme, to employ a female in a permanent role as a Trainee Assistant Site Manager across all our divisions.
Balance Network Our dedicated colleague diversity and inclusion network consists of representatives from across the business and meets regularly to promote diversity and inclusion initiatives across the business.	The Balance Network focuses on, understanding opportunities, barriers or challenges to drive more diversity into site-based roles as this is the area of greatest imbalance. Creating menopause guidance for employees and managers, and improving awareness and support for employees with breast or prostate cancer.
Leonard Cheshire Change 100 Programme In 2023 we began our partnership with Leonard Cheshire's Change 100 programme which aims to assist university students and recent graduates with disabilities or long-term conditions in gaining valuable workplace experience.	This year the placement led to the employment of one individual on a full-time basis and we have again worked with Leonard Cheshire to offer five placements within our business.

Board level engagement

The Board has been actively involved in the development and ongoing discussions about becoming an Employer of Choice, supporting our senior management teams in delivering this key priority. As part of our 'Better with Bellway' reporting activities, key target achievements and ongoing strategic priorities are reported and discussed at Board level, ensuring support for key projects that align with our objectives. Our Chief Executive and Executive Board members regularly visit our divisions and conduct site visits to meet with colleagues and observe our operations first hand. Non-Executive Directors attend Listening Groups each year to better understand our colleagues' concerns, with outcomes discussed at Board level. Additionally, each Non-Executive Director visits a division separately for a day and joins the Board on more formal divisional and site visits.

Impact on Board decision-making

As Employer of Choice remains a flagship business priority, the Board has dedicated significant time to analysing the results of our Employee Engagement Survey and continuous feedback from Listening Groups. Throughout the year, our Group HR Director has presented key initiatives related to this strategy to the Board, which has provided ongoing scrutiny and support. The results of our June 2024 Employee Engagement Survey were presented to the Board in September. These findings are now guiding the development of additional initiatives based on feedback from our colleagues.

A drone picture of Bellway's Rolleston Manor Development in Rolleston on Dove.

Key Stakeholder Relationships continued

Investors, Analysts and Advisors

Why we engage

As a FTSE 250 publicly listed company, we have a duty to provide our equity and debt investors with fair, transparent, and balanced information regarding our business performance and strategy. This commitment ensures ongoing confidence and trust in our company, enabling investors to make well-informed decisions.

Issues raised as a result of engagement

- Environment, social and governance ('ESG').
- CMA Market Investigation.
- Corporate acquisition opportunities.
- Remuneration policies.
- Market conditions e.g. mortgage market, supply and labour supply chain, impact of economic uncertainty, affordability, and land market.
- Capital allocation and dividend policy.
- Customer care and build quality.
- Building safety Self-Remediation Terms.
- Future Homes Standard.
- Diversity and inclusion.
- Carbon reduction strategy.
- Impact of government policies on housebuilding.

Environment, social and governance ('ESG')

'Better with Bellway' – See pages 34 to 61.

How we engage	Engagement outcomes
'Better with Bellway' strategy Created additional opportunities to engage with investors on the eight business priorities, which focus on people and the planet. This strategy includes ambitious targets to significantly reduce carbon emissions, and our communications have helped investors better understand the evolving landscape of the housebuilding industry as we adapt our products and business practices.	Our proactive communication regarding our 'Better with Bellway' strategy has resulted in positive engagement with investors, analysts, and advisors. This has provided them with a deeper understanding of our business priorities, challenges, and opportunities as we work towards the targets and KPIs of the 'Better with Bellway' strategy, which is closely aligned with our core operations.

Remuneration Policies

How we engage	Engagement outcomes
Major shareholders The Remuneration Committee Chair engaged with major shareholders on the proposed Remuneration Policy and implementation of the Policy for the 2025 financial year.	Major shareholders are broadly supportive of the proposed changes. For more information please see pages 130 to 132.

Building safety Self Remediation Terms

Building Quality Homes, Safely – See pages 49 to 52.

How we engage	Engagement outcomes
We have also provided regular updates on the remediation of legacy developments related to building safety, as part of our UK-wide commitment under the Self-Remediation Terms ('SRT') agreed with The Ministry for Housing, Communities and Local Government ('MHCLG'), the Welsh Developers' Pact with the Welsh Government and the Scottish Safer Buildings Accord.	This allow us to demonstrate our prudent approach to building safety to demonstrate to investors how we are executing this strategy.

Communicating with shareholders

How we engage	Engagement outcomes
Financial calendar activities We engage with investors around our Interim and Preliminary results announcements, as well as through regular trading updates throughout the financial year.	Engagement around our Interim and Preliminary results and trading updates enables us to effectively communicate our strategy to investors and analysts, helping to maintain Bellway's reputation for strong management. We leverage shareholder feedback from these announcements to shape our positioning for future communications, ensuring we meet the needs and expectations of our investors.
Executive Management Team Regularly convenes and communicates with major shareholders and analysts, including at formal presentations at least twice a year. This ensures that investors receive timely updates on our progress and provides an opportunity to share feedback.	This enables us to effectively communicate our strategy to investors and analysts, helping to maintain Bellway's reputation for strong management. We leverage shareholder feedback from these announcements to shape our positioning for future communications, ensuring we meet the needs and expectations of our investors.
Media Channels In addition to regular financial announcements, we utilise traditional media channels to inform a broader audience about our key business performance messages. We also engage with our colleagues through internal communications to inform them of key announcements, as many are shareholders in the business.	The appointment of new corporate communications advisors has helped Bellway to engage with a wider audience and enhance communications with our colleagues. We have leveraged the positive messaging from our 'Better with Bellway' strategy, including the positive progress on carbon reduction and employee engagement strategy and other activities, which position Bellway strongly among its peers.

Board level engagement

The Board and Executive Management team have engaged with key investors, analysts and advisors throughout the financial calendar with meetings and updates around our Interim and Preliminary announcements, and trading updates. Ad hoc engagement with certain key analysts and investors has taken place throughout the year. The Board also undertook a review of our external corporate communications advisors with a view to providing an increased engagement programme with our investors, the media and political stakeholders. The appointment of new corporate communications advisers came into effect from 1 August 2023.

Impact on Board decision-making

The Board carefully considers the impact of its decision making on shareholders and the wider investment community. Our 'Better with Bellway' sustainability strategy has been a key tool in proactively engaging with our investors, with their feedback being used to inform and shape.

Key Stakeholder Relationships continued

Partners and Supply Chain

Why we engage

As a national homebuilder, the relationships we have with our partners is extremely important. Our strong long-term sustainable relationships with our partnership , which have served us well, particularly during times when we need to be able to call upon those relationships, due to supply chain issues, inflationary pressures and the move towards net zero. Our 'Better with Bellway' strategy relies on our key partners, to help us deliver our goals, particularly when it comes to embodied carbon in the supply chain, and waste reduction.

Our collaborative approach helps both our company, our customers and our partners in delivering more sustainable products at the scale we need as a volume housebuilder.

Issues raised as a result of engagement

- Supply chain issues as housing demand increases.
- Skills shortage.
- Health and safety.
- Land and planning.
- Sustainability.
- Availability of specialists for remediation of buildings.

Sustainability

Carbon Reduction – See pages 45 to 48.

How we engage	Engagement outcomes
Future Home project at the University of Salford We have closely collaborated with partners to introduce and evaluate new technologies in our homes. This initiative not only showcases the effectiveness of these innovations, but also emphasises our commitment to advancing sustainable practices alongside our partners.	We have closely collaborated with partners to introduce and evaluate new technologies in our homes. This initiative not only showcases the effectiveness or otherwise of these innovations, but also underscores our commitment to advancing sustainable practices alongside our partners. Such partnerships are instrumental in driving meaningful progress towards our sustainability goals, while delivering innovative solutions to benefit both our business and the environment. The initial testing results within this project are also enabling us to make decisions on the key design elements and technologies suitable for Future Home Standard houses. This data is also being shared with industry partners, who benefit from our research and development investment.
Carbon and waste reduction Our ambitious Carbon Reduction targets as part of our 'Better with Bellway' sustainability strategy necessitate working closely with our partners to decrease embodied carbon within our supply chain and we are meeting regularly with them to discuss sustainability.	Working closely with our key partners on embodied carbon in the supply chain, and reducing waste. Our involvement extends to our partnership with the Supply Chain Sustainability School ('SCSS') where we have set an ambitious target for 85% of our key 100 suppliers to reach Gold level membership with the School – the highest level achievable. We have exceeded that target as 89% of our key 100 suppliers are Gold level members. To this end, Bellway received an award for Supply Chain Engagement from the school, which was presented to us at the Net Zero Summit held in September 2023. Through our sustainability strategy, we have experienced positive engagement from several key suppliers who have embraced and integrated our plans into their own sustainability strategies. This collaborative effort has yielded favourable outcomes, as our partners have adjusted their practices to align with our sustainability goals.

Health and safety

Building Quality Homes, Safely – See pages 49 to 52.

How we engage	Engagement outcomes
Continuous monitoring We maintain continuous monitoring of health and safety across our sites, collaborating closely with our partners to ensure subcontractors and suppliers receive the necessary education and information. This proactive approach is aimed at maintaining consistent RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) levels, thereby prioritising the safety and wellbeing of all individuals involved in our operations.	Our RIDDOR score for FY24 was 170.99 against a target of 210.74.

Board level engagement

The Board maintains active oversight of partners and the supply chain receiving regular updates and reports on these matters. Our Commercial and Technical teams ensure ongoing communication with the Board regarding key partner issues, with Board approval sought for significant decisions. The progress of our 'Better with Bellway' targets across all eight business priority areas is regularly reported to the Board. These updates include detailed assessments and recommendations, ensuring alignment with corporate strategies and receiving Board approval as necessary.
Our building safety remediation projects are subject to Board oversight and key decisions require Board approval.

Impact on Board decision-making

Given the critical role of partnerships in our business success, the Board carefully evaluates the impact of decisions on our partners. The effectiveness of our 'Better with Bellway' sustainability strategy hinges on the co-operation and support of our partners, emphasising the importance of collaborative efforts in achieving our shared goals. This strategic approach ensures that decisions are made with consideration for the mutual benefits and outcomes of all stakeholders involved.

Key Stakeholder Relationships continued

Local Communities and the Environment

Why we engage

Bellway's commitment to local communities extends beyond the construction of desirable developments in areas with housing needs. We actively foster relationships with local suppliers and subcontractors, contributing to job creation and investing in local infrastructure. Our community outreach activity involves local schools, charitable organisations and other key local stakeholder groups. Through these efforts, we consistently engage with, and contribute to the broader communities where we operate, striving to make a positive impact beyond our housing developments.

Issues raised as a result of engagement

- Affordability and the supply of housing.
- Planning and community engagement.
- Biodiversity.
- Home efficiency and sustainability.
- Environmental issues.
- Impact on existing communities and infrastructure.
- Charitable and community giving.

Planning and community engagement

Customers and Communities – See pages 39 to 40.

How we engage	Engagement outcomes
Planning process We actively participate in public consultations and engage with the local community. Our research into local areas helps us identify housing requirements, allowing us to create desirable developments that complement the area and meet the needs of the local population. We use feedback from local engagement to adjust our plans as necessary.	Our engagement provides feedback, which is used to develop schemes that meet local needs and ensure we are delivering quality homes in keeping with local community requirements.
Section 106 (England and Wales), Section 75 (Scotland), Community Infrastructure Levies and affording housing contributions	
We invest significant resources into the communities where we develop. Local authorities use these investments to deliver infrastructure improvements, designed to mitigate the impact of additional housing on local services.	This results in significant funds being allocated to improve or build schools, healthcare facilities, roads, recreational facilities, and other services that benefit the wider community. Our developments also lead to job creation and provide contracts for local subcontractors, many of whom have long-term relationships with us. This, in turn, fosters additional investment from the supply chain involved in building our homes. Of the 7,654 housing completions this year, 24.8% (down from 25.4% in 2023) were sold to affordable housing providers, supplying much-needed affordable homes to communities throughout the UK. We sold 26.5% (down from 28.3% in 2023) of our homes to first-time buyers. The increase in housing provision benefits local communities by freeing up homes in the second-hand market and increasing overall supply, particularly in areas with housing shortages.

Charitable and community giving

Charitable Engagement – See pages 60 to 61.

How we engage	Engagement outcomes
National and local charities	
We maintain relationships with national and local charities and community organisations. We also conduct school outreach projects in the areas where we operate, where our divisional teams visit schools and deliver programmes designed to encourage careers in construction. These engagements benefit the organisations by providing financial donations and using our employees' expertise for tasks that the organisations are unable to perform themselves. We directly involve local communities and charity organisations in our development plans, especially where there is a historical connection to the land. Our 'Better with Bellway' sustainability strategy further supports community engagement in sustainable activities. Our plans for biodiversity net gain on some sites will also involve local communities. Our national charity partnership with Cancer Research UK, now in its eighth year, enables us to engage in charitable activities at both national and local levels.	Our fundraising efforts with our national charity partner, Cancer Research UK, have resulted in us reaching our target of raising £3 million by the end of 2023, ahead of schedule thanks to the incredible fundraising efforts of our colleagues, suppliers, and subcontractors. At the end of FY24, a total of £3.76 million has been raised for CRUK, with a target to reach £4 million by the end of the calendar year. Across the Group, our divisions have also raised an additional £61,202 for other, national, regional, and local charities through various fundraising activities. This is in addition to the benefits in kind we donate through staff time and the donation of goods and services.
Volunteering	
Employees are granted one day of volunteering leave each year to support charitable causes. This initiative encourages our staff to engage with, and positively contribute to, the communities in which we operate, further reinforcing our commitment to social responsibility and community betterment.	All Bellway employees are granted one day of volunteering leave annually to support charitable purposes and during the year, a total of 496 hours of cumulative volunteering time was donated by our employees.
Schools engagement	
We run school outreach projects in areas where we operate, which involve our divisional teams going into schools and delivering programmes designed to encourage careers in construction.	Our schools engagement programme, launched in September 2022, designed to promote housebuilding as a career option for school leavers, has engaged 664 secondary schools, and we have access to 492,386 students (male – 49.8%, female – 50.2%).

Board level engagement

The Board supports our engagement with local communities and our environmental initiatives, recognising them as integral components of our business strategy under 'Better with Bellway'. This strategy has received full approval from the Board, underscoring our commitment to making a positive impact beyond our core operations.

Impact on Board decision-making

Community feedback on planned developments plays a crucial role in our Board's decision-making process when assessing the feasibility of a project before proceeding. This input helps us gauge community sentiment and ensure that our developments align with local needs and expectations. Our community engagement and charitable fundraising initiatives are integral to our 'Better with Bellway' sustainability targets. These efforts are regularly reported to the Board, influencing decisions on future strategies and directions. By incorporating this data into our decision-making, we ensure that our actions are not only aligned with our sustainability goals but also reflect our commitment to go beyond just building new homes in the communities we serve.

Key Stakeholder Relationships continued

Government, Regulators and Industry Bodies

Why we engage

Bellway is apolitical, has no political affiliations and does not make any political donations, but we do have regular interactions with government departments, opposition parties and regulators as they are responsible for setting the regulatory and legal framework in which we operate. In addition, local government plays a vital role in our activities as the planning system and other regional policies have a direct impact on our business activities. We also work with industry bodies, such as the House Builders Federation ('HBF') in dealing with issues facing the wider sector.

Issues raised as a result of engagement

- Building safety and the industry voluntary pledge to remediate buildings in England, the Pact in Wales and the Accord in Scotland.
- Competition and Markets Authority investigation into suspected anti-competitive conduct by housebuilders.
- Local planning issues.
- Sustainability and environment.
- Future Home Standards Building Regulations.
- Health and safety.
- Access to housing.
- Acceleration of housing supply.

Local planning issues

Customers and Communities – See pages 39 to 40.

How we engage	Engagement outcomes
Government policies	
Government policies at central, devolved, and local levels in England, Scotland, and Wales significantly influence our business operations. Policies related to planning and local infrastructure investment directly impact supply in the UK housing market, and we need to engage directly with policy makers to achieve this. To advance our developments, we collaborate with local authorities and other relevant bodies to ensure our planned developments meet local housing needs. We adjust our plans to reflect the specific requirements of the communities in which we build, aiming to create desirable places to live.	Our centralised communication with MPs and key stakeholders ensures that we effectively address concerns at both the government and constituent levels. Issues raised by local MPs are managed centrally to ensure a consistent business response. Regular reporting of this engagement occurs at the Board level to maintain transparency regarding our political stakeholder interactions. The Board conducted a review of our corporate advisors. This ensures that our political engagement aligns effectively with the stature and needs of our company.
Investment in communities	
In addition to building new communities, we contribute to local infrastructure initiatives through Section 106 (England and Wales), Section 75 (Scotland), and Community Infrastructure Levy ('CIL') contributions. These funds support essential infrastructure projects, such as road improvements, new schools, healthcare facilities, and other vital projects, such as creating new sporting facilities that meet local needs. This approach not only supports the growth and development of communities, but also enhances the overall infrastructure and services available to residents.	This results in significant funds being allocated to improve or build schools, healthcare facilities, roads, recreational facilities, and other services that benefit the wider community.

Sustainability and environment

Carbon Reduction – See pages 45 to 48.

How we engage	Engagement outcomes
Future Home exemplar project As part of our 'Better with Bellway' sustainability strategy, we also use our expertise gained from our Future Homes exemplar projects around the UK to contribute to industry consultations regarding the phasing out of fossil fuels and the strategies for achieving this transition within the sector.	We are able to demonstrate our commitment to our 'Better with Bellway' sustainability strategy and provide important insight into our work towards delivering low-carbon homes at scale, working with key government and sector bodies. We have shared our findings in the recent Future Home Standard consultation.

Access to housing

Customer and Communities – See pages 39 to 40.

How we engage	Engagement outcomes
Homes England Bellway works closely with Homes England, the government's housing accelerator body, to address housing needs across the UK.	As a result of ongoing engagement, Bellway is able to deliver some of Homes England's delivery projects across England.
The New Homes Quality Code The industry standard practice for all registered builders ensures that customers who reserve a new home benefit from the protections offered by the New Home Quality Code and the New Homes Ombudsman Service. We work closely with the New Homes Quality Board and the Ombudsman Service in responding to any cases referred to them by our customers.	Our Customer Care teams monitor our controls to ensure we adhere to the Code and where complaints are escalated to NHQB, we ensure that any areas of non-compliance are addressed. This is reported to the Board.

UK Competition and Market Authority

How we engage	Engagement outcomes
UK Competition and Market Authority The UK Competition and Markets Authority ('CMA') investigation on suspected anti-competitive conduct by some housebuilders has become a significant focus for our Board. We are actively involved in discussions and responses related to this study.	The Group has actively participated in the Competition and Markets Authority (CMA) study of the sector, and the subsequent ongoing investigation into suspected anti-competitive conduct by housebuilders.

Key Stakeholder Relationships continued

Building safety

Building Quality Homes, Safely – See pages 49 to 52.

How we engage	Engagement outcomes
Proactive response A proactive response has led to ongoing engagement with the Ministry of Housing, Communities and Local Government ('MHCLG'), both directly and through our participation in the HBF. Similar engagements have been replicated in Scotland and Wales, focusing on building safety issues within their respective frameworks. We meet regularly with officials from MHCLG to discuss remediation activities, share project data, and ensure that we are fulfilling our obligations completely.	Following extensive Board involvement, the Group finalised the signing of the Self-Remediation Terms in March 2023. These terms operationalise the principles initially outlined in the Building Safety Pledge signed with the government in April 2022, converting them into a binding agreement between Bellway and the government. In October 2022, we committed to the Developers' Pact with the Welsh Government, mirroring the principles of the Pledge in England. This commitment focuses on remediating buildings over 11 meters in height with critical fire safety issues, underscoring our consistent and responsible approach to building safety across the UK. Discussions with the Scottish Government regarding a similar Accord are ongoing. We regularly meet key stakeholders as part of these commitments and provide regular updates to the government departments who are responsible for delivery of these agreements. We also use these relationships to help resolve some of the issues being faced by all builders who have agreed remediation, for example, where a freeholder or managing agent is delaying our ability to begin remediation projects through protracted legal negotiated to gain access to buildings we have no legal responsibility for.

Board level engagement

The Board has been fully engaged in key issues facing the housebuilding sector, which has been driven by political uncertainty and the recent change in government leading to changes in policies relating to the sector. Given the macroeconomic impact of policy on the housebuilding sector, this has been an important focus for the Board this year. The UK Competition and Markets Authority ('CMA') investigation into suspected anti-competitive conduct by housebuilders, launched in February 2024, has received full Board attention as the business has fully complied with requests from the regulator.

Impact on Board decision-making

The political nature of housing strategy naturally impacts the housebuilding sector. As a result, government policy and economic changes have a direct effect on our business. The recent changes in UK Government and the positive move towards reintroducing housebuilding targets means the Board must fully consider the implications of any changes in government policy, and the opportunities and threats that may arise as a result.

Risk Management

Our established framework for managing risks has continued to be in place across the business throughout this financial year, with responsibility to implement the Board's policies on risk management and internal control sitting with management.

Our risk management objectives continue to be:

- Assessing emerging and principal risks against an agreed appetite for risk, which is regularly reviewed.
- Improving the balance of risk and return through developing and maintaining a proactive, risk-aware culture.
- Ensuring there is a consistent approach for the identification, assessment, control, monitoring, follow-up and reporting of risks.
- Developing and implementing action plans to ensure that risks are mitigated where required, within our agreed risk appetite and that improvements are made to our control environment.
- Ensuring the approach to risk management meets the needs of the business, senior management and all key stakeholders.

Risk management framework

The Board
- Overall responsibility for risk management.
- Review, challenge and approve the risk management framework and corresponding Policy, processes and annual risk plan.
- Review and agree risk appetite.
- Conduct a robust assessment of the emerging and principal risks facing the Group.
- Review and challenge risk reports.

Audit Committee
- Oversee the risk management framework, Policy and processes.
- Review routine risk reports and utilise risk information to review and approve assurance plans and priorities.
- Provide assurance over risk management to the Board.
- Monitor the progress of risk mitigating actions and recommendations.

Executive Management
- Review, challenge and approve the risk management framework and corresponding Policy and processes.
- Review and challenge risk information against stated business objectives.
- Approve risk treatments and actions.
- Approve risk reports for the Board.
- Review and agree risk appetite.

Group Risk Director
- Design and implement the risk management framework and corresponding Policy and processes.
- Facilitate and implement the risk management framework, Policy and processes.
- Undertake risk management activities and produce reports in accordance with Risk Management Policy.

Key

Reports to

Directs and monitors

Risk management roles and responsibilities

In all businesses, responsibility for managing risk sits with every employee. In undertaking their roles, employees are assisting in identifying, assessing and managing risks. Specific roles and responsibilities, as defined in our risk management framework and corresponding Policy, are set out in the diagram below:

Risk management process

Identify
all business areas

→ **Evaluate**
severity of risks

→ **Treat**
to bring within risk appetite

→ **Action**
mitigate risks (where needed)

→ **Report**
monitor risks and report progress of mitigation

Risk Management continued

Risk management process

A risk register is maintained detailing all potential risks and our risk management processes ensure that all aspects of the Group are considered, from strategy through to operational execution, which includes any specialist business areas.

The risk register is reviewed as part of our management reporting processes, resulting in the regular assessment of risk, severity and any required mitigating actions. The severity of risk is determined based on a defined scoring system assessing risk impact and likelihood.

A summary of risks is reported to management, the Audit Committee and the Board, which is mainly, but not exclusively, comprised of risks considered to be outside of our risk appetite after mitigation. This summary is reviewed throughout the year, with the Board systematically considering the risks and any changes that have occurred. Once a year, via the Audit Committee, the Board determines whether the risk management framework is appropriately designed and operating effectively. The Directors confirm that they have conducted a robust assessment of the principal risks facing the Group.

More information on risk management and internal controls is included within the Audit Committee Report on pages 118 to 129.

Financial risk management

The Group's financial instruments comprise cash, fixed rate sterling USPP notes and various items such as trade receivables and trade payables that arise directly from its operations.

The main objective of the Group's Policy towards financial instruments is to maximise returns on the Group's cash balances, manage the Group's working capital requirements, and finance the Group's ongoing operations.

Capital management

The Board's Policy is to maintain a strong capital base to underpin the future development of the business in order to deliver value to shareholders. The Group finances its operations through reinvested profits, bank facilities, fixed rate sterling USPP notes, cash in hand and the management of working capital.

The dividend is determined following careful consideration of capital requirements, as well as the Group's operational capability to deliver further long-term volume growth. If the final dividend is approved, the total dividend will be covered by total underlying earnings by 2.5 times[2,3] (2023 – 2.3 times).

Management of financial risk

The main risks associated with the Group's financial instruments held during the year have been identified as credit risk, liquidity risk, interest rate risk and housing market risk. The Board is responsible for managing these risks and the policies adopted, which have remained unchanged during the year and are set out below.

Credit risk

The Group's exposure to credit risk is largely mitigated as the vast majority of the Group's sales are made on completion of a legal contract, at which point monies are received in exchange for transfer of legal title. There is no specific concentration of credit risk in respect of home sales as the exposure is spread over a number of customers.

In respect of trade and other receivables, the amounts presented in the balance sheet are measured at amortised cost less a loss allowance for expected credit losses, which are assessed on the basis of an average weighting of the risk of default (see note 8 to the accounts). For this purpose, a default is determined to have occurred if the Group becomes aware of evidence that it will not receive all contractual cash flows that are due. The Group had £47.7 million (2023 – £38.6 million) of financial assets relating to loans made by Bellway to equity accounted joint arrangements (note 12). The counterparties to these loans are expected to make a profit and, therefore, repay the loans in full. The Group, therefore, considers the risk of default to be minimal.

No credit limits were exceeded during the reporting period, or subsequently, and the Group does not anticipate any losses from non-performance by these counterparties.

The Board considers the Group's exposure to credit risk to be acceptable and normal for an entity of its size, in the industry in which it operates.

Liquidity risk

The Group finances its operations through a mixture of equity (comprising share capital, reserves and reinvested profit) and debt (comprising bank, borrowings and fixed-rate sterling USPP notes). The Group manages its liquidity risk by monitoring existing facilities and cash flows against forecast requirements based on a three-year rolling cash forecast.

The Group's Treasury Policy has, as its principal objective, the maintenance of flexible debt facilities in order to meet anticipated borrowing requirements. The Group's banking arrangements outlined in note 17 to the accounts are considered to be adequate in terms of flexibility and liquidity for its medium-term cash flow needs. Relationships with banks, fixed-rate sterling USPP noteholders and overall cash management are co-ordinated centrally. The Group is operating well within its financial covenants and available debt facilities.

Short-term cash surpluses are placed on deposit at competitive rates with high-quality counterparties. Other than those disclosed, there are no financial instruments or derivative contracts. The Board, therefore, considers the Group's liquidity risk to be mitigated.

In relation to land payables, certain payables are secured on the respective land asset held (see note 9 to the accounts). No other security is held against any other financial assets of the Group.

Interest rate risk

Interest rate risk reflects the Group's exposure to fluctuations in interest rates. The risk arises because the Group's overdraft and floating rate bank loans, fully undrawn at year-end, bear interest based on SONIA.

The Group's attitude to interest rate risk and forecast debt is influenced by the existing and forecast conditions prevailing at the time that each new interest-bearing instrument is entered into. This will determine, amongst other things, the term and whether a fixed or floating interest rate is obtained.

During the year ended 31 July 2024, it is estimated that an increase of 1% in interest rates applying to the full year would have decreased the Group's profit before taxation by £0.5 million (2023 – £1.9 million increase to profit).

Housing market risk

The Group is affected by movements in UK house prices. These in turn are affected by factors such as credit availability, employment levels, interest rates, consumer confidence and supply of land with planning.

While it is not possible for the Group to fully mitigate housing market risk on a national macroeconomic basis, the Group does continually monitor its geographical spread within the UK, seeking to balance investment in areas offering the best immediate returns with a long-term spread of its operations throughout the UK to minimise the effect of local microeconomic fluctuations.

Going concern statement

After conducting a full review, the Directors have a reasonable expectation that the Group has adequate resources to fund its operations for at least the period to 31 July 2026, aligning with the first year-end after the minimum 12-month assessment period. For this reason, they continue to adopt the going concern basis in preparing the financial statements as discussed further on pages 177 to 178.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over the period to 31 July 2028, which is longer than required by the going concern assumption. This period is consistent with the Group's detailed bottom-up forecasts, which assess future profitability, cash flows and the land bank, and are overlayed with prudent Group-level assumptions.

Factors considered in assessing the long-term viability

In assessing the Group's forecasts and long-term viability, the following factors are considered:

Factor	Consideration
Group's latest performance	This considers the trading performance in both the year ended 31 July 2024 and in the first nine weeks of the new financial year including any changes to selling prices. In addition, any relevant external factors that may affect Bellway, such as any changes to government policies, regulations and mortgages, were considered.
Group's current financial position	This considers the latest net cash/debt held by the Group and the expiry date of existing debt financing. Furthermore, consideration is given to the land and work-in-progress held on the balance sheet at 31 July 2024.
Group's strategy	Whether the base forecast is consistent with the Group's strategy, both financial and non-financial.
Principal and emerging risks	Whether the principal and emerging risks associated with achieving the Group's strategy, particularly those that would have a significant effect on Bellway's ability to meet its liabilities over the period of the viability assessment, are incorporated.

↑
A street-scene from our The Vickers development in Witchford.

Risk Management continued

Group forecast methodology

The Group's bottom-up forecasts are updated on at least a monthly basis by the 20 trading divisions and are subject to review by the divisional management team, Regional Chairs and Group management.

The forecasts consider the profitability, cash flows, debt covenants, land bank and other financial and non-financial metrics over the period. These forecasts also incorporate anticipated costs arising from adopting the Future Homes Standard, which is linked to the environment and climate change risk. The viability assessment has not been materially affected by climate change considerations.

The main assumptions used in preparing the forecasts are:

- The number, timing and selling price of legal completions.
- Production volumes and the associated build costs.
- The quantity and timing of land spend.
- The quantity and timing of spend following the signing of the Self-Remediation Terms.
- Working capital requirements.
- Dividend payments.
- Corporation tax and residential property developer tax.

Viability assessment

The viability assessment is based on the Group's current position and the potential effect of the principal risks facing the Group, which are summarised on pages 83 to 87. The principal risk that has been identified as the most severe and plausible scenario is:

Factor	Consideration
External environment: Including housing demand, mortgage availability and Government Housing Policy.	A reduction in private completions and private ASP due to a decline in demand.

The most severe but plausible downside scenario is a severe recession. It includes the following principal assumptions:

- Private completions in H1 FY25 are supported by the forward order book. In the 12 months to 31 January 2026, private completions reduce by around 50% compared to the 12 month pre-stress peak achieved in FY22. This is followed by a gradual recovery based on the lower base position.
- Private average selling price in H1 FY25 remains in line with internal forecasts due to the order book position. In the 12-months to 31 January 2026, the private average selling price reduces by 10% compared to the latest achieved pricing. This is followed by a gradual recovery based on the lower base position.
- These assumptions reflect the Group's experience in the 2008–09 Global Financial Crisis.

A number of prudent mitigating actions within the Directors' control were incorporated into the plausible but severe downside scenario, including:

- Plots in the land bank only being replaced at the same rate that they are utilised.
- Construction spend reducing in line with housing revenue.
- Dividends reducing in line with earnings.

The sensitivity analysis was modelled over the period to 31 July 2026 for the going concern assessment, but extended to the 31 July 2028 for the Directors' viability assessment. In addition to the above, several additional mitigating measures remain available to management that were not included in the scenario. These include withholding discretionary land spend and instead trading out of the substantial existing land holdings.

The output of this review considered the profitability, cash flows and funding requirements of the Group over the period to 31 July 2028. The assessment included an assumption that existing debt facilities remained in place, but, very conservatively, were not renewed at the end of their term.

In the most severe but plausible scenario, the Group had significant headroom in both its financial debt covenants and existing debt facilities and met its liabilities as they fall due. Based on the results of this review, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 July 2028.

Principal Risks

The Board has completed its assessment of the Group's emerging and principal risks. The following nine principal risks to our business have been identified:

Construction resources

Shortages of building materials and appropriately skilled subcontractors at competitive prices.

Strategic relevance

- Failure to secure the required quantity and quality of resources causes delays, impacting the ability to deliver volume growth targets.
- Pricing pressures/increased costs impact returns.

KPIs

- Number of homes sold.
- Operating profit.
- Operating margin.
- EPS.
- Gross margin.
- Customer satisfaction score.

Mitigation

- Robust forecasting and forward planning of labour and materials requirements.
- Processes are in place to select, appoint, manage, and build long-term relationships with subcontractors and suppliers.

Climate change and the environment

Failure to evolve sustainable business practices and operations in response to climate change, including physical environmental impacts and transition risks associated with new regulation, reporting requirements, and increased social/market expectations.

Strategic relevance

- There is an increased focus on the actions taken by businesses in response to climate change and the disclosures made. Failure to improve policies, reporting and performance in line with new government regulations and heightened social/market expectations could lead to financial penalties and reputational damage.
- The physical impacts of climate change (such as extreme weather) could lead to disruptions within the supply chain and build programmes.

KPIs

- Tonnes of carbon emissions per legal completion.
- Percentage of renewable electricity.
- Tonnes of waste per home built.
- Percentage of waste diverted from landfill.

Mitigation

- Continual monitoring of new and evolving requirements as part of our legal and regulatory compliance framework, including TCFD, the Future Homes Standard and the Environment Act.
- Climate change and Carbon Reduction is a key priority under the Group's 'Better with Bellway' sustainability strategy.
- Dedicated sustainability innovations and biodiversity resources in place to assess risks relating to climate change, monitor performance and drive improvement.
- Consultation with specialist external advisers and subject matter experts (e.g. sustainability consultants).
- Regular review of the design and features of new homes, along with construction methods and the sustainability of materials, to increase energy efficiency and reduce waste.
- Investment in energy-saving measures for offices and sites, including transition to REGO certified electricity.
- Development and monitoring of science-based Carbon Reduction targets.

Principal Risks continued

Economy and market

Changes in the external environment (including, but not limited to, house price inflation, interest rates, mortgage availability, unemployment, Government Housing Policy and post-Brexit trade agreements) reduce the affordability of new homes.

Strategic relevance

- Reduced affordability has a negative impact on customer demand for new homes and consequently our ability to generate sales at good returns.

KPIs

- Number of homes sold.
- Operating profit.
- Operating margin.
- RoCE.
- EPS.
- Gross margin.
- Customer Satisfaction score.
- Reservation rate.
- Order book value.

Mitigation

- Board-level monitoring of the housing market and economic environment alongside key business metrics, leading to development of action plans as necessary.
- Disciplined operating framework, strong balance sheet and low financial gearing.
- Product range and pricing strategy based on Regional market conditions.
- Regular engagement with industry peers, representative bodies, and new build mortgage lenders.
- Use of sales incentives such as part-exchange, and Government-backed schemes to encourage the selling process.
- Quarterly site valuations and monthly budget reviews based on latest market data.

Health and safety

A serious health and safety breach and/or incident occurs.

Strategic relevance

- Failure to maintain safe working conditions would impact employee wellbeing and the creation of a positive working environment.
- Injury to an individual while at one of our business locations could delay construction and result in criminal prosecution, civil litigation, and reputational damage.

KPIs

- Number of RIDDOR seven-day reportable incidents per 100,000 site operatives.
- Health and safety incident rate.
- Number of NHBC Pride in the Job Awards.

Mitigation

- Health and Safety Policy and procedures in place, supported by Group-wide training.
- Regular visits to sites by both our Group Health and Safety function (independent of divisions) and external specialist consultants to monitor standards and performance against health and safety policies and legislation.
- The Board considers health and safety matters at each meeting.

Strategic Report

Human resources

Inability to attract, recruit and retain high-quality people.

Strategic relevance

- Failure to attract and retain people with appropriate skills would affect our ability to perform and deliver our strategy and volume growth targets.

KPIs

- Employee turnover.
- Number of graduates, trainees, and apprentices.
- Employees who have worked for the Group for ten years or more.
- Training days per employee.
- Senior management gender split.
- Percentage of staff in earn and learn roles.
- Employee Engagement Survey response rate.

Mitigation

- Continued development of our Group HR function and implementation of our people strategy.
- Established human resources programme for apprentices, graduates, and site management.
- Monitoring of staff turnover, absence data and feedback from exit interviews.
- Competitive salary and benefits packages, which are regularly reviewed and benchmarked.
- Employee engagement activities undertaken, including an annual survey, with results communicated to the Board.
- Succession plans in place and key person dependencies identified and mitigated.
- Robust programme of training provided to employees, which is regularly updated and refreshed.
- Development programmes for senior leaders and middle managers in place.

IT and security

Failure to have suitable IT systems in place that are appropriately supported and secured.

Strategic relevance

- Poor performance of our systems would disrupt operational activity and impact the delivery of our strategy.
- An IT security breach could result in the loss of data, with significant potential fines and reputational damage.

KPIs

- Operating profit.
- Operating margin.
- RoCE.
- EPS.
- Gross margin.
- Customer Satisfaction score.

Mitigation

- Continued investment in infrastructure and systems.
- Group-wide systems in operation, which are centrally controlled by an in-house IT function, supported by a specialist outsourced provider.
- IT Security Policy and procedures in place with regular Group-wide training.
- Regular review and testing of our IT security measures, contingency plans and policies.
- Security Committee in place.

Principal Risks continued

Land and planning

**Inability to source suitable land at appropriate gross margins and return on capital employed.
Delays and complexity in the planning process.**

Strategic relevance

- Insufficient land at appropriate margins, onerous planning conditions or a failure to obtain planning approval within appropriate timescales would exacerbate the challenge of developing new homes, restrict our ability to deliver volume growth targets and impact future returns.

KPIs

- Number of homes sold.
- Operating profit.
- Operating margin.
- RoCE.
- EPS.
- Gross margin.
- Number of plots in owned and controlled land bank with DPP.
- Number of plots in 'pipeline'.
- Number of plots in strategic land bank – positive planning status.
- Number of plots in strategic land bank – longer-term interests.
- Number of plots acquired with DPP.
- Number of plots converted from medium-term 'pipeline'.

Mitigation

- Continued development of our Group Strategic Land function and implementation of our land strategy.
- Increased investment in land and more sites with detailed planning permission ('DPP').
- Regular review by both Group and divisions of the quantity, location, and planning status of land against growth targets to ensure our land bank supports immediate, medium-term, and strategic requirements.
- Formal land acquisition process in place for the appraisal and approval of all land purchases, including pre-purchase due diligence and Group-level challenge of viability assumptions.
- Group and divisional planning specialists in place to support the securing of implementable planning permissions.

Legal and regulatory compliance

Failure to comply with legislation and regulatory requirements, including the Self Remediation Terms.

Strategic relevance

- Lack of an appropriate compliance framework and/or compliance breaches could incur fines, delay business operations and lead to re-work across sites, which will impact our reputation and profitability.

KPIs

- Number of homes sold.
- Operating profit.
- Operating margin.
- RoCE.
- EPS.
- Gross margin.

Mitigation

- In-house expertise from Group functions such as Company Secretariat, Legal, Health and Safety and Technical /Design, who advise and support divisions on legal compliance and regulatory matters.
- Consultation with government agencies, specialist external legal advisers and subject matter experts, (e.g., fire safety engineers).
- Strengthened Group-wide policies, guidance, and training in place supported by externally facilitated whistleblowing and reporting procedures.
- Continual monitoring and review of changes to legislation and regulation, including government guidance, advice notes and sector specific updates.
- Regular liaison with industry peers and the HBF on compliance requirements and matters.

Unforeseen significant event

An unforeseen significant national or global event occurs.

Strategic relevance

- The economic uncertainty brought about by an unforeseen significant event could materially impact the Group's operations and liquidity.
- Damage to reputation if the Group is not perceived to be following government guidelines and acting responsibly.

KPIs

- NAV.
- Operating profit.
- Operating margin.
- RoCE.
- EPS.
- Total dividend per ordinary share.
- Gross margin.
- Reservation rate.
- Order book value.
- Employee turnover.

Mitigation

- Strong balance sheet, low financial gearing, committed bank loan facilities and USPP debt, which would help ensure resilience during a recession.
- Maintenance of business resilience and continuity plans covering offices, sites, and IT.
- Experienced and well-established senior management team.
- Continued investment in systems and infrastructure to enable robust agile working.
- Monitoring of government guidelines (including the Construction Leadership Council).
- Regular communications with subcontractors and suppliers to understand any potential issues as a result of the event on their own business and supply chain.

The Group also considers any emerging risks that have the potential to impact the achievement of our strategy, but which cannot yet be fully defined and assessed. These uncertainties are reviewed as part of our established risk management framework, discussed regularly by management, the Audit Committee, and the Board of Directors, and elevated to principal risks (either as new risks or an extension of existing risks) when warranted.

Task Force on Climate-related Financial Disclosures ('TCFD')

In meeting the requirements of Listing Rule 6.6.6R(5) and 6.6.6R(6), we have concluded that:

For FY24, we fully comply with recommended disclosures 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11.

For FY24, we partially comply with recommended disclosure 5.

We are not complaint with the requirement to consider the financial impact of identified risks over the medium and long-term time horizons, as we evolve our approach to TCFD, this will be addressed.

TCFD recommended disclosures	Cross-reference or reason for non-compliance	Next steps and further comments
Governance		
1) Describe the Board's oversight of climate-related risks and opportunities.	2024 Annual Report – Governance section (Pages 102 to 167) **Compliant**	The Sustainability Committee will continue to monitor progress of the 'Better with Bellway' strategy, which incorporates climate-related risks and opportunities.
2) Describe management's role in assessing and managing climate-related risks and opportunities.	2024 Annual Report – Governance section (Pages 102 to 167) **Compliant**	The 'Better with Bellway' Leadership Group meets quarterly to monitor KPIs, targets and delivery of the 'Better with Bellway' strategy.
Strategy		
3) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	2024 Annual Report – Strategic report section (Pages 8 to 101) **Compliant**	In FY24 we updated our climate-related risks and opportunities to identify the most likely timeframe in which they could materialise. We are committed to continually improving our financial quantification of risks and opportunities.
4) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	2024 Annual Report – Strategic report section (Pages 8 to 101) **Compliant**	We will continue to review our overall strategy considering climate-related issues.
5) Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.	2024 Annual Report – Strategic report section (Pages 8 to 101) **Partially Compliant** – We have assessed the resilience of our strategy to climate-related risks.	The resilience of our overall organisational strategy is reviewed regularly, including the suitability of our 'Better with Bellway' strategy to respond to climate-related risks and opportunities.
Risk management		
6) Describe the organisation's processes for identifying and assessing climate-related risks.	2024 Annual Report – Risk management (Pages 79 to 82) **Compliant**	We will continue to enhance our level of awareness regarding our climate-related risks and opportunities in line with emerging regulatory requirements. Climate change is included as a principal risk (page 83).
7) Describe the organisation's processes for managing climate-related risks.	2024 Annual Report – 'Better with Bellway' (Pages 34 to 61) **Compliant**	Our processes for managing climate-related risks are integrated within the 'Better with Bellway' strategy. Business sponsors are risk-owners for climate related issues identified in the strategy. Sponsors meet with the 'Better with Bellway' Steering Group quarterly, who then report progress against targets to the Sustainability Committee.
8) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	2024 Annual Report – Risk management (Pages 79 to 82) **Compliant**	We will continue to monitor and manage our risk management processes to ensure climate-related risks are integrated and appropriate accountability is maintained.

TCFD recommended disclosures	Cross-reference or reason for non-compliance	Next steps and further comments
Metrics and targets		
9) Disclose the metrics used by the organisation to assess climate-related risks and opportunities.	2024 Annual Report – Carbon Reduction section (Pages 45 to 48) **Compliant**	In FY24 we considered setting an internal carbon price, and we will include this in our Climate Transition Plan in FY25.
10) Disclose scope 1, scope 2, and if appropriate, scope 3 greenhouse gas emissions, and the related risks.	2024 Annual Report – Carbon Reduction section (Pages 45 to 48) **Compliant**	Bellway commits to reduce absolute scope 1 and scope 2 GHG emissions by 46% by July 2030 from a FY19 base year, aligned to the 1.5°C pathway. Bellway commits to reduce scope 3 GHG emissions by 55% per square metre of completed floor area by July 2030 from a FY19 base year.
11) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	2024 Annual Report – Carbon Reduction section (Pages 45 to 48) **Compliant**	Our Carbon Reduction business priority includes Science-Based Targets for scope 1, 2 and 3 emissions. We also have targets relating to the transition to air source heat pumps, and the development of a climate transition plan.

As a responsible homebuilder, we recognise the significance of climate change, and our role in mitigating its impacts. For a fourth consecutive year, we are reporting against the TCFD recommendations.

In FY24 we have concentrated on managing our transition risks, increasing the knowledge within our business to move away from traditional gas boilers to low-carbon air source heat pumps. We have also focused on reducing our direct emissions, demonstrated through a 44.7% reduction in our scope 1 and 2 footprint from our FY19 baseline. More details on emissions methodology and efficiency ratios used as part of our 'Better with Bellway' strategy can be found on pages 39 to 61.

For FY24 we signed up to CDP Global Reporter Services, which provides additional support with our CDP submission. The updated 2024 CDP survey is aligned with TCFD, IFRS S1 and S2 and the incoming TNFD requirements, and by being part of the Reporter Services we can identify, and address gaps in our approach. For this Annual Report we will continue disclosing in line with the four TCFD recommended disclosures:

- Governance.
- Strategy.
- Risk management.
- Metrics and targets.

We have provided a summary of our performance against each recommended disclosure above, and a reference table.

We will continue to refine our approach to identifying, assessing and managing our climate-related financial risks and opportunities. Although yet to be fully confirmed in the UK, we plan to be compliant with IFRS S1 and S2 by FY26, and will complete a comprehensive project to further develop our understanding of long-term physical and transition risks and opportunities, so we can address them in our 'Better with Bellway' sustainability strategy.

Governance

Climate change represents a principal risk for our business and, as such, it is treated with the utmost importance by our Board and within our approach to governance. Governance is headed up by our Sustainability Committee, which assists the Board in fulfilling its responsibilities in relation to ESG matters and overseeing the performance of the 'Better with Bellway' strategy, reporting to the Board on at least an annual basis. Our Group Finance Director is the Board sustainability sponsor and with the support of the Committee is responsible for monitoring climate change risks, opportunities and business impacts.

The Sustainability Committee is supported by the 'Better with Bellway' Leadership Team, chaired by the Group Head of Sustainability. The Leadership Team meets on a quarterly basis, where it receives an update from the Steering Group, who act as an intermediary, running the business Sponsor meetings, where objectives and targets are discussed in detail. Actions, targets and KPIs are reviewed annually, with new initiatives proposed by the Business Sponsors, then taken to the Leadership Team by the steering group, and then sent for Board approval at the annual Strategy Meeting.

Business sponsors are selected from across the Group, they are the best placed individuals to deliver the changes needed for us to meet our objectives. As an example, our Group Head of Procurement is the main sponsor for many of the Sustainable Supply Chain objectives. Objectives also have a second business sponsor, who is responsible for assisting with the delivery of objectives, helping with reporting and attending meetings.

The Audit Committee receives quarterly updates on business risks, which include climate change. Annually, the Committee undertakes a comprehensive review of key business risks.

Task Force on Climate-Related Financial Disclosures ('TCFD') continued

Strategy

Our 'Better with Bellway' strategy shows our commitment to delivering long-term value for all stakeholders and supporting the UK Government's net-zero target by 2050. Our climate change efforts are integrated into four of the eight pillars of our strategy:

Carbon Reduction
- Developing science-based carbon reduction targets.
- Identifying and mitigating our climate-related financial risks and opportunities.

Resource Efficiency
- Implementing energy-efficient construction practices and equipment.
- Innovating and investing in research and development.

Sustainable Supply Chain
- Evaluating the embodied carbon in our raw materials.
- Working with suppliers to find opportunities along the supply chain.

Building Quality Homes, Safely
- Complying and exceeding the requirements of the government's Future Homes Standard.
- Designing homes with reduced energy consumption.

Climate scenario analysis

The World Economic Forum identified climate related risks, including extreme weather events, changes to Earth's systems, biodiversity loss, and shortages of natural resources as the top global risks over the next ten years[b]. At Bellway, we have worked to identify how climate-related financial risks and opportunities could impact our business since 2021, and we have identified key physical and transition issues along with their corresponding impact over two climate scenarios, in accordance with the Intergovernmental Panel on Climate Change's Representative Concentration Pathways ('RCPs')[a].

a The RCPs are considered a method to set different scenarios under economic, social and physical assumptions that might occur because of climate change, and compare global carbon emissions against pre-industrial levels, projecting the effects from now until the end of the century.

b These are the biggest global risks we face in 2024 and beyond | World Economic Forum (weforum.org)

Climate scenarios	
Cautious scenario (RCP 4.5)	A predicted global temperature increase between 1.7°C and 3.2°C, in line with current climate change policies, pledges and commitments.
Worst-case scenario (RCP 8.5)	A global temperature increase between 3.2°C and 5.4°C, where carbon emissions continue growing unmitigated.

For our TCFD reporting, both climate scenarios are projected over three time horizons – short-term (2024 to 2040), medium-term (2040 to 2060) and long-term (2060 to 2080). The time horizons encompass the wide range of timeframes over which the different climate-related risks will be realised.

Our selected timeframes present a clear distinction between the short, medium, and long term and allow for longer-term planning of key climate-related risks. For the context of Bellway, the time-horizons took into account the lifetime of Bellway's assets (primarily homes), the profile of the climate-related risks, and the geography of operations across the UK. The following parameters were considered:

- The short-term time-horizon allows for the prioritisation of risks and opportunities to be included within operational, financial, and capital planning;
- Industry guidance highlights the typical lifespan of homes as up to 60 years (for the purposes of whole lifecycle carbon assessments); and
- Bellway Homes operates out of 20 trading divisions in England, Scotland, and Wales. The time-horizons took account of the relevant geographical data from the UK Met Office (2018). This dataset shows clear changes and projections for physical climate-related impacts at key milestones in alignment between present day and post-2070s.

Notably, most climate models deliver scenario results for physical impacts at a timeframe beyond 2050. The immediacy of the physical risks will increase under a high-emission scenario and should be considered over the short term.

The climate scenario analysis outlined above was used to identify the projected climate changes across England, Scotland and Wales. Consistent with TCFD, we identified:

- Physical risks: defined as direct damage resulting from climate change phenomena. These can be event-driven (acute) or long-term shifts (chronic) in climate patterns.
- Transition risks: defined as Policy and legal, technological, market and reputation impacts, associated with the implementation of measures to reach a low-carbon economy.
- Opportunities: realised benefits of climate change arising from new policies, operational efficiencies, resource efficiencies, and capitalising upon the low-carbon market and technological drivers.

We also assessed the financial significance of our climate-related financial risks and opportunities by:

1. Conducting a financial climate change workshop with cross-departmental representation.
2. Analysing the financial thresholds and value of our current and pipeline land and housing portfolio.
3. Identifying the potential financial impacts of every climate risk for the business.
4. Classifying every risk and opportunity in the financial threshold, depending on the level of impact against Bellway's portfolio value i.e. assets and land.

The most relevant climate-related risks we have identified are summarised on pages 88 to 95. This includes the level of financial impact for the short-term time horizon (2024 – 2040). We are not compliant with the requirement to consider the financial impact of the identified risks over the medium and long-term time horizons, we will do this as we evolve our approach to TCFD.

Risk: financial impact score key.

1. Impacts less than 1% of Bellway's portfolio value.
2. Impacts between 1% to 2.5% of Bellway's portfolio value.
3. Impacts between 2.5% to 5% of Bellway's portfolio value.
4. Impacts more than 5% of Bellway's portfolio value.

For each climate-related opportunity, we have identified a potential value score for the short-term time-horizon (2024 to 2040). Each opportunity is scored against the strength of the benefits Bellway will experience if they are to realise the identified opportunity.

The thresholds are defined as follows:

Opportunity: financial impact score key.

1. An increase to Bellway's portfolio value at less than 1%.
2. An increase to Bellway's portfolio value at 1% to 2.5%.
3. An increase to Bellway's portfolio value at between 2.5% and 5%.
4. An increase to Bellway's portfolio value at more than 5%.

The financial impacts of risks and opportunities are integrated into our financial planning process. This encompasses resource allocation for initiatives like the Air Source Heat Pump Trials (detailed on pages 44 to 48), compliance costs for updated Building Regulations Part L1A requirements, and ongoing consideration of physical climate risks, such as flood risk, in land viability assessments. Bellway believes its strategy is resilient to the identified climate risks.

Physical risk

TCFD physical risks refer to the potential financial impacts on an organisation due to climate-related events, including acute issues like extreme weather, and chronic challenges such as rising sea levels, and temperature changes.

			Financial score		
Category	**Identified climate risk**	**Actual and financial impact**	**Cautious Scenario (short-term time-horizons)**	**Worst-Case Scenario (short-term time-horizons)**	**Potential Impact Timeframe**
Acute	Increased frequency and intensity of heatwaves leading to adverse on-site working conditions.	• Increased expenditure as a result of implementing measures to maintain comfortable working conditions on construction sites. • Reduced revenue and increased costs as a result of build delays caused by labour disruption and decreased production capacity.	Score 1	Score 2	Medium Term
	Increased frequency and intensity of extreme rainfall events leading to increased river, coastal and surface water flooding.	• Increased costs of repair and loss of useable materials during construction. • Reduced availability of future developable land. • Increased operating costs due to the need for additional drainage, or amendments to existing drainage, both during development and upon completion. This risk is reflected in the new Resource Efficiency objective, to understand link between damaged items and waste performance.	Score 1	Score 2	Medium Term
Chronic	Sustained increase in temperatures leading to poor thermal comfort/overheating in homes.	• Increased costs due to adapting and redesigning new homes. • Reduced sales revenue and investment if buyers and investors perceive that the design of Bellway's homes are not adequate for mitigating against the effects of climate change. This risk is addressed in our plans to comply with the new Approved Document 'Part O', which aims to mitigate overheating in new residential buildings.	Score 1	Score 2	Short Term
	Sea and tidal river levels rising may put some site locations in the coastal regions and near flood plains up-river at risk of flooding.	• Increased costs due to prolonged planning and construction times for at-risk sites. • Loss of revenue due to reduced availability of future useable land and inability to include planned units on at-risk sites. • Increased insurance premiums and reduced availability of insurance on assets at high-risk locations. • Our Land Teams assess long-term flood risk when making a decision to purchase land.	Score 1	Score 2	Long Term

Task Force on Climate-related Financial Disclosures ('TCFD') continued

Transition risk

TCFD transition risks refer to the potential financial impacts on an organisation due to the shift towards a low-carbon economy, they include changes to Policy, technology, market preferences and legal requirements.

			Financial score		
Category	**Identified climate risk**	**Actual and financial impact**	**Cautious Scenario (short-term time-horizons)**	**Worst Case Scenario (short-term time-horizons)**	**Potential Impact Timeframe**
Policy and legal	• Many local authorities have declared climate emergencies, aligned to the Environment Act and the Planning and Energy Act, and have set expectations of developers to address associated impacts.	• Increased operating costs as a result of planning delays or rejections by local authorities and the associated resubmissions. • Reduced revenue due to negative perception of stakeholders arising from an insufficient response to local authority requirements. • Constrained land supply leading to inflated land costs. • Loss of revenue if stakeholders perceive that Bellway is not responding appropriately to local authority climate agendas. • Financial penalties and a fall in demand and investment if new local authority requirements are not met. We have addressed this risk in our new target to create best practice for divisions covering each aspect of sustainability (environmental, social and economic) by FY25.	Score 1	Score 1	Short Term
	Failure to comply with the Future Homes Standard for England, which is planned to be introduced from 2025 – requiring new build homes to be future-proofed with low-carbon heating and a very high standard of energy efficiency.	• Reduced sales revenue and investment if buyers and investors perceive that the design of Bellway's homes are not adequate for mitigating against the effects of climate change. • Financial penalties and a fall in demand and investment if new regulatory requirements are not met. The impact of this risk has been built into the Carbon Reduction strategy, metrics and targets as part of 'Better with Bellway', see pages 45 to 48.	Score 3	Score 4	Short Term
	Failure to report and disclose both mandatory and voluntary climate-related information to a credible standard.	• Reduced demand and investment if partners, customers and potential investors perceive Bellway has had a delayed response to the climate-related reporting landscape. • Increased costs from fines and judgements arising from non-compliance and with new reporting requirements. We have addressed this risk through our ongoing work with the Carbon Trust, to verify our annual footprint in accordance with ISO 14064.	Score 1	Score 1	Short Term
Technology	Insufficient development and availability of more efficient products and technologies to deliver climate-resilient homes.	• Increased costs due to investment in research and development. • Increased costs from extended build time and effort to deliver homes and developments resilient to climate change. • Loss of revenue if buyers perceive that Bellway is unable to offer climate-resilient homes. • Constrained supply of more efficient products and technologies leading to inflated prices. The impact of this risk has been built into the Carbon Reduction and Sustainable Supply Chain strategies, metrics and targets as part of 'Better with Bellway', see pages 45 to 48 and 53 to 54.	Score 3	Score 3	Short Term

Transition risk continued

Category	Identified climate risk	Actual and financial impact	Financial score: Cautious Scenario (short-term time-horizons)	Financial score: Worst Case Scenario (short-term time-horizons)	Potential Impact Timeframe
Technology (continued)	The government has now recognised that low-carbon homes may be more expensive for customers than existing (e.g., gas boiler) homes.	• Increased costs due to higher input prices of 'renewable' resources and equipment. • Reduced demand and sales revenue as a result of negative feedback from buyers on the costs of running a Bellway home or if buyers favour older properties as opposed to new builds. We have addressed this risk through our requirement for all Divisions to trial Air Source Heat Pump technology.	Score 2	Score 2	Short Term
Market	Supply chain challenges resulting in exhaustion of resources leading to decreased availability of building materials.	• Increased costs due to inflated input prices and delays in construction activity. • Reduced revenue from a reduction in completed homes. The impact of this risk has been built into the Sustainable Supply Change strategy, metrics and targets as part of 'Better with Bellway', see pages 53 to 54.	Score 3	Score 3	Medium Term
	Failure to improve Bellway's carbon footprint by not meeting the Science-Based Targets, whereby scope 1, 2 and 3 carbon emissions are reduced.	• Increased operating costs due to construction and wider business disruptions resulting from the transition to a low-carbon economy. • Damage to share price owing to a perception of potential and existing investors that Bellway has not met its net zero commitments. • Increased expenditure and costs resulting from the actions and initiatives required to meet Science-Based Targets. This risk is addressed in the Carbon Reduction business priority in our 'Better with Bellway' strategy.	Score 2	Score 2	Short Term
Reputation	Customers and communities do not perceive that Bellway has responded/ contributed appropriately or sufficiently to the transition to a low-carbon economy.	• Loss of competitive advantage resulting in reduced demand for Bellway homes and a fall in sales revenue. • Damage to share price if potential and existing investors perceive that Bellway's response to transitioning to a low-carbon economy has been inadequate. The impact of this risk has been built into the Customers and Communities and Carbon Reduction strategies, metrics and targets as part of 'Better with Bellway', see pages 39 to 40 and 45 to 48 respectively.	Score 3	Score 3	Short Term
	Failure to embed sustainability in the business (including within staff training and development processes) may lead to the business becoming unattractive to staff, potential investors and existing shareholders as sustainability and ESG performance are increasingly incorporated into employment and investment decisions.	• Increased costs due to recruitment/ inductions and associated construction and business disruptions. • Reduced revenues due to the impact of workforce issues on completions. • Damage to share price if the business is not seen as an attractive investment due to perceived poor performance regarding sustainability and ESG. • Increased staff turnover resulting in loss of knowledge and inefficiency. This risk is addressed in our 'Better with Bellway' strategy, including comprehensive governance structure and regular promotion of our goals.	Score 1	Score 1	Short Term

Task Force on Climate-related Financial Disclosures ('TCFD') continued

TCFD opportunity

TCFD opportunities refer to the potential financial benefits an organisation can gain from climate-related actions, for example cost savings from energy efficiency or increased revenue from low-carbon products.

Category	Identified climate opportunity	Business impact	Impact Score	Potential Impact Timeframe
Physical (Acute)	Increased market valuation through resilience planning against flood risk and more informed land bank acquisition demonstrating 'climate-readiness' to investors.	• Increase in revenue as a result of increased house prices and sales.	Score 3	Medium Term
Physical (Chronic)	Bellway could leverage the competitive advantage gained through optimised building design, which includes natural ventilation, temperature control, and thermal comfort.	• Lower operational costs for residents owing to reduced energy demand. • Well-designed homes with optimum building design presenting strong market position and a commercially competitive advantage for Bellway.	Score 2	Medium Term
Physical (Chronic)	Improved stakeholder trust and competitive positioning of Bellway's homes through the use of climate-resilient materials and improved build processes.	• Reputational benefits arising from sustainable home designing, as well as long-term financial gain through competitive market positioning.	Score 3	Medium Term
Physical (Chronic)	Reduced financial losses and reduced expenditure as a result of subsidence risk assessments (and associated mitigation measures) to reduce damage to Bellway's current and future land bank.	• Improved build site identification processes and procedures, resulting in the financial savings and the reduced expenditure from loss and/or damage to assets.	Score 3	Long Term
Technology	Scaling up and researching how low-carbon technology can reduce Bellway's operating costs and support the transition to a low-carbon economy through smart solutions.	• Reduction in running costs and therefore associated financial savings associated with operational expenditure savings.	Score 2	Short Term
Technology	Harnessing significant operational savings by investing in energy-efficient equipment, sustainable materials and implementing sustainable building practices.	• Operational savings, more efficient building processes, more efficient technology and equipment.	Score 2	Medium Term
Resource efficiency	Achieving savings from optimising resources consumption and adopting circular economy measures, reintegrating fit-out materials to productive cycles, reducing waste costs and buying less materials.	• Operational savings and reduced expenditure for materials and waste management.	Score 2	Medium Term
Market and reputation	Increase in demand for housing due to the impact of climate change (more people in need of homes due to forced displacement and migration, for example).	• Increase in demand, sales and market share resulting in enhanced revenue.	Score 1	Long Term
Market and reputation	Developing new, low-carbon homes, according to changes in the market, which may result in an enhanced competitive position, reflecting shifting consumer preferences.	• Competitive advantage, increase of demand, sales and market share.	Score 4	Medium Term
Market and reputation	Local communities and stakeholders are more likely to partner with Bellway if they have strong sustainability credentials.	• Partnership and strengthening relations with stakeholders, building reputation, competitive advantage.	Score 3	Medium Term

'Better with Bellway' is regularly reviewed by the Board, the Sustainability Committee and the 'Better with Bellway' Leadership Team, against our identified scenarios, to monitor and further identify climate risks, opportunities and financial impacts and how these will affect Bellway as a business.

Risk management

At Bellway, climate-related risks have been integrated into our established Company-wide Risk Management Framework. This framework is overseen by our Audit Committee, and we utilise our Risk Management Policy to identify the current climate-related risks and opportunities. This process considers internal and external uncertainties which, if they occur, will have a significant impact on our business. Once we identify our risks, we then categorise each of them as follows:

- Strategic risks.
- Operational risks.
- Financial risks.
- Compliance risks.
- Reputational risks.

A full summary of our climate-related risks and opportunities, and their associated business and financial impacts, is captured within our internal TCFD Risk and Opportunities Register. The register provides a coherent framework to identify, assess, manage and monitor the impacts of climate change on our business. We identify current or future mitigation measures and controls for the risks to reduce the impact and likelihood of each arising. We follow the same method to identify our climate-related opportunities.

Following the quantification of the most significant risks and opportunities for our business, we then integrate these into our Company-wide strategic Risk Register. This Risk Register is reviewed on an annual basis by the Board, with risks deemed high or significant then monitored on a quarterly basis by the Audit Committee, to prevent the actualisation of a risk event.

Metrics and targets

We understand that further, and more tangible, steps need to be taken to mitigate our climate-related risks and realise opportunities, both for the future of our planet and our business.

The most significant climate-related risk to the business identified through the scenario analysis is the failure to comply with the Future Homes Standard. More detail on our decarbonisation plans and actions to achieve our targets can be found on pages 45 to 48.

Our scope 3 target goes beyond the emission reductions that will be required to meet the Future Homes Standard from 2025.

The Group monitors carbon emissions through the metrics and targets that form part of the 'Better with Bellway' strategy. These targets outline our commitment to drive down emissions throughout our operations and our value chain. We have set targets, which are aligned to the SBTi 1.5°C ambition.

In line with our legal obligation under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and the Greenhouse Gas Protocol, we have continued to measure our scope 1 and 2 greenhouse gas ('GHG') emissions and are pleased to report a 44.7% reduction from 2019. This progress is critical to our business as we continue on our journey towards net zero by 2050. For Bellway, we define net zero as reducing our scope 1, 2 and 3 emissions to zero, consistent with achieving net zero emissions in line with the Paris Agreement. Our definition accounts for neutralising any residual emissions at the net zero target year and any GHG emissions released into the atmosphere thereafter with appropriate initiatives, measures and technologies.

For more information on our carbon footprint, please see pages 45 to 48.

We are proud of our achievements so far and have set ambitious targets to manage climate-related risks, realise opportunities, and achieve net zero by 2050. Our targets include:

- 46% reduction of absolute scope 1 and scope 2 (tonnes of CO_2e) emissions against our 2019 baseline by July 2030.
- 55% reduction of our scope 3 emissions (tonnes CO_2e per m^2 floor area) against our 2019 baseline by July 2030.
- At FY24, 90% of our purchased electricity was from certified renewable 'REGO' sources. We expect this to increase to 95% by FY25.
- We installed 130 Air Source Heat Pumps in FY24, and all Divisions have identified schemes to install heat pumps in FY25.
- 20% reduction in waste per completed unit by July 2025, we have achieved a 20% reduction by FY24, 12 months ahead of schedule.
- Reduction in construction site water usage against the baseline of FY21 by July 2025 (m^3 of water per $1000m^2$ of completed homes).
- Support the Group's compliance with the TCFD and TNFD requirements by engaging with our supply chain by July 2027.
- Establish a 'net zero' target and produce a Climate Transition Plan by July 2025.

These targets will help strengthen our resilience against climate change, increase our investors' trust and enable us to play a full and active role within the construction industry to drive innovative change around Carbon Reduction. In addition, targets around reducing scope 1 and scope 2 emissions and waste have been added as a performance criteria for the Group's long-term incentive remuneration, see pages 145 to 146 and 150 for further information.

For more information, please see our 'Better with Bellway' page on our website.

Sustainability Accounting Standards Board ('SASB')

The Sustainability Accounting Standards Board ('SASB') is an independent not for profit organisation which sets standards to guide the disclosure of financially material sustainability information of companies.

Terminology used in the SASB is different from the UK marketplace, therefore, we have used equivalent data where requirements are different from established building and sustainability-related standards and measures for the UK.

The following table discloses our performance against the criteria set by the SASB for the Home Builders sector. Data relates to the period 1 August 2023 to 31 July 2024.

Throughout this section, 'Plots' are homes prior to completion, which are equivalent to 'Lots'.

Code	SASB criteria	Our approach
Land use and ecological impacts		
IF-HB-160a.1	Number of (1) lots; and (2) homes delivered on redevelopment sites.	30.0% of our owned and controlled land bank plots were on brownfield land, as at 31 July 2024. 31.1% of completions (excluding joint ventures).
IF-HB-160a.2	Number of (1) lots; and (2) homes delivered in regions with High or Extremely High Baseline Water Stress.	11,086 of our owned and controlled land bank plots were in regions with High or Extremely High Baseline Water Stress. 1,164 completed (excluding joint ventures).
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations.	There has been no monetary losses as a result of legal proceedings associated with the environment in the financial year.

Code	SASB criteria	Our approach
Land use and ecological impacts continued		
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction.	For all developments, we aim to mitigate our impact through a range of actions, including flood impact assessments, risk assessments, ecology surveys, environmental impact assessments, and, in agreement with local planning authorities, biodiversity mitigation, enhancement and offsetting. We have a Group Head of Biodiversity who works closely with our Commercial, Planning and Land teams to ensure that we fully integrate all reasonable environmental considerations into our developments and achieve our 'Better with Bellway' objectives. The Group Head of Biodiversity has provided detailed training to a range of staff across the business on specific ecology and biodiversity related matters. **Site selection:** • At acquisition stage, we carry out detailed due diligence on sites with regard to flood risk and mitigation, land contamination, air quality, landscape and biodiversity assessments. • We consider connectivity to transport links, and potential nitrate and phosphate issues. • All land purchases are scrutinised by senior divisional management, prior to being reviewed by our Group Head Office. • Flood risk authorities specify that new developments must survive a one in one hundred year storm with an additional risk tolerance of 30%. Our developments meet or exceed this specification. We also strive to reduce water use associated with our developments using a range of available techniques, most notably in areas of existing high water stress. • We have committed to demonstrating a minimum Biodiversity Net Gain of 10% across all development designs submitted for planning from July 2023 onwards. Our Land teams utilise their knowledge received from training resources and models, as well as external ecologists, to assess biodiversity constraints and opportunities. This is performed at the earliest stage of site selection and they are supported by our Group Head of Biodiversity and Head Office teams. **Site design:** • Our Artisan house type design standards exceed statutory requirements for energy efficiency. • Environmental considerations are driven through our new 'Better with Bellway' approach. • In 2024, we planted 9,665 tree saplings across our developments. **Site development and construction:** • We identify and mitigate environmental impact during the development and construction phase through the application of Group Standards. • Our divisions are working towards being certified to IS0 14001 Environmental Management System Standards by the financial year ended 31 July 2026. • Wherever possible, mature trees and woodlands located within our developments are retained. These trees are then protected during development in accordance with British Standard 5837:2012. • Our Regional Health and Safety Managers conducted 808 monitoring visits of sites in FY24 to assess compliance with our health, safety and environmental policies. • Over the past year, we've installed sustainable drainage systems on 246 of our developments. • We've implemented biodiversity plans on 154 of our developments across the UK.

Sustainability Accounting Standards Board ('SASB') continued

Code	SASB criteria	Our approach
Workforce health and safety		
IF-HB-320a.1	(1) Total recordable incident rate ('TRIR'); and (2) fatality rate for (a) direct employees; and (b) contract employees.	We measure H&S performance using an Annual Injury Incidence Rate ('AIIR') metric, which is per 100,000 employees. Our overall AIIR is 170.99. There were no fatalities. The health, safety, and wellbeing of our colleagues and subcontractors is our highest priority. Reportable injuries are those covered by the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR').
Design for resource efficiency		
IF-HB-410a.1	Number of homes that obtained a certified residential energy efficiency rating; and (2) average score.	The Energy Performance Certificate ('EPC') is a UK equivalent to the HERS Index. Properties are assessed by an accredited assessor. 99% of our homes achieve an energy efficiency rating of either A or B. This statistic is based on analysis of actual final EPC data from 1 August 2023 to 31 July 2024. The sample analysed covered 6,513 homes accounting for 85% of the completions in the period. The construction specification of every Bellway home includes high levels of thermal insulation, the detailed house type designs incorporate calculated thermal bridging thereby reducing a significant source of heat loss. Our homes also feature highly efficient services and appliances. Solar PV arrays and mechanical ventilation systems with heat recovery feature in a growing number of our homes.
IF-HB-410a.2	Percentage of installed water fixtures certified a water efficiency standard.	100% of total home completions in FY24 were designed to a flow of less than 110 litres per person per day. Our homes incorporate low flow outlets and sanitary ware to achieve a low water consumption rate, this strategy permanently reduces water consumption.
IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard.	The UK does not currently have an established third-party multi-attribute green building standard for homes. All our homes are subject to UK building regulations.
IF-HB-410a.4	Description of risks and opportunities related to incorporating Resource Efficiency into home design, and how benefits are communicated to customers.	We continuously review risks and opportunities in relation to Resource Efficiency in our Artisan Collection house designs. We do this through internal workshops, working directly with our supply chain partners, collaborating in sector forums and testing through customer research. It is recognised that the low-carbon home of the future is not necessarily a low running cost home. We are conducting research projects that include energy monitoring and reporting to identify the prime configuration of fabric, services and renewable energy generation to ensure affordable running costs for our customers. These benefits will be communicated to the customer via improved EPC ratings. The greater use of timber products increases construction efficiency and reduces the amount of embodied carbon in a home we build. As part of Customer First we communicate with our customers throughout their customer journey, utilising various channels to keep them informed about all aspects of their new home.

Code	SASB criteria	Our approach
Community impacts of new developments		
IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions.	Proximity and access to infrastructure, services, and economic centres influence site selection and development decisions. For each site, we assess the current level of facilities and services to see if they are sufficient to support the scale of proposed development. We aim for future residents to have convenient access to local facilities and services. Where it is deemed the current level of facilities or services are not adequate to support the development, we contribute to improve local facilities. The UK's NPPF also requires consideration of the opportunities presented by existing or planned investment in infrastructure. During 2024, we contributed £36.3 million to local communities via planning obligations to fund infrastructure and facilities. Around 89.0% of our sites were within 400 metres of a public transport node.
IF-HB-410b.2	Number of (1) lots; and (2) homes delivered on infill sites.	This data is not currently collected. However, the majority of brownfield land in the UK would meet the definition of an infill site. 9,227 (30.0%) of our owned and controlled land bank plots at 31 July 2024 were on brownfield land. 2,381 (31.1%) home completions (excluding joint ventures) were on brownfield land.
IF-HB-410b.3	(1) Number of homes delivered in compact developments; and (2) average density.	According to SASB definitions, all our schemes meet the criteria for compact development.
Climate change adaptation		
IF-HB-420a.1	Number of lots located in 100-year flood zones.	For all developments, and specifically where we develop greenfield sites, we aim to mitigate our impact through a range of actions, including flood impact assessments, risk assessments, ecology surveys, environmental impact assessments, and in agreement with local planning authorities, biodiversity mitigation, enhancement and offsetting. Flood risk authorities specify that new developments must survive a one in hundred year storm plus 30%. We ensure our developments meet and very often exceed this specification.
IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks.	We recognise climate change as a principal risk to our business and are committed to reducing our own emissions through our Science-Based Targets ('SBTs'). The assessment of, and response to, climate risk is a key consideration in the Group's future strategy. The identification of new and emerging climate-related risks, assessment and prioritisation of those risks, and our risk management approach will be key to integrate climate change mitigation into our overall approach to sustainability. Over the next year, we will undertake scenario planning to identify the risks related to the increasing frequency and severity of acute weather events or increasing water scarcity that could impact our operating environment. Once identified, we will work towards obtaining a better understanding of the potential financial impacts using our established scoring criteria, and our resilience with regards to different scenarios. We have clear governance to allow the business to oversee climate risks, along with the Group's progress on compliance with the Task Force for Climate-related Financial Disclosures ('TCFD').
Activity metrics		
IF-HB-000.A	Number of controlled lots.	As at 31 July 2024, our short-term land bank stood at 30,787 plots.
IF-HB-000.B	Number of homes delivered.	We delivered 7,683 home completions, 7,654 from wholly owned operations along with 29 from our share of joint ventures.
IF-HB-000.C	Number of active selling communities.	We sold from 247 average active sales outlets, 245 in our wholly owned operations and two in our joint ventures.

Non-Financial and Sustainability Information Statement

This section of the Strategic Report constitutes Bellway p.l.c.'s Non-Financial and Sustainability Information Statement, required by Section 414CA and 414CB of the Companies Act 2006. The requirements are addressed in this section by means of cross referencing to indicate which sections of the narrative they are embedded. Our policies can also be found at www.bellwayplc.co.uk.

Non-financial information	Section	Pages
Description of our Business Model	Our Business Model	16 to 21
Principal Risks	Risk Management	79 to 82
	Principal Risks	83 to 87
Non-Financial KPIs	'Better with Bellway' KPIs	12 to 13
	'Bellway with Bellway'	34 to 61
	Our Business Model	16 to 21
Climate-related Financial Disclosures	Task Force on Climate-related Financial Disclosures ('TCFD')	88 to 95

Environmental matters

Our approach

As a responsible housebuilder we are committed to ensuring the business plays a role in delivering Carbon Reduction and planning for a sustainable future. We recognise that climate change is one of the defining challenges of our time and we are committed to reducing our own emissions, and customer emissions from the homes we build, through the setting of science-based targets to reduce our scope 1, 2 and scope 3 emissions. Through collaborations and test trials, we are working on a variety of technologies to help reduce carbon emissions.

Relevant policies and standards that govern our approach	Related principal risks*	Where to find more information	Pages
• Climate Change Policy. • Environmental. • Policy. • Sustainability. • Policy. • 'Better with Bellway'. • Future Homes Standard ('FHS'). • Waste Management Policy.	• Environment and climate change. • Land and Planning. • Legal and Regulatory Compliance.	• TCFD.	88 to 95
		• 'Better with Bellway' – Carbon Reduction.	45 to 48
		• 'Better with Bellway' – Biodiversity.	57 to 59
		• 'Better with Bellway' – Sustainable Supply Chain.	53 to 54
		• SASB Disclosures.	96 to 99
		• Section 172 Statement.	62

Employees

Our approach

We are committed to being an inclusive employer, dedicated to fostering a supportive and inclusive environment for our employees that aims to create an environment that is open, diverse, and free from all forms of prejudice and discrimination. We also thrive to create a safe working environment that promotes personal development and equal opportunities. We recognise the importance of maintaining and supporting the mental health of our colleagues and we are taking steps to improve the ratio of mental health first aiders within the Group.

Relevant policies and standards that govern our approach	Related principal risks*	Where to find more information	Pages
• Health and Safety Policy. • Agile Working. • Policy. • Safeguarding. • Policy. • Equality Diversity & Inclusion Policy.	• Health and Safety. • Legal and Regulatory Compliance. • Human Resources. • IT and Security.	• TCFD.	88 to 95
		• 'Better with Bellway' – Employer of Choice.	42 to 43
		• 'Better with Bellway' – Building Quality Homes, Safely.	49 to 52
		• Key Stakeholder Relationships.	63 to 78
		• Section 172 Statement.	62

* For full details on related principal risks see pages 83 to 87.

Respect for Human Rights

Our approach

Bellway is committed to respecting human rights, ensuring our people, subcontractors and suppliers are always treated fairly. We are committed to continuous improvement through our procedures and policies and develop our knowledge and awareness of human rights and ensure processes are in place for the workforce to speak up through our 'SpeakUp' platform.

Relevant policies and standards that govern our approach	Related principal risks*	Where to find more information	Pages
• Anti-Slavery and Human Trafficking Statements. • Data protection Policy. • Privacy Notice. • Bereavement Policy. • Maternity Leave Policy. • Paternity Leave Policy.	• Construction resources. • Health and Safety. • IT and Securit.y • Legal and Regulatory Compliance.	• 'Better with Bellway' Employer of Choice.	42 to 43
		• Key Stakeholder Relationships .	63 to 78
		• SASB Disclosures.	96 to 99
		• Nomination Committee Report .	116 to 117
		• Audit Committee Report.	118 to 129
		• Section 172 Statement.	62

Social matters

Our approach

Bellway is committed to support our local communities through, community engagement, donations, and our Volunteering Policy.

We continue to invest in our local communities through the planning process, where we invest in a range of community services and build a wide range of houses and apartments, to meet the varying budgets and needs of our customers.

In August 2022, Bellway established a new standalone Building Safety division, which is dedicated to the remediation of buildings identified during the review of our high-rise portfolio, providing a full in-house capability in the delivery of remedial works.

In March 2023, Bellway signed the MHCLG Self-Remediation Terms ('SRT') in England, which converted the principles of the building safety pledge signed in 2022, in which we committed to resolve any historical fire remedial work on buildings completed since 5 April 1992, into a binding agreement between the government and Bellway. This was followed in May 2023, with the signature of the Welsh Government's Self-Remediation Terms.

Relevant policies and standards that govern our approach	Related principal risks*	Where to find more information	Pages
• 'Better with Bellway'. • Charity Policy. • Volunteering Policy. • Anti-Money Laundering Policy. • Home Builders Federation. • Self-Remediation Terms.	• Health and Safety. • Land and Planning. • IT and Security. • Legal and Regulatory compliance.	• 'Better with Bellway'.	34 to 61
		• Our Business Model.	16 to 21
		• Our Marketplace.	22 to 23
		• SASB Disclosures.	96 to 99
		• Chief Executive's Market and Operational Review.	26 to 29
		• Section 172 Statement.	62
		• Key Stakeholder Relationships.	63 to 78

Anti-bribery and anti-corruption

Our approach

Bellway is committed to high standard of ethics, honesty and integrity and have a zero-tolerance approach to any form of bribery and corruption and have compliance procedures in place to prevent bribery and corruption in our business. The standards set by Bellway are expected to be followed by all employees, subcontractors, suppliers and any other third party acting for or on behalf of the Company.

Relevant policies and standards that govern our approach	Related principal risks*	Where to find more information	Pages
• Bribery and Corruption Policy. • Whistleblowing Policy.	• Legal and Regulatory Compliance.	• Audit Committee Report.	118 to 129

* For full details on related principal risks see pages 83 to 87.

Governance

Sales Advisor and Sales Manager with pupils from Christ Church CofE Primary School.

Street scene at our Pirton Fields development in Churchdown.

Better choices for our stakeholders with Bellway

Stakeholder engagement is an important part of our business operations, it helps inform the Board decision-making process and ensure we consider the impact of those decisions to make better choices for our key stakeholders.

Amy Hughes, Sales Manager at Northern Homes Counties.

Chair's Statement on Corporate Governance

"During the year the Board has continued its commitment to sustainability whilst applying effective corporate governance and promoting the highest standards of governance and values throughout the Company."

John Tutte
Chair

Dear Shareholder

As Chair of Bellway, I am pleased to introduce this year's Corporate Governance Report.

During the year, the Board has continued to progress the long-term, sustainable strategy of the Group. Our effective governance arrangements underpin the Board activities and ensure effective consideration of the risks and opportunities that the Company is faced with.

This year in review

In 2023-2024 the Board continued to address the challenges arising from the macroeconomic and geopolitical conditions, but are encouraged by the housing market outlook and welcome the new government's focus on addressing the ongoing shortfall of housing. Despite these challenges, we have delivered another year of strong operational performance. This is testament to the effectiveness of our long-term strategic priorities, our culture, and the hard work and talent of our people. The Board provided strong support to the management team and, considered and debated various challenging scenarios, taking into account the interests of all the Company's stakeholders.

The application of the skills and experience of the Directors, coupled with the wide-ranging work of the Audit Committee, provides strong governance for the benefit of all our stakeholders. To learn more about our Board activity in 2024, please see pages 108 to 109.

Stakeholder engagement

We engage with our stakeholders on a regular basis to understand their perspectives and incorporate their feedback into our decision-making processes. We are committed to fostering strong relationships with our shareholders, employees, customers, and the communities in which we operate. Please see pages 63 to 78 for more information on the wider stakeholders and shareholder engagement during the year.

Sustainability

The Board has continued to focus on ESG matters, which is detailed via our 'Better with Bellway' strategy (pages 34 to 61), and driven by our Sustainability Committee, which was constituted in May 2023, more details can be found on page 153.

We acknowledge the importance of the TCFD disclosures, and continue to improve upon, and develop, our approach, more details can be found on pages 88 to 95.

Our 'Better with Bellway' strategy has been operational since March 2022, with sustainability at its heart, it reinforces our commitment to operating in a responsible and ethical manner. As part of our 'Better with Bellway' strategy, we have chosen to report against SASB and SDGs reporting frameworks as these were identified as being most relevant to our investors. SASB have produced standards to focus companies disclosing performance on the most financially material sustainability topics for the benefit of investors. We have reported against the standards applicable for our industry (more detail on pages 96 to 99).

There are 17 SDGs in total, and Bellway have mapped the goals that are applicable against the 'Better with Bellway' strategy (more detail on pages 34 to 61).

Board succession and diversity

Our Board is structured to ensure there is a balance of skills, experience, independence, and knowledge necessary for effective decision-making and oversight. We have a diverse and experienced Board comprising individuals with relevant expertise in the housebuilding industry and corporate governance.

The Board continues to be committed to making appointments on merit, against objective criteria and strongly supports boardroom diversity in all its characteristics, including but not limited to, age, gender, race, education, professional background and experience.

In May 2024, the Company announced that Simon Scougall would be promoted to the newly created role of Chief Commercial Officer, and this came into effect from the 1 August 2024. Please see the Nomination Committee Report for more detail on pages 116 to 117. An announcement on the appointment of a new Company Secretary will be made in FY25.

In addition, in May 2024, Keith Adey announced his decision to retire from full-time executive work. Keith will be stepping down from his current role as Group Finance Director on 1 December 2024. He will remain on the Board and will continue to have an active role in the business as an executive director until 21 March 2025, which will include helping to oversee an orderly transition.

Shane Doherty, who was the Group Chief Financial Officer of Cairn Homes PLC ('Cairn') (a company trading on both the Euronext Dublin and the London Stock Exchange) until April 2024, will join Bellway on 2 December 2024 as Chief Financial Officer and be appointed as a member of the Board with effect from that date.

As part of Board succession planning, the Nomination Committee has been actively working on promoting diversity with the objective of aligning Board composition with the Parker Reviews, the FTSE Women's Leaders Review recommendations, and the FCA disclosure rules.

During the year, Cecily Davis has been appointed as a Non-Executive Director bringing a wealth of experience. Further details on Cecily's biography can be found on page 107.

Diversity extends beyond the boardroom and the Board values diversity across the workforce. Becoming an 'Employer of Choice' is a flagship business priority pillar of our 'Better with Bellway' strategy (more details on pages 42 to 43). This objective includes becoming a more open, diverse and inclusive organisation. We are committed to providing a great working environment, which recognises that people from different backgrounds, experiences and abilities can bring fresh ideas and innovation to improve our business. We want to ensure that equality, diversity and inclusion is embedded in our culture, and reflected in our people and behaviours. Bellway held its second Pride event in 2024 as well as other initiatives as part of the Balance Network. Our culture is a key component in our strategy and during the year, the Board has monitored our culture with updates from the Group's HR Director on our people, our talent, diversity and inclusion network updates and engagement surveys. More details of these activities can be found on pages 42 to 43.

We continue our strong commitment to increasing the number of females in the construction industry, especially in senior roles, and we continue to invest in our apprentice and graduate schemes to bring new diverse talent into the business. In addition, we continue to partner with Women in Construction and the HBF to be proactive in our approach to attract more female talent into the industry. More details on this, and our approach to diversity and inclusion, can be found on page 43.

Board effectiveness and evaluation

In line with the UK Corporate Governance Code, we undertake a formal and rigorous annual evaluation of our own performance and that of our Committees and individual Directors. We normally operate a three-year cycle of internal and externally facilitated reviews. Bellway's last externally facilitated evaluation took place in 2023 facilitated by Trusted Advisors Partnership ('TAP'), a specialist consultancy, which has no other business or connection to the Group or individual Directors.

In 2024, it was decided to follow up the previous Board evaluation with a second consecutive external evaluation conducted again by TAP and supported by the Chief Commercial Officer and Company Secretary.

A similar approach was adopted to the previous year, TAP, with the support of the Chief Commercial Officer and Company Secretary, reviewed the Chair, Non-Executive Directors, the Board and its Committees' effectiveness to fulfil their duties. The review considered the Board structure, capability and performance; and the quality of Board discussion and review to support the delivery of Bellway's sustainable growth strategy.

The output of the review provides a series of observations and considerations, which the Chair and Board of Directors use to help further enhance its performance in a challenging economic environment.

The Board evaluation carried out confirmed that the Board and its Committees continue to operate effectively and that the Bellway p.l.c. Board is well constituted and comprised of experienced, capable, and engaged Non-Executive and Executive Directors that are able and willing to fulfil their responsibilities, without any conflict of interest. The review also highlighted that the Board Committees operate well, and the Main Board is well chaired. You can read more about this on page 115.

Annual General Meeting ('AGM')

The 2024 AGM will be held on 12 December 2024 at Woolsington House, Newcastle, and we hope that we can count on shareholders' support for the proposed resolutions. Full details in the Notice of Meeting.

Compliance with the UK Corporate Governance Code ('The Code')

I am pleased to confirm that the Board considers that it has complied throughout the year with the detailed provisions of the Code published in July 2018. As required by the Code, this report describes our activities and key achievements during the year, giving shareholders and stakeholders the necessary information to evaluate how the Code's Principles have been applied. The Code is available, from the Financial Reporting Council, online at www.frc.org.uk or by telephoning 020 7492 2300.

Conclusion

I would like to recognise the hard work and commitment of all Bellway employees during the year and thank them for their efforts to ensure the success of the Company and also the members of the Board for their continued support and commitment.

John Tutte
Chair

14 October 2024

Board of Directors

John Tutte
Chair
Appointed 1 March 2022

N* R S*

Background and experience
John was appointed to the Board on 1 March 2022 as Non-Executive Chair Designate, and succeeded Paul Hampden Smith as Non-Executive Chairman and Chair of the Nomination Committee on 1 April 2022. He is qualified in civil engineering and has over 40 years' experience within the industry through various senior roles at Redrow plc, including Group Chief Executive, Executive Chairman, and then Non-Executive Chairman, prior to him retiring from the Board in 2021.

Other appointments
- Home Builders Federation – Non-Executive Director.

Jason Honeyman
Group Chief Executive
Appointed 1 September 2017

NR*

Background and experience
Jason commenced employment with the Group in January 2005 as Managing Director of the Thames Gateway division, becoming Southern Regional Chairman in December 2011. Jason joined the Board as Chief Operating Officer and was promoted to Group Chief Executive on 1 August 2018.

Keith Adey
Group Finance Director
Appointed 1 February 2012

NR S

Background and experience
Keith, a Chartered Accountant, joined Bellway in December 2008 as Group Chief Accountant, becoming Group Finance Director on 1 February 2012. Prior to joining Bellway he worked at KPMG and Grainger plc.

Simon Scougall
Chief Commercial Officer and Company Secretary
Appointed 1 August 2024

NR

Background and experience
Simon joined Bellway in March 2011 and has held senior positions within the Group including that of Group Commercial Director and Group General Counsel and Company Secretary. Simon joined the Board as Chief Commercial Officer on 1 August 2024.

Membership and meeting attendance

Director	Number of meetings attended during the year
John Tutte	9/9
Sarah Whitney	9/9
Jill Caseberry	9/9
Ian McHoul	9/9
Cecily Davis	1/2*
Jason Honeyman	9/9
Keith Adey	9/9

* Partial absence was due to commitments prior to joining the Board.

Key:

- A Audit Committee
- S Sustainability Committee
- R Remuneration Committee
- * Denotes Committee Chair
- N Nomination Committee
- NR Board Committee on Non-Executive Directors' Remuneration

Sarah Whitney

Senior Independent Non-Executive Director

Appointed 1 September 2022

A S N R

Background and experience

Sarah, a Chartered Accountant, was appointed to the Board as a Non-Executive Director on 1 September 2022. Sarah has extensive property and finance experience from roles at PricewaterhouseCoopers, DTZ Holdings (now Cushman & Wakefield), and at CBRE.

Other appointments

- JP Morgan Global Growth & Income plc – Non-Executive Director, Chair of Audit Committee and Remuneration Committee.
- BBGI Global Infrastructure S.A. – Chair of the Supervisory Board and Chair of the Nomination Committee, member of the Remuneration Committee.
- Tritax EuroBox plc – Senior Independent Director and member of the Audit, ESG and Management Engagement Committees.
- University College London – Member of the Council and Chair of the Audit Committee.
- Nuffield College, University of Oxford – Member of the Investment Committee.

Jill Caseberry

Independent Non-Executive Director

Appointed 1 October 2017

A S N R*

Background and experience

Jill was appointed to the Board as a Non-Executive Director on 1 October 2017. Jill has extensive sales, marketing and general management experience across a number of blue-chip companies including Mars, PepsiCo and Premier Foods.

Other appointments

- Halfords Group plc – Senior Independent Director, Remuneration Committee Chair and a member of the Audit, Nomination and ESG Committees.
- C&C Group plc – Non-Executive Director and a member of the Remuneration and Audit Committees.
- St. Austell Brewery Company Limited – Senior Independent Director, Chair of the Remuneration Committee and a member of the Audit and Nomination Committees.
- Bakkavor Group plc – Senior Independent Director, Chair of the Remuneration Committee and member of the Nomination Committee.

Ian McHoul

Independent Non-Executive Director

Appointed 1 February 2018

A* S N R

Background and experience

Ian, a Chartered Accountant, was appointed to the Board as a Non-Executive Director on 1 February 2018, and appointed as Chair of the Audit Committee on 12 December 2018. He was Finance & Strategy Director of the Inntrepreneur Pub Company Limited from 1995 to 1998 and then served at Scottish & Newcastle plc from 1998 to 2008, first as Finance Director of Scottish Courage and later as Group Finance Director of Scottish & Newcastle plc. From 2008 to 2017 he was Chief Financial Officer of Amec Foster Wheeler plc. Ian was also a Non-Executive Director of Premier Foods plc from July 2004 to April 2013.

Other appointments

- None currently.

Cecily Davis

Independent Non-Executive Director

Appointed 1 May 2024

A S N R

Background and experience

Cecily, a registered solicitor, was appointed to the Board as a Non-Executive Director on 1 May 2024. Cecily has extensive legal, construction and infrastructure experience, combined with a wealth of senior executive experience and general management experience. She was a Partner at DLA Piper from 2005 to 2012 and has since served at Fieldfisher as Partner, Head of Construction and Engineering and Head of the Africa Group. Cecily currently serves as a Non-Executive Director on the Board of Triple Point Social Housing REIT PLC and has previously acted as Non-Executive Director for both L&Q Group and Places for People.

Other appointments

- Fieldfisher LLP – Partner, Head of Construction and Engineering and Co-Head of the Africa Group.
- Triple Point Social Housing REIT PLC – Non-Executive Director and member of the Sustainability & Impact and Nomination Committee.

Board Activities and Decisions

For more detail on how the Board has considered and engaged with key stakeholders please see the Key Stakeholder Engagement section on pages 63 to 78.

2023

August

Board activity or decision
New corporate communications advisers appointed.

How stakeholders were considered

Powerscourt were appointed as new corporate communications advisers to improve communication to investors.

September

Board activity or decision
Employee Survey Results presented to the Board.

How stakeholders were considered

The Board agreed actions to be taken to improve the Employee Survey results.

Board activity or decision
Board Evaluation results.

How stakeholders were considered

The impact of the Boards decisions on strategy and our stakeholder groups were considered, and agreed actions to further develop the effectiveness of the Board.

Board activity or decision
Approve the new 'Better with Bellway' targets for FY24.

How stakeholders were considered

The targets are set while considering the impact the business has on its stakeholders and wider environment.

October

Board activity or decision
Approval of the 2023 Annual Report and Accounts.

How stakeholders were considered

The Board approved the preliminary announcement along with the 2023 Annual Report and Accounts.

Board activity or decision
Anti-Slavery and Human Trafficking Statement approved.

How stakeholders were considered

Demonstrating commitment to comply with the legislation, and Bellway's commitment to improving practices and ways of working to stop Modern Slavery in our business and direct supply chain.

Board activity or decision
Completion of £100 million share buyback programme.

How stakeholders were considered

Return capital to investors, via completion of the second tranche of the share buyback programme.

Board activity or decision
Approval of the FY24 Health and Safety targets.

How stakeholders were considered

The targets are set to continue our key priority to provide a safe environment for everyone on our sites.

December

Board activity or decision
Annual General Meeting 2023.

How stakeholders were considered

Shareholders had the opportunity to meet the Board and discuss issues of importance.

Board activity or decision
Approval of Executive Committee Terms of Reference.

How stakeholders were considered

This demonstrates the Board's commitment to the recommendations of the Board evaluation, and improving decision-making.

Key:

Customers | Employees | Investors, Analysts and Advisors | Subcontractors and Supply Chain | Local Communities and the Environment | Government and Regulators

2024

February

Board activity or decision
Audit Consultation with shareholders.

How stakeholders were considered
Consulted with shareholders on changes to the UK Corporate Governance Code 2024.

March

Board activity or decision
Non-Executive Directors attended Employee Listening Groups.

How stakeholders were considered
The outcome of the discussions are discussed at Board level.

Board activity or decision
Approve the Gender pay Gap Report.

How stakeholders were considered
The Board is committed to being transparent on it's reporting.

May

Board activity or decision
Cecily Davis appointed to the Board as Non-Executive Director.

How stakeholders were considered
The Board is committed to making appointments that complement and expand upon the Board's existing skills, and to comply with the requirements of the Parker Reviews, the FTSE Women's Leaders Review and the FCA disclosure rules.

Board activity or decision
Board site visit.

How stakeholders were considered
The Board visited our joint venture site Springstead Village, Cherry Hinton and met with staff and subcontractors.

Board activity or decision
Announcement of Directorate changes.

How stakeholders were considered
It was announced that Simon Scougall was to be appointed as Chief Commercial Officer from 1 August 2024. It was also announced that Keith Adey would retire once an appropriate replacement was found.

June

Board activity or decision
Employee Engagement survey conducted.

How stakeholders were considered
Provides an opportunity for employees to share feedback on a range of topics including training, views on management and the other leadership of the organisation.

July

Board activity or decision
Annual Board Strategy Meeting including presentations from the CEO of the Future Homes Hub.

How stakeholders were considered
The Board's annual strategy day allows for discussion of the short and long-term strategy of the business.

Board activity or decision
Remuneration Policy consultation.

How stakeholders were considered
Shareholders and investor agencies were consulted and asked to provide feedback on the proposed Remuneration Policy to be voted on at the Company's Annual General Meeting on 12 December 2024.

Board Leadership and Company Purpose Leadership and Culture

The Board is the principal decision-making body of the Group and, collectively, is responsible for establishing a clear purpose and setting the strategic direction of Bellway. The Board promotes the long-term sustainable success of the Group, for the benefit of our shareholders, while also contributing to wider society.

Board leadership

Board of Directors

Sets and defines the Company's purpose and values, which drives the Company's culture.	Annual review of subcommittee Terms of Reference and the delegated authority.
Reviews, considers and approves major transactions and investments for the Group.	Sets and drives the Group's strategies, including sustainability, volume growth and value creation.
Oversees the risk appetite of the Group and ensures sufficient controls.	Provides oversight of corporate governance and ensures effective engagement with stakeholders.

Audit Committee

- Approval of the annual Anti-Slavery and Human Trafficking Statement.
- Annual internal control and risk management review.
- Annual Policy compliance review.
- Review and approval of the draft Annual Report and Accounts.
- Audit plan and review of Auditor Policy.
- Monitoring the integrity of the financial statements.
- Review internal audit plan and the effectiveness of the internal audit function.

Read more on pages 118 to 129.

Nomination Committee

- Review the structure, size and composition of the Board, in accordance with the Board's Diversity Policy, and current legislation.
- Consider succession planning for the Board and their direct reports.
- Identify candidates to fill Board vacancies and nominate these to the Board for approval.
- Consider diversity and inclusion targets for the Group.
- Annual performance evaluation of the Committee.
- Keep under review the range of skills and experience on the Board.

Read more on pages 116 to 117.

Remuneration Committee

- Review and determine salaries and other elements of remuneration package of individuals under the Committee's remit.
- Work with external Advisors to review and determine annual bonus performance targets.
- Annual review of remuneration of management below Board level and the wider workforce.
- Annual review, grant and vest of any awards under the long-term incentive plan.
- Review Remuneration Policy.
- Ensure practices are designed to support and promote the long-term success of the Company.

Read more on pages 130 to 152.

Board Committee on Non-Executive Directors' Remuneration

- Meet at least once a year, to review fees, and the terms of appointment of the Non-Executive Directors (excluding the Chair).
- Receive advice from the Chief Commercial Officer and Company Secretary and external remuneration consultants when required.

Read more on page 114.

Sustainability Committee

- Oversee ESG matters for Bellway, including the 'Better with Bellway' strategy.
- Review industry best practice in respect of ESG compliance.
- Review and approve 'Better with Bellway' targets and KPIs.
- Review relevant policies and determine their appropriateness in supporting the Group's sustainability agenda.
- Will meet at least twice a year, and when required in addition.

Read more on page 153.

Leadership

Executive Directors

Executive Committee

Head Office Senior Management Team

'Better with Bellway' Leadership Committee

Divisional Boards

Division of Responsibilities

Statement about applying the principles of good governance

The Board acknowledges the importance of, and is committed to the principle of, achieving and maintaining a high standard of corporate governance and in promoting a positive culture within the Group.

We have applied the principles of good governance, including both the Main Principles and the Supporting Principles, by complying with the Code. Further explanations of how the Main Principles and Supporting Principles have been applied are set out below and in the Remuneration Report.

Leadership

The Board is the principal decision-making body of the Group and is collectively responsible to shareholders for promoting the long-term success of the Group.

At the date of this Report, the Board consists of eight Directors whose names, responsibilities and other details appear on pages 106 to 107. Currently three of the Directors are Executive and five are Non-Executive including the Chair.

The Board sets the strategic aims, ensures that the necessary resources (including finances, people and materials) are in place for the Group to meet these objectives and also reviews management performance. It defines the Group's values and standards and ensures that its obligations to its shareholders are understood and met.

The Board has put in place the following structure, which allows it to provide entrepreneurial leadership of the Group and to delegate authority for operational matters through a framework of prudent and effective controls, which enable risk to be assessed and managed.

Chair

- Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level including ensuring that the correct cultural tone is set from the top.
- Ensuring that the Group complies with the requirements of the UK Corporate Governance Code and adheres to the highest standards of governance.
- Leading the Board and ensuring its effectiveness.
- Setting the Board's agenda.
- Ensuring the Directors receive accurate, timely and clear information.
- Ensuring effective communication with shareholders.
- Ensuring the effective conduct of Board meetings and facilitating the effective contribution of all directors and the Chief Commercial Officer and Company Secretary.
- Leading the evaluation of the performance of the Board, its Committees, individual Directors and Chief Commercial Officer and Company Secretary.
- Overseeing the induction of any new Board Directors and the development of existing Directors.
- Ensuring that the views of shareholders are communicated to the Board as a whole.
- Encouraging constructive relations between the Executive and Non-Executive Directors and the Chief Commercial Officer and Company Secretary.
- Approving land purchases over specified limits in conjunction with the wider Board.

Group Chief Executive

Implementing the strategy agreed by the Board.

- Leading the Executive Directors, Company Secretary and the senior management team in the day-to-day running of the Group's business.
- Ensuring the effective implementation of Board decisions.
- Reviewing the Group's organisational structure and recommending changes as appropriate.
- Supervising the activities of the Regional Chairs and divisional senior management, overseeing their development and succession planning.
- Overseeing Group operations.
- Overseeing the activities of subsidiary companies.
- Overseeing divisional expansion plans.
- Together with the Chair, providing coherent leadership of the Group, including representing the Group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the general public.
- Keeping the Chair informed of all important matters.
- Overseeing the sales and marketing, public relations, and technical departments.

Group Finance Director

- Devising and implementing the financial strategy and policies of the Group, including treasury and tax.
- Developing budgets and financial plans.
- Responsible for the Group's investor relations activities.
- Responsible for delivering the Board agreed sustainability and ESG strategy.
- Overseeing the sustainability, finance, IT and risk departments.

Chief Commercial Officer

- Supporting the Group Chief Executive in fulfilling his duties.
- Approving land purchases, within specified limits.
- Keeping the Board regularly updated on corporate governance, legal, commercial and HR matters.
- Responsible for legal compliance throughout the Group including ensuring policies and procedures are maintained and updated on a regular basis.
- Overseeing the legal, company secretarial, HR, land, strategic land and planning, health and safety departments, and the Building Safety division.
- Working with the Group Finance Director on the delivery of the sustainability and ESG agenda.
- Managing the Group's external legal panel.

Senior Independent Non-Executive Director

- Acting as a sounding board for the Chair, Executive Directors and the Chief Commercial Officer.
- Being available to shareholders.
- Leading the annual appraisal of the Chair.
- Holding meetings with the Non-Executive Directors without the Chair present.

Division of Responsibilities continued

Non-Executive Directors

- Constructively challenging management.
- Contributing to the development of strategy.
- Scrutinising the performance of management.
- Ensuring integrity of financial information and financial controls and ensuring systems of risk management are robust.
- Determining appropriate levels of Executive Director, Chief Commercial Officer and Company Secretary and Regional Chairs remuneration.
- Appointing and removing Executive Directors and succession planning.
- Serving on Board Committees.

Executive Committee

- The Executive Committee make recommendations for the objectives and strategy of the group to the Board for its approval.
- Overseeing the implementation of the objectives and strategy approved by the Board.
- They are responsible for the day-to-day management of the Group in accordance with the approved objectives and strategies.
- Ensuring the identification, management and monitoring of risks and the implementation of effective internal controls.
- They are also responsible for reviewing performance, development and succession planning of senior management.

'Better with Bellway' Leadership Committee

- The 'Better with Bellway' Leadership Committee is comprised of Group Finance Director, Chief Commercial Officer and Company Secretary, Group Production Managing Director and Group Head of Sustainability.
- Oversees the continued development of the 'Better with Bellway' strategy, objectives and targets.
- Engages with the Board and key external stakeholders.
- Works with senior management across the business to embed the 'Better with Bellway' strategy into day to day activities.

Head Office Senior Management team

- The Head Office Senior Management team consists of all the Group Directors and heads of department, who meet on a bi-monthly basis, to provide updates and collaborate on projects.

Board effectiveness

All Directors have access to the advice and services of the Chief Commercial Officer and Company Secretary, and his department. All of the Directors may take independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as Directors.

In accordance with the Code, all of the Directors will retire from the Board and offer themselves for re-election or election at the forthcoming AGM. None of the Executive Directors hold external directorships.

The Board, its Committees and the individual Directors are subject to annual performance evaluation and all Directors are subject to annual re-election by shareholders. The Board regularly reviews the Directors' other interests and appointments to ensure that there are no conflicts of interest.

The Chair is responsible for leading the Board and ensuring it operates effectively. The Directors possess an appropriate balance of skills, knowledge and experience to meet the requirements of the business. The Board recognises the value of both gender and ethnic diversity as well as the recommendations of the Parker Reviews, the FTSE Women's Leaders Review, and the FCA disclosure rules. This will be taken into careful consideration when addressing Board succession.

Conflicts of interest

Pursuant to the provisions of the Companies Act 2006 relating to conflicts of interest, the Board has put in place a register to deal with the notification, authorisation, recording and monitoring of Directors' interests and how these procedures have operated throughout the year.

Board activity during the year

The Board meets formally and informally during the year to consider strategy, performance, risk, major land acquisitions, potential conflicts of interest and reports from senior employees and external advisers.

One meeting a year is devoted entirely to the consideration of strategy where the Board agrees the medium and long-term business plan and ensures that the necessary financial, human, land and other resources are in place to meet its objectives. Areas focused on during the strategy day were the following strategic priorities of:

1. Deliver long-term volume growth.
2. Drive a long-term improvement in RoCE.
3. Operate responsibly and sustainably through our 'Better with Bellway' strategy.

Each year we look to hold separate annual conferences for the divisional Managing, Finance, Sales, Technical and Commercial Directors and our Planning Managers, which are attended by Executive Directors or members of the Group Office senior management team.

We also host informal Board dinners where senior management meet members of the Board. The Chair meets with Executive Management and individual Directors on a regular basis outside of Board meetings. This process allows for two-way discussion, enabling the Chair to act as necessary to deal with any issues relating to Board effectiveness.

Membership and meeting attendance

Director	Date appointed to the Board	Number of meetings attended during the year
John Tutte (Chair)	1 March 2022, appointed Chair 1 April 2022	9/9
Jill Caseberry	1 October 2017	9/9
Ian McHoul	1 February 2018	9/9
Jason Honeyman	1 September 2017	9/9
Keith Adey	1 February 2012	9/9
Sarah Whitney	1 September 2022	9/9
Cecily Davis	1 May 2024	1/2*

* Partial absence was due to commitments prior to joining the Board.

The number of Committee meetings are set out in each Committee Report. There was one absence from the May Board and Committee meetings due to a pre-existing commitment at the same time as the May Board meeting at time of appointment.

The Executive Directors and Chief Commercial Officer and Company Secretary regularly met with the divisions during the year. The Board also received presentations from the Regional Chairs and certain Group Functional Heads, with an update on their operating area including the opportunities and challenges they face, and from external advisors.

Each Non-Executive Director separately visits at least one division during the year, independent of the Executive Directors, and reports their key findings and observations at the next Board meeting.

Meetings with operational management ensured that the Board's standards and values for integrity and honesty are disseminated. Each of our divisions has its own management team and staff who manage and take pride in the success of their own operational business within the strategy set by the Board. In this way, we create a culture that motivates and rewards our colleagues. We promote a supportive culture that enables our employees to develop their talents and skills. The Board assesses the Group's corporate culture through various interactions with senior management and the wider workforce including Board presentations, divisional visits, Board dinners and the employee awards. The Board has concluded that the corporate culture of the Group is of a high standard.

The Board has adopted a schedule of matters that are specifically reserved for its decision, which includes strategy and management, structure and capital, financial reporting and controls, internal controls covering both financial and operational areas of the business, land acquisition above specified limits, contracts and agreements, communication, Board membership and other appointments, remuneration, delegation of authority, corporate governance matters, Group policies and other miscellaneous items.

In addition, it has a series of matters that are dealt with at regular Board meetings including:

- Operational and strategic review.
- Financial review.
- Major land acquisitions.
- Major projects.
- Risk.
- Health and safety.
- Sales and customer care.
- Human Resources.
- Reporting requirements.
- Corporate governance and internal control including any whistleblowing issues.

In between Board meetings, the Directors receive updates from the Chair, the Group Chief Executive or the Chief Commercial Officer and Company Secretary to advise them of any significant matters affecting the Group or its performance.

During the year the work carried out by the Board included:

- Strategy.
- Considering regular reports on KPIs from the Group Chief Executive.
- A review of risk and internal control.
- Consideration of recommendations from the Board Committees.
- Scrutiny of reports from the Group Chief Executive, Group Finance Director, Chief Commercial Officer and Company Secretary, and senior management at each Board meeting.
- Considering regular reports on health and safety matters from the Group Chief Executive and approval of the health and safety targets for FY24.
- Approval of major land purchases.
- Board evaluation.
- Approval of debt facility agreements.
- Receiving presentations from the five Regional Chairs about the performance of the divisions under their responsibility.
- Receiving presentations from Finance, HR, IT, Procurement, Sales and Marketing, Commercial and Technical head office departments.
- Receiving presentations on sustainability and approval of corporate responsibility targets for FY24 from the 'Better with Bellway' Leadership Team.
- Approval of the 'Better with Bellway' strategy.
- Approval of the Gender Pay Gap Report.
- Approval of the Group's tax strategy.
- Approval of major IT expenditure.
- Approval of the Group's insurance programme.
- Approval of the Group's Slavery and Human Trafficking Statement for 2023.
- Approval of the Annual Report and Accounts for 2022/23.
- Approval of the preliminary announcement, interim results and trading updates.
- Recommending the final dividend for 2022/23 to be approved by shareholders.
- Approval of the interim dividend for 2023/24.
- Defence document review and meeting with corporate advisors.
- Crisis protocol review.
- Approval of HR (including Equality, Diversity and Inclusion) KPIs.
- Reviewed and assessed the Group's cyber controls, based on best practices for securing systems and data.
- Receiving regular updates on legacy apartment schemes where fire safety improvements may be required or where works are planned or underway.

Division of Responsibilities continued

Training and development

The Board receives appropriate training and updates on various matters relevant to its role and responsibilities. Training needs are reviewed as part of the performance evaluation process through the Board's skills matrix and on an ongoing basis.

A board evaluation conducted by an external third party was conducted in July 2024. Following this year's evaluation no specific training needs were identified.

Non-Executive Directors attend external training sessions designed specifically for non-executives and members of Board Committees as and when required.

Board balance and independence

The roles of Chair and Group Chief Executive are separate, with a clear division of responsibilities, ensuring a balance of responsibility and authority at the head of the Group.

The Company considers all of its Non-Executive Directors, including the Chair, to be independent, as defined in the Code. Each of the Independent Non-Executive Directors has, at all times, acted independently of management and has no relationship that would materially affect the exercise of his or her independent judgement and decision-making.

The Senior Independent Director is Sarah Whitney, with whom shareholders may raise any queries or concerns they may have.

Whenever any Director considers that they are interested in any contract or arrangement to which the Group is or may be a party, due notice is given to the Board. No such instances have arisen during the year.

The Board Committees

The Board has formally constituted Audit, Executive, Nomination, Remuneration, and Sustainability Committees. The Terms of Reference for these Committees are available either on request from the Chief Commercial Officer and Company Secretary, at the AGM or on our website: www.bellwayplc.co.uk.

The Executive Committee was formally constituted during the year, as a sub-committee of the Board, and consists of the Executive Directors, the Chief Commercial Officer and Company Secretary, the Regional Chairs and several Group Director's and Senior Managers, with the responsibility for planning, objectives and strategy, operations and performance, Risk and Internal control, and people related matters relating to the Group.

Other Committees of the Board are formed to perform certain specific functions as and when required.

The work carried out by each of the Board Committees during the year is described in the reports of the Committee Chairs, which follow.

Board Committee on Non-Executive Directors' Remuneration

The Board Committee on Non-Executive Directors' Remuneration comprises the Executive Directors and is Chaired by the Group Chief Executive.

This Committee meets at least once a year. Last year it met on one occasion to review the fees and terms of appointment of the Non-Executive Directors (excluding the Chair) and received advice from the Chief Commercial Officer and external remuneration consultants when required.

Composition, Succession and Evaluation

Board evaluation

In line with the UK Corporate Governance Code, we undertake a formal and rigorous annual evaluation of our own performance and that of our Committees and individual Directors. We operate a three-year cycle of internal and externally facilitated reviews. In 2023, Bellway conducted an externally facilitated evaluation, which was run by Trusted Advisors Partnership ('TAP'), a specialist consultancy. TAP has no other business or connection to the Group or the individual directors. For 2024, due to changes to the Board and the increased focus on governance, we conducted an externally facilitated evaluation carried out by TAP for a second successive year.

Having been provided with a comprehensive briefing by the Chair and the Chief Commercial Officer and Company Secretary, TAP conducted an evaluation process in July 2024, involving:

Current Board evaluation cycle

Year 1 – Current

External evaluation facilitated by TAP.

Year 2

Internal evaluation facilitated by the Chair.

Year 3

Internal evaluation facilitated by the Chair.

Board evaluation process

Stage 1

Revisiting the findings and recommendations of the 2023 external evaluation.

Engaging with the Chair and the Chief Commercial Officer and Company Secretary on the scope and approach to the internal evaluation.

Reviewed the Board and Committee papers since the last evaluation to aid the understanding of the progress made.

Stage 2

Conducted a set of individual virtual meetings with each Board member and the Chief Commercial Officer and Company Secretary.

TAP reviewed the Board and its Committees' effectiveness to fulfil its duties considering:

a) Board structure, capability and performance.

b) Quality of Board discussion and review to support the delivery of Bellway's sustainable growth strategy.

Stage 3

Produced a report of findings, progress since the prior year, and key areas following the evaluation and fed back to the Board which was presented to and discussed in detail in a Board meeting.

The evaluation concluded that the Bellway p.l.c. Board was well constituted with a cohort of experienced, capable, and engaged Non-Executive and Executive Directors.

Board evaluation 2022/23 update

Action point	Progress
Further consideration given to organisational structure and the lack of an Executive Committee.	A formal Executive Committee was set up during the year, which includes the senior executives, Regional Chairs, and several Group Directors.
Consideration given to Board composition.	An additional Non-Executive Director was appointed during the year.

Board evaluation 2023/24

Following the recent Board Evaluation conducted by TAP, the The Board continues to be effective with all Directors fulfilling their obligations and duties in the interest of the shareholders, employees, customers, and suppliers. The Board remains committed to continually improving with the Board found to have good diversity of thought and experience. For the year under review, the Chair was found to be performing effectively and to a very high standard. The evaluation concludes that shareholders, and all stakeholders, should be confident that the Board is effective and is committed to further develop and improve.

Nomination Committee Report
Composition, Succession and Evaluation

> "The Committee continues to recognise the importance of gender and ethnic diversity as part of the succession planning at all levels of the business."

John Tutte
Chair of the Nomination Committee

Membership and meeting attendance

Director	Date appointed to the Committee	Number of meetings attended during the year
John Tutte (Chair)	1 March 2022, appointed Committee Chair on 1 April 2022	2/2
Jill Caseberry	1 October 2017	2/2
Ian McHoul	1 February 2018	2/2
Sarah Whitney	1 September 2022	2/2
Cecily Davis	1 May 2024	1/1

I am pleased to present the Nomination Committee Report for the year, which details the main activities undertaken during the year.

The Nomination Committee plays a key role in Board succession, identifying the key skills and abilities required for the Board, as well as developing the talent within the Senior Management team, and driving diversity and inclusion, which supports Bellway in becoming an Employer of Choice.

Key focus areas during the year

- Board succession and appointment of Cecily Davis as an additional Non-Executive Director.
- Simon Scougall was promoted to a newly created role of Chief Commercial Officer as of 1st August 2024.
- Conducted a thorough recruitment process for a new Group Finance Director with the support of an external consultant following the announcement that Keith Adey intends to retire from full-time executive work.
- Continue our work to improve diversity across the Group.
- With support from the Executive Management Team and Group HR Director, continue to develop the succession plan for those immediately below Board level and the newly formed Executive Committee.

Key focus areas for the year ahead

- Board succession, considering the Board composition and ensuring compliance with the requirements of the Parker Reviews, the FTSE Women's Leaders Review and the FCA disclosure rules. With support from the Executive Management Team and Group HR Director, continue to develop the succession plan for those immediately below Board level.
- To continue our work to improve diversity across the Group, taking into account the recommendations from the Parker Reviews, the FCA Diversity and Inclusion Policy Statement, and the FTSE Women's Leaders Review.

Key responsibilities and terms of reference

The main areas of the Nomination Committee's (the 'Committee') responsibilities are:

- To review the structure, size and composition of the Board, in accordance with the Board's Diversity Policy, and recommend to the Board any changes it considers appropriate. This encompasses membership of the Board Committees and the re-appointment, if appropriate, of Non-Executive Directors at the end of their term of office.
- To consider succession planning not only within the Board, but also immediately below Board level and ensure appropriate plans are in place.
- To identify candidates to fill Board vacancies and nominate these to the Board for approval. Appointments to the Board are made on merit using a formal, rigorous and transparent process against objective criteria recommended by the Committee. These criteria take into account the skills, knowledge and experience of existing members of the Board and the importance of diversity, in all its aspects, within the Board. The Committee is aware of the recommendations of the Parker Reviews, the FTSE Women's Leaders Review and the FCA disclosure rules, and will continue to take these into consideration when making future Board appointments.
- The appointment of a Non-Executive Director is for a specified term and re-appointment is not automatic, rather it is made on the recommendation of the Committee.
- To consider diversity and inclusion targets for the Group.
- To carry out an annual Board evaluation of the Committee and review the results of the Board evaluation in relation to the composition of the Board.

The Committee meets at least twice a year and operates under its own Terms of Reference. These have been agreed by the Board and are available at www.bellwayplc.co.uk/investor-centre/governance/committees.

The members of the Committee are shown in the table to the left.

Committee activities during the year

Appointment of Cecily Davis as an Non-Executive Director to the Board in May 2024, expanding the breadth of knowledge and expertise on the board and helping to comply with the requirements of the Parker Reviews, the FTSE Women's Leaders Review and the FCA disclosure rules. The Committee recognises the importance of gender and ethnic diversity as part of succession planning and will continue to work towards increasing the diversity of the current Board, while taking into account the future retirement of the Group Finance Director, the appointment to the Board of the Chief Commercial Officer, and the current UK Code recommendations on Board composition and size.

We continued our work to improve diversity and inclusion across the Group, taking into account the various recommendations from the Parker Reviews and the FTSE Women's Leaders Review. Building on the success of the 2023 Bellway Graduate Recruitment Programme, we continue to look for the opportunities to recruit female candidates and candidates from an ethic minority where possible, which helps drive diversity within Bellway and provides possible leaders of the future.

Further development of the Senior Leaders and Middle Managers programmes, working with an external third party, the Group HR team reviewed the current development programmes to further improve upon them, looking at sharing best practice and driving consistency across the Group, which further supports the Group's culture.

The Committee continued to develop, with support from the Executive Management Team and Group HR Director, the succession plan for those immediately below Board level and Executive Committee. This exercise will look to promote diversity and inclusion where possible.

The Committee had oversight of the following activities undertaken by the Group HR function.

- Equality, diversity and inclusion e-learning continues to be issued to employees and forms part of the mandatory training a new employee must undertake. 60.3% of employees have completed this training within three months of joining Bellway.
- Partnering with external charities and organisations to promote diversity and inclusion throughout Bellway, including Leonard Chesire and Change100.
- Rolling out talent and succession planning training to senior leaders and line-managers, focused on developing graduates as part of our three-year talent strategy.
- Continuing to work with the Regional Chairs and Managing Directors to develop progression and retention plans for key employees within each division, promoting diversity where possible.

Director and employee profile

The following tables show the gender and ethnicity split in the Group as at 31 July 2024. Ethnic diversity was reported for the first time in 2021. More detail on the Group's efforts to improve diversity can be found on pages 42 to 43:

	Male No.	Male %	Female No.	Female %	Total No.	Total %
Board of Directors	4	57	3	43	7	<1
Executive Committee and direct reports	13	68	6	32	19	<1
Senior managers	146	82	32	18	178	7
Other employees	1,594	65	861	35	2,455	92
Total	**1,757**	**66%**	**902**	**34%**	**2,659**	**100%**

	Asian or Asian British	Black or Black British	Mixed/Multiple Ethnicity	Other Ethnic/Arab	White British/ European/Non-European	Any other ethnic group	Prefer not to say
Board of Directors	0	1	0	0	6	0	0
Executive Committee and direct reports	0	0	1	0	18	0	0
Monthly paid employees	53	25	19	2	1,986	3	22
Weekly paid employees	0	14	3	1	497	1	7
Total	**53**	**40**	**23**	**3**	**2,507**	**4**	**29**

John Tutte
Chair of the Nomination Committee

14 October 2024

Audit Committee Report

> "This report provides an overview of how the Committee operates… and its role in ensuring the integrity of the Group's financial statement and effectiveness of audit, risk management and internal controls."

Ian McHoul
Chair of the Audit Committee

Membership and meeting attendance

Director	Date appointed to the Committee	Number of meetings attended during the year
Ian McHoul (Chair)	1 February 2018, appointed Committee Chair on 12 December 2018	4/4
Jill Caseberry	1 October 2017	4/4
Sarah Whitney	1 September 2022	4/4
Cecily Davis	1 May 2024	0/1*

* Absence was due to commitments prior to joining the Board.

Statement from the Chair of the Audit Committee

I am pleased to present the Audit Committee Report for the year ended 31 July 2024. This Report provides an overview of how the Committee operates, an insight into the Committee's activities during the year and its role in ensuring the integrity of the Group's financial statements and effectiveness of audit, risk management and internal controls. We have worked closely with our finance, and risk and internal audit teams, along with Ernst & Young LLP ('EY'), our external auditor, throughout the year.

The Committee met four times during the year and the attendance by Committee members can be seen above.

Key areas of focus during the year

As detailed in last year's report, I set out our focus areas for this year and I'm pleased to provide an update on these:

- Monitor the progress made by management in preparation for forthcoming governance changes – an additional meeting was held in September 2024 to discuss the progress made by management against their strategy for formally documenting and testing controls. We will continue to monitor progress against our plan, which includes formal documenting and testing (design and operational effectiveness) of controls for IT, entity level and material financial and commercial processes.
- Ensure the Group has the appropriate IT infrastructure and operating environment – an update from the Group IT Director in relation to the Group's IT infrastructure and operating environment was received at the January meeting. A further update on the results of cybersecurity penetration testing was received at the September meeting.
- Ensure that the Group continues to have the appropriate disclosures as required by the TCFD in the 2024 Annual Report and Accounts – the TCFD disclosures in the 2024 Annual Report and Accounts have been reviewed by management and an update presented to the Committee. It is anticipated that the reporting will continue to evolve in future years.
- Continue to review the legacy building safety provision – both component parts of this provision, namely the (i) SRT and associated review provision; and (ii) structural defects provision were discussed at both the March and October meetings before the Interim Accounts and Annual Report and Accounts were recommended to the Board for approval. As part of this review, the Committee dedicated a significant amount of time challenging the assumptions and methodology used in calculating the legacy building safety provision, along with the disclosure in the financial statements.
- Ensure the early adoption of the requirements of the Audit Committees and the External Audit: Minimum Standard FRC report issued in May 2023 – a paper was presented at the October 2023 meeting assessing our compliance and presenting an action plan to meet all the requirements.

In addition, during the year, the Committee received a presentation from the Group Production Managing Director in relation to the commercial function across the Group. This set out the relevant key findings of divisional compliance visits and related action points, IT enhancements and a five-point five-year framework setting out focus areas, strategy and how this complements 'Better with Bellway'.

Anticipated key areas of focus for the year ahead

- BEIS consultation – we will continue to monitor changes in legislation and the UK Corporate Governance Code resulting from the initial BEIS and subsequent Financial Reporting Council ('FRC') consultation process. In addition, we will monitor progress made by management against their strategy for formally documenting and testing the related controls.
- IT security – we will monitor the enhancement plan presented following the penetration testing performed in the year to ensure it is delivered on time and to the required standard.

- Sustainability reporting – we will review the Group's TCFD disclosures in the Annual Report and Accounts 2024 and consider what additional requirements will be needed for compliance with IFRS S1 and IFRS S2.
- Legacy building safety provision – we will continue to review this provision to ensure the approach and assumptions are appropriate as more detailed information becomes available.
- EY audit partner rotation – the Committee will work with EY to identify the new EY engagement partner to replace the incumbent who will rotate off after completing five years in post, following the completion of the audit for the year ended 31 July 2025.

Committee governance and competence

In May 2024, Cecily Davis joined the Committee, which subsequently comprised four independent Non-Executive Directors. Throughout the period, the Committee members had significant and diverse experience, and I believe that between us we have an appropriate and relevant combination of experience and knowledge.

I am a Chartered Accountant. Previously I served Scottish & Newcastle plc from 1998 to 2008, first as Finance Director of Scottish Courage and later as Group Finance Director of Scottish & Newcastle plc, before becoming Chief Financial Officer of Amec Foster Wheeler plc until 2017. I was Chair of Videndum plc and was Chair of the Audit Committee and a member of the Remuneration Committee of Young & CO.'s Brewery P.L.C. The Board considers that I have recent and relevant financial experience as required by the Corporate Governance Code (the 'Code'). As part of the effectiveness review, the Nomination Committee has also confirmed that it is confident that the collective and broad experience of the members enables us to act effectively as an Audit Committee.

Further information on the experience and knowledge of the Committee members is included in the Directors' biographies on pages 106 to 107.

In line with the Terms of Reference, there were four meetings of the Committee during the year, with three regular meetings scheduled in line with the Group's financial reporting timetable and the other being a one-off meeting to review and approve fees, prior to the commencement of any work relating to the Crest Nicholson transaction that was subsequently aborted. All members of the Committee attended each meeting that occurred after their appointment, apart from Cecily Davis who was unable to attend a meeting in May due to a prior commitment that had been arranged before she became a Non-Executive of the Group.

The Chair of the Board, Group Chief Executive, Group Finance Director, Group Chief Commercial Officer and Company Secretary (formally the Group General Counsel and Company Secretary), Group Financial Controller and Group Risk Director attend meetings by invitation. Furthermore, the Group Production Managing Director, Group Head of Finance Services and Group IT Director attended parts of certain meetings. The Committee is supported by the Deputy Group Company Secretary who acts as Secretary to the Committee.

Representatives of EY attended the three regular meetings during the year and they, along with the Group Risk Director, also met with the Committee independently of management. Any matters raised during discussions with the external auditors and the Committee were discussed appropriately with executive management. I also had further discussions, independently of each other, with the Group Finance Director, Group Risk Director and external auditor and reported relevant information to other members of the Committee.

Detailed papers are prepared and circulated in advance of Committee meetings by both management and the external auditor, thereby allowing informed discussions, challenge, and decision-making to take place.

Committee purpose and responsibilities

The Committee supports the Board in achieving the objectives of the corporate governance framework, with its principal activities focused on:

- the integrity of financial reporting;
- the quality of narrative reporting;
- the quality and effectiveness of internal controls and risk management systems;
- procedures relating to the prevention and detection of fraud and bribery;
- risk and internal audit; and
- external audit.

A comprehensive version of the Committee's Terms of Reference is available on the Group's website at www.bellwayplc.co.uk/investor-centre/governance/committees.

A review of the Terms of Reference during the period determined that they remain appropriate and in line with best practice, reflecting the Committee's responsibilities in line with both the Code and other regulations.

Committee evaluation and effectiveness

Every three years the Board appoints an external organisation to perform an independent review of the Committee to evaluate its performance. This review was performed in the prior year and concluded that the Committee was effective and provides a robust and independent challenge, underpinned by professional respect from all attendees.

During the year, the Committee assessed both the performance of the Committee as a whole and that of its individual members. This was externally facilitated and no major areas of improvement were identified.

Following a review of these results, I consider the Committee to be effective and it provides a robust and independent oversight over the financial reporting, narrative reporting, internal control and risk management, fraud and bribery prevention and detection, risk and internal audit, and external audit activities of the Group. The Committee has an appropriate and complementary set of skills and experience that enables it to deliver the aforementioned activities.

Audit Committee Report continued

Committee activities during the year and post year-end

The activities undertaken at the October 2024 meeting concluded the Committee's activities in relation to the Group's financial reporting for the year ended 31 July 2024.

The main activities performed by the Committee at these meetings are described below:

	Meetings during the year				Post year end meetings	
Activity /review	October 2023	January 2024	March 2024	May 2024	September 2024	October 2024
Financial reporting						
Reviewed the final draft of the Annual Report and Accounts, together with a report produced by EY, which detailed their findings both on areas of key financial reporting matters and other areas of audit focus.	✓					✓
Reviewed the final draft of the Interim Announcement.			✓			
Received a paper, on significant judgemental areas prepared by management, including the controls, and provided appropriate challenge.	✓		✓			✓
Reviewed a paper which analysed notable one-off items, both those separately disclosed on the face of the income statement or otherwise, that affected profit during the period and provided challenge of the treatment of these.	✓		✓			✓
Considered and challenged a paper produced by management setting out the accounting approach used for the SRT and associated review provision and related expense. This consisted of understanding the approach taken in identifying apartment blocks dating back to April 1992 that could fall within the scope of the SRT, cost estimates applied, inflation and discounting assumptions along with ensuring the associated disclosures are clear and understandable. The Committee challenged management's cost and inflation assumptions, including considering a sensitivity paper, and believed management's proposed assumptions to be appropriate.	✓		✓			✓
Considered and challenged a paper produced by management setting out the accounting approach used for the structural defects provision and related expense. This consisted of understanding the technical background of the issue, the basis of the cost estimate, inflation and discounting assumptions, along with ensuring the associated disclosures are clear and understandable. The Committee challenged management's cost and inflation assumptions, and believed management's proposed assumptions to be appropriate.	✓		✓			✓
Considered and challenged management about the use of APMs and whether they were appropriate, or whether GAAP measures would be more relevant.	✓		✓			✓
Reviewed, discussed, and challenged a paper produced by management setting out the rationale for preparing the Annual Report and Accounts and the Interim Announcement on a going concern basis. The paper incorporated a sensitivity analysis based on the Group's internal forecasts.	✓		✓			✓
Reviewed and approved the appropriateness of disclosures in relation to the ongoing CMA Market Investigation.	✓		✓			✓
Received an update on the year-end process focusing on the significant judgement areas.					✓	
Narrative reporting						
Concluded that the Annual Report and Accounts presented a fair, balanced and understandable assessment of the Group's position and prospects after considering reports from both internal audit and the external auditor. The Committee recommended the Annual Report and Accounts to the Board for approval.	✓					✓
Reviewed the draft viability statement to appear in the Annual Report and Accounts, together with the supporting assumptions and financial forecasts.	✓					✓
Internal control and risk management systems						
Reviewed compliance with the Group policies in the period.	✓		✓			✓
Reviewed a paper setting out the effectiveness of the internal control and risk management framework during the year.	✓					✓
Reviewed and approved the Slavery and Human Trafficking Statement.	✓				✓	

Activity /review	Meetings during the year				Post year end meetings	
	October 2023	January 2024	March 2024	May 2024	September 2024	October 2024
Internal control and risk management systems continued						
Received an update on the changes to the UK Corporate Governance Code project and reviewed the progress made by management against their strategy for formally documenting and testing controls.			✓		✓	
Reviewed and approved the Slavery and Human Trafficking Statement.	✓				✓	
Reviewed and approved the Group's Corporate Criminal Offence Policy and risk asessment.			✓			
Prevention and detection of fraud and bribery						
Reviewed a paper produced by management setting out the main controls for preventing and detecting fraud.	✓					✓
Reviewed the Group's policies and procedures in relation to Whistleblowing, Anti-Bribery and Corruption, Anti-Slavery and Data Protection.		✓				
Reviewed the Group's policies and procedures in relation to Anti-Money Laundering.		✓			✓	
Risk and internal audit						
Reviewed and challenged a risk management and internal audit update.	✓	✓	✓		✓	✓
Considered whether the interaction between the Group risk and audit function (internal audit) and external auditor during the period had been appropriate.	✓					✓
Reviewed and considered the effectiveness of the Group risk and audit function.	✓					✓
Held a one-to-one meeting with the Group Risk Director.	✓		✓			✓
Reviewed and approved the Risk Management Policy.		✓				
Reviewed the Internal Audit Charter and provided feedback on the proposed 2024 Internal Audit plan.		✓				
Received an update on the IT department, details of a disaster recovery simulation test and the results of cybersecurity penetration testing.		✓				
Received a presentation from the Group Production Managing Director in relation to the commercial function across the Group. This set out the relevant key findings of divisional compliance visits and related action points, IT enhancements and a five-point five-year framework setting out focus areas, strategy and how this complements 'Better with Bellway'.		✓				
External audit						
Assessed the performance of the external auditor, including obtaining an explanation from EY in relation to the firm-wide annual Audit Quality Inspection findings compared to their peers and understanding the effect, if any, these had on the Bellway audit.		✓				
Challenged and approved EY's audit plan, including the proposed Group, subsidiary, and divisional materiality for the 2024 audit.			✓			
Reviewed the EY engagement letter and approved the audit fee for FY24.			✓			
Approved the Independent Auditor Policy.			✓			
Held a private meeting with EY.	✓	✓	✓			✓
Approved the Recruitment of Auditor Staff Policy.			✓			
Reviewed a report produced by management setting out the requirements of the FRC report 'Audit Committees and the External Audit: Minimum Standard' and agreed a strategy of how the Group will early adopt the requirements.	✓					
Approved (i) the appointment of EY and KPMG as Reporting Accountants; and (ii) the associated fees relating to the aborted Crest Nicholson transaction.				✓		
Governance						
Considered the findings of the performance evaluation of the Committee.	✓					✓
Reviewed the terms of reference of the Committee, number of meetings and skills and experience of the Committee. No items were identified that needed to be updated.		✓				

Audit Committee Report continued

Integrity of financial reporting

Significant financial reporting matters

The table below sets out the matters considered, and the action performed, by the Committee during the year in relation to the significant financial reporting matters of the Group.

Key financial matters	Information provided by management	Challenge by the external auditor	Committee assessment and conclusion
Revenue recognition			
Matter considered Revenue of £2,380.2 million has been recognised in the year. The majority of housing revenue is recognised on a point in time basis either i) when the completed dwelling is transferred to the customer; or ii) when the home is build is complete and all material contractual obligations have been satisfied. For a small number of contracts, revenue is recognised over time from the point that the land is irrevocably transferred to the customer.	Management outlined the existing systems and controls surrounding revenue recognition. The Committee discussed these controls, challenging management where appropriate.	The external auditor explained to the Committee that they had: • reviewed the appropriateness of the Group's Revenue Recognition Accounting Policy; • used data analytics to identify any anomalies, which were investigated; • reviewed internal audit work in relation to sales cut-off; • agreed a sample of legal completions to source documentation; and • reviewed manual journals posted to numerous accounts selected using risk criteria.	The Committee understood the Group's Revenue Recognition Policy. The Committee also reviewed a summary prepared by EY explaining the findings from their work assessing the design of the Group's systems and controls pertaining to revenue recognition. Following enquiries with management and the external auditor, the Committee concluded that there are appropriate systems and internal controls in place to ensure revenue is recognised appropriately, and that the Group's Revenue Recognition Policy has been properly applied in these financial statements.
Cost of sales (before net legacy building safety expense) recognition			
Matter considered Cost of sales (before net legacy building safety expense) of £1,999.1 million has been recognised on housing and other revenue. Cost of sales for completed housing sales is recognised based on the latest whole site/phase margin, which is derived as part of the site/phase valuation process. These valuations are updated frequently throughout the life of the site/phase and include both actual and forecast selling prices, land costs and construction costs. The forecast costs and revenues are estimates and are inherently uncertain due to potential changes in market conditions.	Management outlined the existing systems and controls surrounding gross profit recognition and the valuation process. The Committee discussed these controls, challenging management where appropriate.	The external auditor explained to the Committee that they had: • reviewed the appropriateness of the Group's Margin Recognition Accounting Policy; • attended valuation meetings; and • performed Group-wide analytical reviews; and challenged assumptions in relation to forecast selling prices and costs.	The Committee understood the Group's Gross Profit Recognition Policy. The Committee also reviewed a summary prepared by EY explaining the findings from their work assessing the design of the Group's systems and controls pertaining to the valuation process. Following enquiries with management and the external auditor, the Committee concluded that there are appropriate systems and internal controls in place to assess and quantify both actual and forecast selling prices and costs, and that the Group's Gross Profit Recognition Policy is appropriate, and has been properly applied in these financial statements.

<table>
<tr><th>Key financial matters</th><th>Information provided by management</th><th>Challenge by the external auditor</th><th>Committee assessment and conclusion</th></tr>
<tr><td colspan="4">Carrying amount of land and work-in-progress</td></tr>
<tr><td>Matter considered
Land and work-in-progress are the most significant assets on the Group's balance sheet and at 31 July 2024 had a book value of £4,555.3 million. The carrying value of land and work-in-progress is affected by both the revenue recognition and gross profit recognition policies of the Group. In addition, all inventory is held at the lower of cost and net realisable value, which is determined by the whole site/phase margin as set out in the 'cost of sales recognition' section. The risk for any site/phase, currently trading or not, is that the whole site/phase margin may be negative resulting in a net realisable value that is below cost. Divisional management review all sites/phases to ensure any with a negative forecasted whole site/phase margin have an appropriate provision, and this has been re-assessed at regular intervals during the year.</td><td>Management set out details of the land and work-in-progress impairment review process and the outcome of this.

Management provided a summary of this work, which was considered by the Committee.</td><td>The external auditor explained to the Committee they had:
• reviewed land with either internal or external impairment indicators and discussed these with management;
• focused on the Group's pipeline and strategic land interests and challenged management on their assessment of the recoverable amount; and
• performed enquires with management.

This included the procedures identified in relation to profit recognition and a review of the latest site/phase valuation for all sites/phases active during the year and those that are yet to commence production.</td><td>The Committee reviewed and understood the Group's methodology in reviewing the carrying value of the Group's land and work-in-progress and the surrounding controls.

Following enquiries with management and the external auditor, the Committee concluded that there are appropriate systems and internal controls in place to assess the carrying value of the Group's land and work-in-progress, and that the carrying value of these assets in the financial statements is appropriate.</td></tr>
<tr><td colspan="4">Going concern</td></tr>
<tr><td>Matter considered
The financial statements have been prepared on a going concern basis. If the financial statements were not prepared on this basis, significant adjustments and presentational changes would be required to the balance sheet.</td><td>Management produced a paper setting out detailed forecasts and adverse scenarios compared to a base case forecast. These were then compared against the Group's banking facilities to show the expected headroom and bank covenant compliance. This showed that the Group could continue to meet its liabilities as they fall due during the review period.</td><td>The external auditor explained to the Committee they had:
• reviewed and challenged the Group's assessment of going concern and obtained an understanding of significant assumptions;
• challenged the Group's downside and reverse stress testing scenarios;
• reviewed the effect of the various scenarios on debt headroom and covenants;
• recalculated debt covenants; and
• considered the accuracy of previous forecasts.</td><td>Following a review of this paper and challenge of both management and the external auditor, the Committee concluded that the going concern basis of preparation continues to be appropriate in the context of the Group's expected funding and liquidity position.

Further details in relation to the Group's going concern and viability assessment can be found on pages 81 to 82.</td></tr>
</table>

Audit Committee Report continued

<table>
<tr><th>Key financial matters</th><th>Information provided by management</th><th>Procedures performed by the external auditor</th><th>Committee assessment and conclusion</th></tr>
<tr><td colspan="4">Legacy building safety improvement provision</td></tr>
<tr><td rowspan="3">Matter considered
Legacy building safety improvement provision totalling £509.2 million was recognised in the balance sheet as at 31 July 2024.</td><td colspan="3">There are two components of the provision as set out below:</td></tr>
<tr><td>SRT and associated review
The Committee reviewed a paper setting out the IAS 37 requirements for recognising a provision.
The paper set out the approach taken in identifying apartment blocks dating back to April 1992 that could fall within the scope of the SRT, cost estimates applied, inflation and discounting assumptions along with ensuring the associated disclosures are clear and understandable. The Committee challenged management's cost and inflation assumptions, and after considering a sensitivity paper concluded that management's proposed assumptions are appropriate.</td><td>The external auditor explained to the Committee they had:
• reviewed the completeness of the Group's model capturing the potential developments that fall under the scope of the SRT;
• reviewed the detailed cost estimates;
• challenged assumptions relating to cost inflation, timing of spend and the discount rate; and
• reviewed the disclosures in relation to the SRT and associated review provision.</td><td rowspan="2">Overall
Following a review of these papers, and challenge of management and the external auditor, the Committee concluded that the legacy building safety improvement provision consisting of (i) the SRT and associated review; and (ii) the structural defects, held in the balance sheet and the associated disclosures are appropriate.</td></tr>
<tr><td>Structural defects
The Committee reviewed a paper setting out the background of the issue, how the risk has been quantified, inflation and discounting assumptions along with ensuring the associated disclosures are clear and understandable. The Committee challenged management's cost and inflation assumptions and concluded that management's proposed assumptions are appropriate.</td><td>The external auditor explained to the Committee they had:
• reviewed the detailed cost estimates;
• challenged assumptions relating to cost inflation, timing of spend and the discount rate; and
• reviewed the disclosures in relation to the structural defects provision.</td></tr>
</table>

Key financial matters	Information provided by management	Procedures performed by the external auditor	Committee assessment and conclusion
Adjusting items expense disclosure			
Matter considered A pre-tax net adjusting items expense of £42.4 million has been recognised in the year. This has two component parts (i) net legacy building safety expense of £37.0 million; and (ii) aborted transaction costs of £5.4 million. Separate disclosure is required on the face of the income statement when, in the opinion of the Board, a transaction is material by size or nature and of such significance that it is necessary to give a proper understanding of the results.	Management produced a paper setting out the accounting and presentational requirements of IFRSs relating to the separate disclosure of material items of income or expense that could affect decisions made by the primary users of the Annual Report and Accounts. This paper used the above framework, which set out the treatment of whether the net legacy building safety expense and aborted transaction costs should be disclosed separately. The paper ensured the principles agreed in the previous year had been consistently applied.	The external auditor explained to the Committee they had: • reviewed the disclosures in relation to the net legacy building safety expense and aborted transaction costs.	The Committee provided careful consideration to the judgements made in the presentation and disclosure of both the net legacy building safety expense and aborted transaction costs, ensuring the Annual Report and Accounts as a whole provides a balanced view, including the presentation of GAAP measures and APMs. Following enquiries with management and the external auditor, the Committee concluded that both the net legacy building safety expense and aborted transaction costs are appropriately presented and disclosed in the financial statements.

The Committee considers climate change, and although it is not considered a key audit matter, EY utilise some of their audit effort considering the impact of potential climate-related risks on the Group's Annual Report and Accounts, both quantitively in the financial statements and narratively elsewhere in the wider report, including in relation to going concern and the long-term viability statement. A specific climate-related risk considered during the audit was in relation to the effect on the valuation of inventory arising from the requirements of the Future Homes Standard, and whether the necessary future costs were included in site margin, itself being a key audit matter. No issues were identified as part of this work. The Committee concluded that climate change and the associated risks are appropriately included and disclosed in the financial statements.

The Committee did not specifically ask EY to focus on any particular areas during the audit as they considered the key financial matters and audit scope to be appropriate, and had no specific concerns in relation to other areas of the Group.

Long-term viability statement

In accordance with provision 31 of the Code and the FRC guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Committee challenged management on the assumptions, methodology and timespan that the viability statement covers.

A paper by management was considered by the Committee, which set out the resilience of the Group to the emerging and principal risks and uncertainties to various adverse sensitivities using different scenarios. These scenarios included a reduction in both the total number of legal completions and private average selling price, with both sales and administrative overheads, land spend, and construction spend reducing accordingly. The results were then compared to the Group's financing facilities to ensure sufficient headroom exists and compliance with debt covenants, and to determine whether the Group could continue to meet its liabilities as they fall due.

The paper concluded that the viability statement and going concern basis of preparation is appropriate. This was then recommended to the Board for approval.

Audit Committee Report continued

Quality of narrative reporting

2024 Annual Report and Accounts: fair, balanced and understandable

The Group Risk Director provided a paper to the Committee to assist them in concluding whether the 2024 Annual Report and Accounts are fair, balanced, and understandable. This independent review of the Annual Report and Accounts ensured the various components satisfied the requirements when read as a whole. This review also considered whether feedback provided by shareholders in respect of the 2023 Annual Report and Accounts has been reflected.

In addition, the Committee performed a comprehensive review of the Annual Report and Accounts considering items such as:

Fair	Balanced	Understandable
• The Annual Report and Accounts provide a comprehensive review of the Group's strategy and activities during the year, which is consistent with the business model.	• The Annual Report and Accounts provide a balanced view of the performance and position of the entity, with both significant positive and negative points disclosed.	• The Annual Report and Accounts are clear and understandable, and have consistent messaging throughout.
• The narrative section is both consistent throughout and also with the financial results and performance.	• The key accounting judgements considered by the Committee are appropriately disclosed and are consistent with those considered by EY.	• There are clear links between the strategy and KPIs.
• Market conditions are clearly described, and the emerging and principal risks and uncertainties are both accurate and complete.	• The Annual Report and Accounts provides a balance between statutory and adjusted performance measures.	• The KPIs and APMs have remained consistent and there has been no change in the methodology, and they are reconciled to statutory measures where appropriate.
• All material transactions and issues faced by the Group are included within the financial statements and disclosed where required.		• The Annual Report and Accounts provide a clear and consistent theme and tone with the Group's other external reporting requirements.
• The Group has sufficient distributable reserves when compared to the proposed dividend.		

The Committee concluded that the 2024 Annual Report and Accounts:

- when taken as a whole, is fair, balanced and understandable; and
- provides the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

ESG and climate risk considerations

ESG and climate risks are considered by the Board due to their importance, although the associated disclosure requirements, processes and controls are separately reviewed by the Committee. The Committee is aware of the increasing significance of ESG reporting matters with the Group having established a road map for climate risk disclosures relating to its Annual Report and Accounts. This, along with updates from EY throughout the year, has enabled the Committee to review and assess the disclosures included in the 2024 Annual Report and Accounts.

Quality and effectiveness of internal controls and risk management systems

The Committee is responsible for reviewing and assessing the Group's internal controls and risk management systems and providing guidance on these to the Board. The Board is responsible for reviewing the effectiveness of the system of internal controls.

Throughout the year, the risk register for the Group has been reviewed and updated by management on a quarterly basis. This review includes ensuring the completeness of risks, assessing their likelihood, their impact, and the effectiveness of the control environment to mitigate the risks.

Risk is considered by the Board with a full review of the risk register taking place at least annually. The internal control and risk management process only reduces the risk of material misstatement or loss and does not eliminate this risk completely.

The emerging and principal risks facing the Group, which are described in the Strategic Report on pages 83 to 87, are regularly reviewed and cover all aspects of Bellway's operations including land acquisition, planning, construction, health and safety, sales, HR, IT, legal and regulatory compliance, and climate change.

The continuing role of the Board is, on a systematic and ongoing basis, to review the key emerging and principal risks inherent in the business, the operation of the systems and controls necessary to manage such risks and their effectiveness, and to satisfy itself that all reasonable steps are being taken to mitigate these risks.

The key areas of control are as follows:

- The Board has agreed a list of key risks, which affect the Group, that are reviewed throughout the year and has considered the extent to which the measures taken by the Group mitigate those risks.
- The acquisition of land and land interests is initiated by divisional management and reviewed by the appropriate Regional Chair prior to submission to Head Office for approval. All land acquisitions must achieve minimum financial acquisition criteria and are subject to approval by the Executive Directors, and in certain circumstances, approval by the Board.
- A comprehensive monitoring and reporting system is in place including annual budgets, monthly forecasting, and management reporting, incorporating variance analysis and commentary. This is produced by divisional management and reviewed by the Regional Chairs and functional heads at Head Office. Summaries are also provided to the Executive Directors.
- Monthly divisional board meetings are held to review divisional performance, which are attended by the Regional Chairs. The Executive Directors attend divisional board meetings on a rolling basis, and this is supplemented with Non-Executive Director visits to divisions.
- Site/phase valuations are produced periodically throughout the life of a site/phase, with a summary of the actual and forecast costs and revenues produced at a divisional level prior to review by the divisional management team and Head Office team.
- During the year the Group set up an Executive Committee which includes the Executive Directors, Regional Chairs and other senior Group management. This committee focuses on key strategic and operational matters affecting the Group. The minutes from these meetings are provided to the Board for review.
- Regular visits to sites by in-house health and safety teams and external consultants to monitor health and safety standards and performance.
- A central treasury function operates at Head Office ensuring the appropriate financing is obtained for the Group as a whole.
- A number of the Group's key functions are dealt with centrally. These include taxation, pensions, insurance, IT, legal, HR, regulatory compliance and company secretarial functions. This centralisation ensures a consistent approach and the appropriate range of skills to manage these specialised areas.

Throughout the year, the Committee received reports from the Group Risk and Audit team on the following areas of focus.

Review	Focus and outcomes
Legal completions (half-year and year-end) 2 reviews	Testing of legal completions is undertaken on a bi-annual basis to check that transactions have been recorded and recognised in the correct period, with appropriate supporting documentation. For FY24, this work provided positive assurance that the processes operate effectively and prevent the occurrence of cut-off issues.
Divisional compliance 10 reviews	These reviews assess whether the design and operation of accounting, land acquisition and commercial processes in trading divisions is compliant with the requirements of key Group policies. Findings and recommendations have resulted in policy improvement, updated procedural guidance, and focused training for divisional management.
Journals (half-year and year-end) 2 reviews	Testing of journals is undertaken on a bi-annual basis to check the validity and accuracy of a sample of transactions and confirm that appropriate journal reviews are being undertaken by the trading divisions. For FY24, there were no major findings.
Modern slavery – subcontractors 17 site visits	This work included an audit of trades at 17 sites. The work provided positive assurance that the Group takes its responsibilities surrounding modern slavery seriously and raised minor recommendations, which have further enhanced third-party onboarding and induction processes.
Anti-money laundering procedures	This work assessed the design and operating effectiveness of the Group's anti-money laundering procedures, including training and communications. The work provided positive assurance that the Group takes its compliance obligations seriously and raised minor recommendations to further enhance processes and compliance.
Duplicate payments 2 reviews	Analysis of payments data was undertaken at the half-year and year-end, identifying a very small number of low-value duplicate payments that have since been recovered. Despite the immaterial value, preventative controls have been reviewed and strengthened to reduce the risk of recurrence in future.
Cyber penetration testing	A third party performed external, internal and wireless infrastructure penetration testing. The testing aims to identify security weaknesses that may be exploited by an attacker or malicious user that has authenticated access to the infrastructure. The report identified some areas where the Group's already robust IT control environment could be further improved. An enhancement action plan was presented alongside the report.
Regulatory compliance training	This risk assessment offered several recommendations to help further drive timely completion and effective monitoring of compliance-based training.

Where any control recommendations are made by the external auditors, these are considered, and where relevant are implemented to further strengthen the control environment.

Audit Committee Report continued

Procedures relating to the prevention and detection of fraud and bribery

Whistleblowing

The Group's Whistleblowing Policy is well publicised at all locations and allows all employees and members of the supply chain to raise concerns in confidence to either the Chief Commercial Officer and Company Secretary, Deputy Group Company Secretary or, alternatively, an independent third party. The Group encourages employees and members of the supply chain to raise any concerns in an open and honest way. These concerns could be in relation to possible wrongdoing in financial reporting, breaches of Group policies and procedures, or other matters such as harassment, bullying, money laundering, modern slavery, or discrimination.

All whistleblowing reports are reviewed and confidentially investigated by senior, independent personnel and the findings are reported to the Board.

During the year, the Committee approved minor changes to the Whistleblowing Policy.

Bribery Act

The Group's Anti-Bribery and Corruption Policy and procedures are circulated throughout the Group and are included on the Group's intranet.

Internal audit

Testing of processes which help the Group prevent and detect fraud is undertaken as part of a rolling programme throughout the year by the Group Risk and Audit function and is focused in the following areas: bank reconciliations, employee expenses, payments, journal transactions, sales completions, site valuations and supplier bank details.

Risk and internal audit

The Group has a risk and audit function which, in part, performs internal audit reviews. The Group Risk Director has a direct reporting line into both the Group Finance Director and myself. During the year the Group Risk and Audit function undertook a number of internal audit reviews, utilising specialists from within relevant functions where appropriate. The Group Risk Director provided the Committee with a summary of the findings together with recommendations to further enhance the control environment. A register is maintained centrally which monitors progress against any system and control enhancements to ensure they are implemented appropriately and in a timely and controlled manner.

External audit

Audit performance and effectiveness

The external auditor of the Group is EY. EY continues to provide robust challenge to management and provides its independent view to the Committee on specific financial reporting judgements and the control environment across the Group.

EY's performance is regularly reviewed by both management and the Committee, and this is done formally on an annual basis.

The Committee considered a paper produced by management, which used the FRC practice aid 'Audit Quality – Practice aid for Audit Committees' as a basis.

The review consisted of:

- Considering the robustness and appropriateness of EY's approach to auditing the significant risk areas facing the Group.
- Considering whether EY's materiality proposal for the previous financial year, which was the most up-to-date information held at the date of review, was set at an appropriate level for the component parts of the Group.
- Discussions with management who were involved in the financial reporting processes.
- An understanding of the findings of the Audit Quality Inspection ('AQI') results that were published by the FRC on 6 July 2023, following their inspection of audit firms including EY. This included understanding whether any of the findings would have affected the Bellway audit.
- An understanding of the Audit Quality Review ('AQR') and internal EY quality review findings, specifically in relation to the engagement partner, Mark Morritt.
- Considering EY's independence, objectivity, and professional scepticism.
- Reviewing the performance of EY against their audit strategy for FY23, the most recent completed audit cycle, and their interaction with the Committee during the process.
- Considering where EY have added value and demonstrated proactivity.

Following this review, the Committee recommended to the Board, which is in turn recommending to the shareholders, that EY be re-appointed as auditor of the Group.

Auditor rotation

The Committee acknowledges the provisions contained in the Code in respect of audit tendering. In conformance with these requirements, Bellway will be required to tender the external audit no later than for the 2030 financial year-end.

Auditor independence and non-audit fees

The Independent Auditor Policy, which seeks to preserve the independence of the external auditor by defining those non-audit services, which the external auditor may and may not provide, was reviewed during the year.

Any non-audit engagement with the external auditor needs to be approved, in advance, by the Chair of the Audit Committee, and retrospectively by the Audit Committee.

During the year, EY were engaged alongside KPMG LLP as reporting accountants to perform certain non-audit related services in relation to the aborted Crest Nicholson transaction. Certain workstreams were allocated to EY as they are typically performed by the external auditor and to generate efficiencies, with the other workstreams allocated to KPMG. Before seeking formal Committee approval of the workstream allocation, EY obtained upfront approval from the Financial Reporting Council to exceed the non-audit services fee cap when looking over a two-year period.

The Committee recognises and supports the independence of auditors, and it considered and approved the proposal to use EY for these non-audit services at a specially convened meeting, along with the fee estimates for both EY and KPMG.

This is the first year since EY were appointed as auditor that Bellway have used them for non-audit services, with independence maintained as the Committee expects the non-audit service spend with the external auditor will revert back to the historical norm.

For an analysis of fees paid to EY see note 4 to the accounts.

The ratio of non-audit fees for the year to the external audit fee was 0.83:1.00.

Following the conclusion of the audit for the year ended 31 July 2024, Mark Morritt will have completed four years out of the normal maximum of five years as EY engagement partner. During the year ending 31 July 2025, the Committee will work with EY to identify the new EY engagement partner and ensure processes are in place to enable a smooth transition.

The Committee considers EY to be independent and EY, in accordance with professional ethical standards, provided the Committee with written confirmation of its independence throughout the year. The Committee monitors all fees paid to the external auditor at each Committee meeting.

The Group has a policy that includes certain restrictions on the recruitment of employees from the external auditor.

The Committee confirms there are no independence issues in relation to the external auditor and that these policies have been adhered to throughout the year.

Ian McHoul
Chair of the Audit Committee

14 October 2024

Remuneration Report

> “The Committee continues to operate a remuneration structure… which it considers closely aligns management interests with those of stakeholders.”

Jill Caseberry
Chair of the Remuneration Committee

Annual Statement

Dear Shareholder

I am pleased to present the Report of the Remuneration Committee (the ‘Committee’).

This Report is divided into three sections: my statement; the Directors’ Remuneration Policy being put to shareholders at the 2024 Annual General Meeting; and our annual report on remuneration for the 2023/24 financial year.

Performance in 2023/24

The Group has delivered another resilient performance despite the continuation of challenging operating conditions during the year. While a lower starting forward order book drove a reduction in volume output, customer demand during the year has benefitted from a moderation in mortgage interest rates, which has helped to ease affordability constraints and supported an increase in reservations.

The improving trading backdrop, combined with the strength of our outlet opening programme, has generated healthy growth in the year-end order book. As a result, we are in a strong position to return to growth in 2024/25.

2023/24 Remuneration outcome

During the financial year, the Committee continued to operate a remuneration structure based on the three core elements of: basic salary; annual cash bonus, subject to the deferral policy; and a share based long-term incentive plan, which it considers closely aligns management interests with those of stakeholders.

The 2023/24 annual bonus was subject to underlying operating profit, adjusted capital employed and strategic performance measures. The Committee is very conscious that the housebuilding sector is highly cyclical and so sets bonus targets by reference to a combination of market consensus forecasts, the stretching goals we set in the annual business plan and internal forecasts for the year.

Forecasts for 2023/24 were lower than the previous year across the housebuilding sector following the higher levels of performance in 2021/22. Forecasts for 2024/25 are for a return to growth and bonus targets are being set for the year reflecting this. Based on performance across the year, which included exceeding the profit target by 12%, the Committee has awarded the Executive Directors a bonus payment of 108% of basic salary.

The Committee is comfortable that the formulaic outcome of the bonus reflects wider business performance, and as a result, no discretion has been applied. In line with the policy in place for 2023/24, any bonus in excess of 100% of salary will be deferred into shares and held for three years. As a result, 8% of salary will be deferred.

The 2021/22 LTIP awards are eligible to vest based on performance over the three financial years to 31 July 2024. Performance was based on EPS, relative TSR vs a bespoke peer group of housebuilders and relative TSR vs the FTSE 350 (excluding financial services and investment trusts). Based on performance over the period, the awards will lapse. The Committee believes that this outcome is appropriate and no discretion has been applied.

The Committee is comfortable that actions taken on pay during the year across the Company were appropriate and balanced the interests of all stakeholders, and that the Remuneration Policy operated as intended.

Directors’ Remuneration Policy

Our current Remuneration Policy was approved at our 2021 AGM and is due for renewal at our 2024 AGM. Therefore, during the course of this year, the Remuneration Committee has carried out its triennial review of the Executive Directors’ Remuneration Policy.

The Committee has evaluated the Policy in light of our long-term strategy. Specifically, we assessed the conventional performance share plan to determine its effectiveness in motivating the Executive team to make decisions that benefit the Company over the long-term. The review concluded that the primary goal of the long-term incentive should be to align the interests of our Executive team with those of our shareholders and to support the retention of our Executive team. We felt that this has not been achieved in the past and that position would not change in the future without a change of policy.

We believe Restricted Shares are a more suitable model because they: (i) align with our company strategy; (ii) ensure strong alignment with investors; (iii) fit with our company culture; and (iv) are simple and transparent.

Further details are set out below.

- Align with our company strategy – A key driver of the change is increasing alignment between our strategy of delivering long-term volume growth with value creation for shareholders and incentivising Directors to make decisions in the long-term interests of the Company. Restricted Shares will remove the volatility that we have experienced in vesting under the Performance Share Plan and ensure that awards will change in value in the same proportion to the returns we create for shareholders over each three year period. We are conscious that executive pay has been a controversial topic in the sector over the years and see benefits in reducing the maximum available quantum while remaining market competitive.
- Ensure strong alignment with investors – Restricted Shares create an immediate alignment between participants and investors, offering tangible value that promotes long-term thinking and avoids inadvertently incentivising volatility and risk taking. Awards will only be eligible to vest subject to the Remuneration Committee being satisfied that the Company's overall performance is in line with the Company's long-term strategic plan (the 'performance underpin'). Further details are set out below.
- Fit with our company culture – We believe that Restricted Shares offer a better match for our business goals and will operate for roles below the Executive Committee. This approach allows for consistency across all management levels.
- Simple and transparent – Restricted shares are simple and easier to understand. As such, they can be a highly retentive LTIP vehicle. In addition, shareholders have a much clearer view of remuneration quantum.

The maximum grant of Restricted Shares will be half of the maximum opportunity under the existing policy for Performance Shares which is consistent with the Investment Association's guidance and wider investors' expectations. In terms of the quantum of award proposed, the maximum Restricted Share award will be 100% of salary (reduced from a 200% of salary performance share award). This reduction is fair considering the greater certainty of vesting and reflects the average vesting level of the last ten years of 46% of award.

Therefore, we propose replacing the annual grant of performance shares with restricted shares. The key terms of the restricted share awards are:

- Limit to 100% of salary in relation to any financial year.
- Awards will be subject to the performance underpin. The underpin will be based on a holistic review of overall business performance as determined by the Remuneration Committee.
  In assessing the underpin, the Committee will consider the Group's overall performance, including financial and non-financial performance over the course of the vesting period and any material factors identified.
  This approach enables the Remuneration Committee to form a well-rounded view of the Group's performance.
  If the Committee is not satisfied that the underpin has been met, it reserves the right to reduce the vesting levels, including the possibility of reducing them to zero. We will disclose the Committee's assessment against the underpin each year to provide full transparency to shareholders.

To reinforce the alignment with shareholders' long-term interests, the in-employment shareholding guidelines will be increased from 200% of salary to 300%.

Reflecting the increase in scale of the business, the maximum annual bonus opportunity for Executive Directors will be increased from 120% to 150% of salary which will provide more market competitive bonus opportunities and better alignment with the Company's current strategy which is equally focused on short-term performance and long-term value creation.

In line with market best practice, compulsory bonus deferral will be introduced so that a quarter of any bonus paid will be deferred into shares for three years. We will also reduce the amount that can be earned for meeting the threshold level of performance for financial metrics from 40% to 25%. Reflecting the increase in bonus opportunity, the targets set for 2024/25 are considered more challenging in aggregate than those set in 2023/24.

Other minor amendments are being proposed to the policy to simplify it and align it with market practice. Further details on the proposed changes are set out on page 137.

Other considerations during the year

Shareholder engagement

Ahead of the 2024 AGM, we engaged with our largest investors as well as Institutional Shareholder Services ('ISS'), the Investment Association ('IA') and Glass Lewis, to understand their views on our proposed new policy and its proposed implementation in 2024/25. Based on the feedback received from our engagement, almost all investors were supportive of the changes proposed.

Wider workforce engagement

We engage with our employees through our annual engagement survey, and through our employee listening groups. We have four employee listening groups that meet four times per year, and all groups are chaired by employees. We engage with our employee listening groups on executive remuneration and explain how this aligns with the wider Company Pay Policy. Feedback from employee listening groups is shared with the main board, and our Non-Executives regularly attend these sessions to actively listen to the feedback from employees directly.

Board changes

As announced on 21 May 2024, Keith Adey, Group Finance Director, has advised the Board that he intends to retire from full-time executive work once a successor has been appointed. Keith will remain committed as Group Finance Director, and although his contract provides for only a six month notice period, he has agreed to remain until a suitable handover has taken place.

As announced on 11 October 2024, Shane Doherty, who was the Group Chief Financial Officer of Cairn Homes PLC ('Cairn') (a company trading on the Euronext Dublin) until April 2024, will join Bellway on 2 December 2024. Shane's remuneration arrangements have been set in accordance with the Directors' Remuneration Policy and will comprise a salary of £480,000, a pension in line with the rate applying to the majority of the workforce, an annual bonus opportunity and long term incentives for 2024 at the same rates as the other executive directors and other benefits.

Remuneration Report continued

Keith will be stepping down from his current role as Group Finance Director on 1 December 2024. He will remain on the Board and will continue to have an active role in the business as an executive director until 21 March 2025, which will include helping to oversee an orderly transition.

He will participate in the annual bonus plan but will not be awarded any long-term incentives. In line with the Policy, his retirement means that he will be a good leaver under the Bellway incentive plans and his bonus and long-term incentives will be prorated. The targets will be assessed at the end of the respective performance periods to determine whether they have been met. Bonus payments and the release of shares will not be accelerated, therefore the two year holding period will also apply to any PSP awards that vest. Keith will also remain subject to the Directors' shareholding requirements for 2 years post departure.

As also announced on 21 May 2024, Simon Scougall was appointed to the Board in the newly created Executive role of Chief Commercial Officer from 1 August 2024. Simon's remuneration package comprises a salary of £444,000, a pension in line with the rate applying to the majority of the workforce, of 10% of salary, an annual bonus opportunity and a LTIP award for 2024/25 at the same level as the CEO, and other benefits, all in line with the Remuneration Policy.

The Committee decided that it would be more appropriate for Executive Directors to have 12 month notice periods in the future as shorter periods do not provide adequate time to conduct an external search process. This was agreed by both Jason and Simon on his appointment. As Keith will retire during the year, no changes have been made to his service contract.

Cecily Davis was appointed to the Board as a Non-Executive Director on 1 May 2024. Further details of her appointment can be found in the Nomination Committee Report on page 117.

How we will implement the Remuneration Policy in 2024/25

The Committee considered how remuneration should be implemented in 2024/25. Part of this process was reviewing current practice against both market and best practice, our Group reward principles and pay ratios. The key decisions taken are set out below.

The Committee has awarded Jason Honeyman and Keith Adey salary increases of 4.5%, which are in line with the average for the workforce for 2024/25 of 4.5%. Simon Scougall's base salary was set on appointment and he received no further salary increase.

Subject to shareholder approval at the 2024 AGM, the maximum bonus opportunity for Executive Directors will be in line with the amended Remuneration Policy at 150% of basic salary. During the year, the Remuneration Committee reviewed the performance measures used for the annual bonus to ensure they align with the Group strategy. The Committee concluded that the performance measures remain appropriate but have made minor changes to the weightings of each element to ensure that they align with our short term goals. In summary, the bonus will be subject to underlying operating profit (60%), adjusted capital employed (6.7%), land delivery (20%), and 'Better with Bellway' measures (13.3%). The Committee will have the discretion to adjust the formulaic outcome of the bonus to reflect wider business performance including satisfactory health and safety performance. A quarter of any bonus earned must be deferred into shares for three years.

In line with the proposals set out on page 138, the Company intends to make an award of Restricted shares under the LTIP Rules of up to 100% of salary to the Executive Directors. Awards will vest to the Executive Directors after three years, subject to satisfaction of the performance underpin with any shares vesting subject to a two-year holding period.

Concluding remarks

I hope it is clear from the way we are proposing to apply policy in 2024/25 that we continue to take account of the feedback of our shareholders and we look forward to receiving your support for the Directors' Remuneration report at the upcoming Annual General Meeting. I will be available to answer any questions before, and at, the Annual General Meeting.

Jill Caseberry
Chair of the Remuneration Committee

14 October 2024

Remuneration at a glance

How remuneration links to our strategy

(See pages 10 to 13 for details of our performance).

Strategic objective	Link to remuneration	Metric	Performance against metric
Earnings growth and driving down costs	Annual bonus and vesting LTIP	Underlying operating profit and underlying EPS	Achieved and Not Achieved
Focus on capital employed	Annual bonus	Adjusted capital employed	Not Achieved
Land delivery	Annual bonus	Outlet opening and DPP in BRICs	Achieved
ESG	Annual bonus	Retain five-star [5] homebuilder status, results of Employee Engagement Survey and Carbon reduction	Achieved
Value creation through capital and dividend growth	Vesting LTIP	Relative TSR against two comparator groups	Not Achieved

The Committee set ambitious targets which have been challenging to achieve in a tough economic environment which has impacted all elements of the business, this is reflected in the outcomes highlighted above.

Bonus outcomes – see page 145

The 2023/24 bonus was based on financial and strategic targets.

Strategic objective	Weighting (% of maximum)	Achievement (% of maximum)
Underlying operating profit[a]	60%	100%
Adjusted capital employed	10%	0%
Strategic objectives	30%	100%
Total		**90%**

Notes:
a. Underlying operating profit for the Bonus includes the share of result of joint ventures.

LTIP outcomes – see page 146

The PSP awards granted in 2021/22 were based on the performance conditions set out below.

Measure		Weighting (% of maximum)	Achievement (% of maximum)
EPS	underlying EPS in 2023/24.	33%	0%
Relative TSR	vs housebuilders	33%	0%
	vs FTSE 350 (excl. Financial services and investment trust)	33%	0%
Total			**0%**

Directors' Remuneration Policy

This part of the remuneration report, the Directors' Remuneration Policy, has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The overall Remuneration Policy has been developed in compliance with the principles of the 2018 UK Corporate Governance Code, UK institutional investor guidance and the Listing Rules.

The Remuneration Policy set out on the following pages is submitted to shareholders for approval at the AGM on 12 December 2024. It is the Company's current intention that this Policy will apply for three years.

Objectives of Remuneration Policy

The aim of the Committee is to ensure that the Company has competitive remuneration packages in place that will promote the long-term success of the Company and motivate Executive Directors in the overall interests of shareholders, the Group, its employees and its customers.

The Committee has a policy of paying a level of remuneration comparable with that of a peer group of similar UK housebuilding businesses, subject to experience and performance.

The Committee uses this comparative approach to benchmarking with caution, recognising the relatively few direct housebuilding comparatives, their differing size and the risk of an upward ratchet effect with any peer-based analysis. The structure of the package has been designed to ensure that the performance-related elements of remuneration constitute a significant proportion of an executive's potential total remuneration package, but are only receivable if the stretch performance targets are achieved.

Remuneration Report continued

The structure of the performance conditions for annual bonus has been designed to provide a strong link to the Group's performance, namely a focus on maximising profit in a sustainable fashion and producing superior shareholder returns, thereby generating a strong alignment of interest between senior executives and shareholders. The two-year post-vesting holding period which applies to the long-term incentive plan (which also applies to good leavers) reinforces that alignment.

Decision-making process

The Committee is responsible for the determination of the Directors' Remuneration Policy and how it is implemented. In addressing this responsibility, the Committee works with management and external advisers to develop proposals and recommendations. The Committee considers the source of information presented to it, analyses the detail and ensures that independent judgement is exercised when making decisions. Information is independently verified where there are conflicts of interest and no individual is present when their remuneration is being discussed. The Remuneration Committee works alongside other Board Committees as needed; for example, the Group Audit Committee confirms incentive plan performance results.

When setting the Remuneration Policy, the Committee considered the Company's strategic objectives over both the short and the long-term, the external environment and market best practice. In addition, the Committee also considered the alignment across the business as well as stakeholder views.

Policy principles

The Directors' Remuneration Policy is aligned with the principles within the 2018 UK Corporate Governance Code and these principles are taken into account in its implementation.

Principles	Considerations within the Policy
Clarity: remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We clearly communicate our approach to remuneration in this report and in all communications with shareholders, while providing transparency in our rationale. This also allows straightforward engagement with the wider workforce.
Simplicity: remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	We have structured the Remuneration Policy to be as simple as possible, within the confines of ensuring arrangements are in line with the business strategy, have a robust link between pay and performance and are designed with consideration of investor expectations. The introduction of the ability to make Restricted Share awards provides a simple approach for aligning Executive Director and shareholder interests.
Risk: 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.	We mitigate against these risks through a carefully designed policy, which includes a balance between financial and non-financial bonus metrics, deferral of a portion of the annual bonus into shares, the Restricted Share awards that are subject to a holistic performance underpin and shareholding requirements. The Committee also has the ability to apply discretion and clawback provisions if incentive payment levels are inappropriate.
Predictability: 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.	Examples of the caps under the Remuneration Policy are illustrated in the scenario charts. At the time of assessment, the Committee would use discretion where necessary if the formulaic result is considered inappropriate.
Proportionality: 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.	The opportunity under incentive plans is determined based on a proportion of salary with the quantum determined to ensure that there is an appropriate link between pay and performance. The performance conditions and underpins applying to the incentives are aligned with the Company's strategy, and are reviewed on an annual basis to consider whether they are working effectively. There are provisions to override the formula-driven outcome of incentive plans and clawback provisions to ensure that there is not reward for poor performance.
Alignment to culture: incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The Committee reviews workforce composition and remuneration across the Group and takes them into account when reviewing the implementation of the policy. Where possible, in support of our performance culture, we align remuneration across the Group; for example, Restricted Share awards have been introduced below the Board and all employees can join the Group's savings-related share option scheme.

Consideration of employment conditions elsewhere in the Group

Our Employee Listening Groups provide an opportunity to engage with the workforce on Executive remuneration and for employees to raise issues that are reported to the Board. During the year, an engagement process took place. Based on employee feedback, the Executive Remuneration Policy and its implementation were not raised as material issues in the discussions during the year and, therefore, no amendments to the Remuneration Policy were required as a result of this engagement.

In determining the elements of remuneration for the Executive Directors, the Committee takes into consideration the pay and conditions of employees throughout the Group as a whole, paying particular attention to the levels of basic pay increase awarded to the workforce generally. All eligible employees, including the Executive Directors, can join the Group's savings-related share option scheme, have life assurance benefits and have access to pension arrangements. A significant proportion of employees benefit from health insurance, a company car or car allowance and are eligible to participate in a discretionary bonus scheme. At senior levels, remuneration is increasingly long term and 'at risk' with an increased emphasis on performance-related pay and share-based remuneration.

The Committee is regularly updated of any significant policy changes for the workforce generally and management below Board level in particular.

Consideration of shareholder views

In considering the operation of the Remuneration Policy, the Committee will take into account the published remuneration guidelines and specific views of shareholders and proxy voting agencies. The Committee will consult with the Company's larger shareholders, where considered appropriate, regarding changes to the operation of the Policy, and when the Policy is being reviewed and brought to shareholders for approval.

As set out in the letter from the Remuneration Committee Chair, an extensive consultation process was undertaken in relation to the updated Policy to be presented for approval by shareholders at the 2024 AGM. Based on the feedback received from our engagement, investors were almost all supportive of the changes proposed to the Remuneration Policy. Therefore, there were no amendments to the changes to the policy based on the consultation.

Summary of changes to the Remuneration Policy

Below we have summarised the key changes to the Remuneration Policy.

Introduction of restricted shares to replace performance shares

Assuming that the Policy is approved at the 2024 AGM, no further Performance Share grants will be made and, instead, the first grant of Restricted Share awards will be made shortly following the AGM.

In terms of the quantum of award proposed, the maximum Restricted Share award will be 100% of salary (reduced from a 200% of salary performance share award). Restricted Share awards would be subject to a three-year vesting period and the performance underpin. Similar to the existing Performance Shares, the awards would also be subject to a two-year post vesting holding period.

We believe that the introduction of the ability to make Restricted Share awards is aligned with Company strategy and shareholder interests. Further details regarding the rationale for the introduction of these grants are set out in the Chair's letter on pages 130 to 131.

Shareholding guidelines

The in-service shareholding requirement will be increased from 200% of salary to 300%. The current post-employment requirement, which requires Executive Directors to hold a shareholding of 200% of salary for two years post cessation of employment, will be retained.

Annual bonus

The maximum annual bonus opportunity will be increased from 120% to 150% of salary and the payout at threshold for financial performance will be reduced from 40% to 25% of maximum.

In line with market best practice, we will introduce compulsory bonus deferral, which will require Executive Directors to invest a quarter of their bonus into shares, which will be held for three years. The remainder of the bonus will be paid in cash.

Wider Policy Changes

As part of its Policy review work, the Committee also considered how other aspects of remuneration compare to current market and best practice. As a result, the following minor changes to the Policy are being proposed:

Executive Director pension rates were aligned with the rate of the wider workforce in 2022. The policy wording will be updated to reflect this.

For internal appointments to the Board, any remuneration awards previously granted prior to appointment will continue on their original terms.

The notice period for the CEO has been increased to 12 months for both the employee and employer in line with market practice and to provide greater protection to the Company.

Remuneration Report continued

Policy table

This section of the Report describes the key components of each element of the remuneration arrangements for Executive and Non-Executive Directors.

Component and link to strategy	Operation	Maximum opportunity	Framework to assess performance
Salary			
To be market competitive and, therefore, assist in recruiting, retaining and motivating high-quality executives. Reflects individual role and experience.	Salaries are normally reviewed in July each year and changes normally take effect from 1 August. They are typically determined by reference to market levels of a peer group of similar UK housebuilding businesses, taking account of salaries at other companies of a similar size, and by taking account of the role, performance, and experience of the individual, Company performance, salary increases throughout the rest of the business and economic conditions. Where salaries of new Executive Directors are positioned below market levels, the Committee's policy is to progress these over time, with increases potentially higher than for the general workforce, as experience is gained, subject to performance.	No prescribed maximum. Increases are normally in line with the average for the workforce generally. Increases may be below or above this e.g. due to promotion, change in responsibility or experience, role change or a significant change, in the size, value and/or complexity of the Company. Salaries are set out in the Annual Report on Remuneration.	In addition to the reviews by the Chair, as part of the annual Board evaluation, the performance of the Executives and the Company is kept under continuous review by the Board.
Pension			
To provide a structure and value that is market competitive.	Pension contributions into the Company's Group Self Invested Personal Pension Plan and/or a salary supplement in lieu of pension contributions.	The rate for current Directors will be no higher than that of the majority of the workforce (currently 10% of salary).	Not applicable.
Benefits			
To provide a range and value that is market competitive.	Typically comprises car or car allowance, life assurance and health insurance. Other benefits may be provided where appropriate. Any expenses incurred in carrying out duties will be fully reimbursed by the Company, including any personal taxation associated with such expenses.	Not applicable.	Not applicable.

Component and link to strategy	Operation	Maximum opportunity	Framework to assess performance
Annual bonus			
To reward achievement with a combination of financial and non-financial operational-based performance targets in accordance with Group KPIs.	Annual bonuses are normally payable in cash in November following the year-end on 31 July, subject to the achievement of performance targets that were set at the start of the financial year. The Company operates a recovery mechanism, which allows the Company to clawback some, or all, of the payments made under the variable components of an individual's remuneration, in the following circumstances: (i) material misstatement of results; (ii) error in assessing a performance condition; (iii) gross misconduct by the individual; (iv) in the case of corporate failure; or (v) in the case of material reputational damage. A maximum of 75% of the bonus will be paid in cash. Deferral of the remainder into shares will be achieved by applying the net amount of the bonus to purchase shares that must normally be held for three years.	150% of basic salary maximum.	The bonus may be based on a combination of financial and strategic objectives, with financial performance accounting for a majority of the overall bonus opportunity. The Committee determines the choice of measure(s) and their weighting for each year to ensure alignment with the Board's priorities and Company strategy over the short to medium term. The level of pay-out at threshold for financial metrics will not be more than 25% of maximum, and varies for non-financial metrics. Full vesting will take place for equalling or exceeding maximum, subject to the health and safety underpin. The Committee has discretion to adjust the payment outcome to ensure it reflects the individual's contribution and/or the overall performance of the Company over the performance period. Details of the performance measures used are set out in the Annual Report on Remuneration.
Share ownership guideline for Executive Directors			
To align Executive Directors' interests with those of shareholders.	Executive Directors are required to accumulate a minimum shareholding equivalent to 300% of basic salary. For any Executive Director under notice at the date this Policy is approved by shareholders, a level of 200% applies. Executive Directors are also required to retain shares for two years following their departure from the Board, at the lower of 200% of their salary and their shareholding at the time of departure. Within a period of three months of appointment, an Executive Director must acquire a minimum of 1,000 ordinary shares in the Company and must retain at least 50% of any shares vesting under the incentive arrangements, after allowance for paying tax, until the requisite number of shares has been accumulated. If personal circumstances make this difficult, the Committee would exercise discretion.	Not applicable.	Not applicable.

Remuneration Report continued

Component and link to strategy	Operation	Maximum opportunity	Framework to assess performance
Long-term incentives			
To encourage long-term value creation, aid retention, encourage shareholding and promote alignment of interests with shareholders.	The Company grants Restricted Share Awards as its primary long-term incentive. Annual awards of nil-cost options or conditional awards may be made under the LTIP to the Executive Directors, at the discretion of the Committee. Awards normally vest three years after grant. Dividend equivalents (normally awarded in shares) may be payable, and will only accrue during the vesting and holding period on awards that ultimately vest. The Company operates recovery and withholding mechanisms, which allow the Company, in exceptional circumstances, to clawback some, or all, of the payments made, or recover unvested awards, in the following circumstances: (i) material misstatement of results; (ii) error in assessing a performance condition; (iii) gross misconduct by the individual; (iv) in the case of corporate failure; or (v) in the case of material reputational damage. A minimum holding period of two years applies to awards post vesting.	100% of basic salary in respect of a financial year.	Awards will only be eligible to vest subject to the Remuneration Committee being satisfied that the Company's overall performance is in line with the Company's long-term strategic plan (the 'performance underpin'). In assessing the underpin, the Committee will consider the Group's overall performance, including financial and non-financial performance over the course of the vesting period and any material factors identified. To ensure that pay aligns with performance, the Committee may reduce vesting levels (including to zero) if they are not satisfied that the underpin has been met. The Committee has discretion to adjust the vesting outcome in exceptional circumstances to ensure it is a true reflection of the overall performance of the Company over the period.
All-employee share schemes			
To encourage employees to build a stake in the future of the Company.	The Executive Directors can participate in any HMRC-approved all-employee plans operated by the Company.	Subject to prevailing HMRC limits.	Not applicable.

Component and link to strategy	Operation	Maximum opportunity	Framework to assess performance
Chair and Non-Executive Directors			
To set appropriate fees in light of the time commitment, responsibilities, wider market and best practice.	The Chair's fee is determined by the Remuneration Committee. The remuneration of the Non-Executive Directors ('NED') is determined by the Board Committee on Non-Executive Directors' Remuneration, which comprises the Executive Directors. Fee levels are normally reviewed annually, taking into account the time commitment and responsibilities of the roles including membership or chairmanship of Board Committees and the level of fees for similar positions in comparable companies. Non-Executive Directors are not normally entitled to any taxable benefits or pension. They do not participate in any bonus or long-term incentive plans and they are not entitled to compensation on termination of their arrangements, other than normal notice provisions of three months given by either party. Travel, accommodation and other related expenses incurred in carrying out the role will be paid by the Company including any personal taxation associated with such expenses.	The aggregate of NED fees is set out in the Articles of Association and is currently £500,000 per annum.	The performance of the Non-Executive Directors is assessed by the Chair. The senior independent Non-Executive Director reviews the performance of the Chair in conjunction with the Directors.

For the avoidance of doubt, under this Directors' Remuneration Policy, authority is given to the Company to honour any commitments entered into with current or former Directors that is consistent with the approved Remuneration Policy in force at the time the commitment was made (or, if made before the current policy was approved, as have been disclosed previously to shareholders), or was made at the time when the relevant individual was not a Director of the Company. Details of any payments made to former directors will be set out in the Annual Report on Remuneration as they arise. All historical share awards and bonus arrangements that were granted under any current or previous incentive schemes operated by the Company and remain outstanding remain eligible to vest/payout based on their original terms.

Remuneration Report continued

Clawback/malus

The time period over which clawback/malus will apply to bonuses is at any time before the third anniversary of payment of bonus or vesting of an LTIP award, as relevant.

Incentive plan discretions

The Remuneration Committee can exercise discretion in a number of areas when operating the Company's incentive schemes, in line with the relevant rules of the schemes. These include (but are not limited to):

- the choice of participants;
- the size of awards in any year (subject to the limits set out in the Directors' Remuneration Policy table);
- the extent of payments or vesting in light of the achievement of the relevant performance conditions;
- the determination of good or bad leavers and the treatment of outstanding awards (subject to the provisions of the scheme rules and the Remuneration Policy provisions); and
- the treatment of outstanding awards in the event of a change of control.

In addition, if events occur that cause the Remuneration Committee to conclude that any performance condition is no longer appropriate, that condition may be substituted, varied or waived as is considered reasonable in the circumstances in order to produce a fairer measure of performance that is not materially less difficult to satisfy.

Choice of performance measures for 2024/25 and approaches to target setting

The performance measures used in the annual bonus are aligned with the Company's KPIs and the business strategy.

For the annual bonus, underlying operating profit is an appropriate barometer of short-term performance as management will neither benefit from, or be penalised by, one-off or short-term impacts on the Group's profit, it also acts as an incentive for the sustainable development of the business. Customer care and land bank are important drivers of future growth and employee metrics and maintaining a strong health and safety record is very important to our employee base and the Group.

Targets for incentive plans are set to be stretching but achievable, taking into account internal and external reference points, including internal forecasts and market consensus.

Approach to recruitment remuneration

In arriving at a total package, and in considering the quantum for each element of the package, the Committee will take into account the skills and experience of the candidate and the market rate for a candidate of that experience, as well as the importance of securing the preferred candidate.

Element	General policy	Detail
Salary	At a level required to attract the most appropriate candidate.	Discretion to pay lower basic salary with incremental increases, potentially higher than for the general workforce, as new appointee becomes established in the role.
Pension and benefits	In accordance with Company policies.	Additional benefits in relation to recruitment may be provided where considered appropriate, for example, relocation expenses or allowances, legal fees and other recruitment-related costs may be payable. Any new Director's pension contributions will be in line with the Policy for other Directors. The current employer pension contribution rate is between 5% and 10% of salary depending on years of service.
Bonus	In accordance with existing schemes.	The maximum annual bonus opportunity is 150% of salary (in line with the policy). Depending on the timing of recruitment, bespoke targets could be introduced for an individual within the maximum individual limits of the annual bonus plan applicable at the time. Pro-rating would be applied as appropriate for intra-year joiners.

Approach to recruitment remuneration continued

Element	General policy	Detail
Long-term incentives	In accordance with Company policies and maximum limits in the long-term incentive plan rules.	The maximum LTIP grant is 100% of salary (in line with the policy). Therefore, the total variable remuneration is 250% of salary. An award may be made in the year of joining or, alternatively, the award can be delayed until the following year. Targets would normally be the same as for other Directors and grant levels consistent within the permitted individual maximum under the rules of the plan and this policy.
Buyout of forfeited remuneration	The Committee may make an award in cash or shares to replace deferred or incentive pay forfeited by an Executive leaving a previous employer (and, if required, by relying on the flexibility provided in the Listing Rules to grant such replacement awards).	Awards would, where possible, be consistent with the awards forfeited in terms of the vehicle, structure, vesting periods, expected value and performance conditions.
Internal appointment to the Board	In accordance with Company policies.	When existing employees are promoted to the Board, the above policy will apply, from the point where they are appointed to the Board and not retrospectively. In addition, any existing awards will be honoured and form part of ongoing remuneration arrangements.
Non-Executive Directors	In accordance with Company policies.	Fees will be in line with the Remuneration Policy and the fees provided for the other Non-Executive Directors.

Service contracts and Loss of Office Payment Policy

The details of the Executive Directors' service contracts are as follows:

Executive Director	First appointed as a Director	Current contract commencement date	Notice period from employer	Notice period from Executive
Jason Honeyman	1 September 2017	1 August 2018	12 months	12 months
Keith Adey	1 February 2012	1 February 2012	12 months	6 months
Simon Scougall	1 August 2024	1 August 2024	12 months	12 months

Contracts are available for inspection at the Company's registered office.

Our policy is that notice periods for Executive Directors should be no longer than 12 months.

The Executive Directors may accept external appointments provided that such appointments do not, in any way, prejudice their ability to perform their duties as Executive Directors of the Company. The extent to which any Executive Director is allowed to retain any fees payable in respect of such appointments, or whether such fees are remitted to the Company, will be assessed on a case-by-case basis. None of the Executive Directors currently hold any outside appointments.

Our policy is that notice periods for Non-Executive Directors should be no longer than three months, save in the case of the Chair, whose notice period may extend to six months.

Currently, all Non-Executive Directors (including the Chair) have letters of appointment with the Company for no more than three years, subject to annual re-appointment at the AGM, with a three-month notice period by either side. The appointment letters for the Chair and Non-Executive Directors provide that no compensation is payable on termination, other than fees accrued and expenses.

Non-Executive Director	First appointed as a Director	Current letter of appointment commencement date	Current letter of appointment end date
John Tutte	1 March 2022	1 March 2022	1 April 2025
Cecily Davis	1 May 2024	1 May 2024	30 April 2027
Sarah Whitney	1 September 2022	1 September 2022	31 August 2025
Jill Caseberry	1 October 2017	1 October 2023	30 September 2026
Ian McHoul	1 February 2018	1 February 2024	31 January 2027

Remuneration Report continued

The overriding principle for payments on loss of office will be to honour contractual remuneration entitlements. The Committee would determine, on an equitable basis, the appropriate treatment of performance-linked elements of the package, taking account of the circumstances, in accordance with the rules of each respective plan. Failure will not be rewarded.

The Company may pay statutory claims. Reasonable costs of legal expenses incurred by the Director may be reimbursed by the Company by making direct payment to the professional adviser.

Element	Bad leaver[a]	Departure on agreed terms[b]	Good leaver[c]
Salary, pension and benefits (after cessation of employment)	Nil.	Up to 12 months' basic salary, benefits and pension. Payments may be phased and subject to offsetting against alternative income from elsewhere during the notice period. The Company may pay in lieu of notice an amount equivalent to 12 months' salary, pension and benefits.	Apart from death, the Company may pay up to 12 months' basic salary, benefits and pension, less any period of notice worked. Payments may be phased and subject to offsetting against alternative income from elsewhere during the notice period. The Company may pay in lieu of notice an amount equivalent to 12 months' salary, pension and benefits. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role.
Annual bonus	No bonus payable.	For the proportion of the financial year worked, bonus may be payable pro-rata, subject to performance, at the discretion of the Committee. There will be no bonus payment in respect of any period of notice not worked.	For the proportion of the financial year worked, bonus may be payable pro-rata, subject to performance, at the discretion of the Committee.
Restricted Share awards and legacy Performance Share awards	All awards, including those that have vested but are unexercised will lapse immediately upon cessation of employment.	Awards will lapse upon cessation of employment, unless the Committee decides otherwise, in which case awards may vest. Where employment ends before the vesting date, awards may vest at the normal time (other than by exception) to the extent that the performance conditions/performance underpin have been satisfied. The level of vested award will be reduced, pro-rata, based upon the period of time after the start of the financial year of grant and ending on the date of cessation of employment, relative to the three-year performance period/vesting period unless the Committee, acting fairly and reasonably, decides that such a scaling back is inappropriate in any particular case.	Awards may be exercised within 12 months of the vesting date. Where employment ends before the vesting date, awards may be exercised at the normal vesting time (other than by exception) and only to the extent that the performance conditions/performance underpin have been satisfied. The level of vested award will be reduced, pro-rata, based upon the period of time after the start of the financial year of grant and ending on the date of cessation of employment, relative to the three-year performance period/vesting period unless the Committee, acting fairly and reasonably, decides that such a scaling back is inappropriate in any particular case.
Other payments	Nil.	Depending upon circumstances, the Committee may consider payments in respect of an unfair dismissal award, outplacement support and assistance with legal fees.	The Company may pay for outplacement support and assistance with legal fees.

Notes:

a. For example, normal resignation from the Company or termination for cause (e.g. disciplinary issues).

b. This may cover a range of circumstances such as business reorganisation, changes in reporting structure, change in requirements for the role, termination as a result of a failure to be re-elected at an AGM, etc.

c. Leaver for compassionate reasons such as death, injury, disability or retirement, with the agreement of the employer.

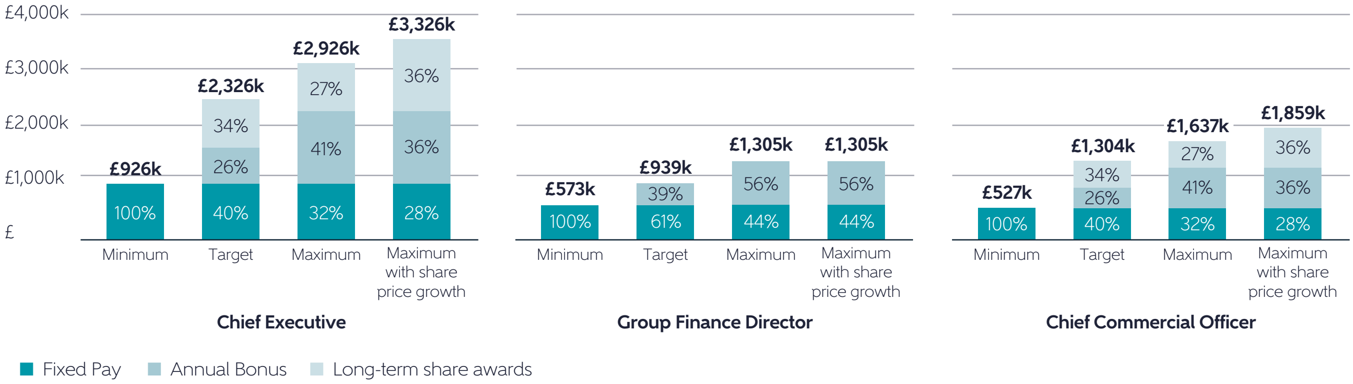
Change of control

On a change of control, Executive Directors' incentive awards will be treated in accordance with the rules of the relevant plans. In summary:

- Bonus payments will consider the extent to which the performance measures have been satisfied between the start of the performance period and the date of the change of control, and the value will normally be pro-rated to reflect the same period.
- Long-term incentive awards will generally vest on the date of a change of control, taking into account the extent to which any performance condition or underpin has been satisfied at that point. Time pro-rating will normally apply unless the Committee determines otherwise.

Illustrations of the application of current Remuneration Policy

The Remuneration Policy results in a significant portion of remuneration received by Executive Directors being dependent on the Group's performance. The chart below illustrates how the total pay opportunities for the Executive Directors vary under three performance scenarios: minimum, target and maximum. For the purpose of this illustration, we have used the amended policy set out in the tables above. The chart is indicative, as share price movement and dividend accrual have been excluded unless otherwise noted.



Notes:

a. Chart labels show proportion of total package comprised of each element. The Group Finance Director has advised the Board that he intends to retire from full-time Executive work once a successor has been appointed. Keith has agreed to remain until an appropriate candidate has been appointed and a suitable handover has taken place. The Board expects this to be early in 2025. For the purpose of this illustration, we have assumed that Keith will receive a full year's salary and bonus for 2024/25. If he steps down earlier in the year, these elements will be prorated. Keith will not receive an LTIP grant in 2024/25.

b. Assumptions:

- Minimum: fixed pay only (salary + benefits + pension/pay in lieu of pension). Salary is based on actual for 2024/25, benefits are based on the value of actual benefits received in 2023/24 and pension/pay in lieu of pension is at the rate of 10% of salary. The benefit figure for the Chief Commercial Officer, is based on estimated benefits for 2024/25 including a car allowance and private medical insurance totaling £39,003.
- Target: fixed pay plus 50% of maximum bonus payment plus an LTIP award of 100% of salary with 100% of the award vesting.
- Maximum: fixed pay plus 100% of maximum bonus payment plus an LTIP award of 100% of salary with 100% of the award vesting.
- Maximum with share price increase: the Maximum scenario with the impact of a 50% increase in share price on the LTIP illustrated.

Remuneration Report continued

Annual Report on Remuneration

Committee membership and activity

The Committee met five times during the year and details of the Committee members and their attendance are set out in the table below.

Membership and meeting attendance

Director	Date appointed to the Committee	Number of meetings attended during the year
Jill Caseberry (Chair)	1 October 2017 (appointed as Committee Chair on 13 December 2017)	5/5
John Tutte	1 March 2022	5/5
Ian McHoul	1 February 2018	5/5
Sarah Whitney	1 September 2022	5/5
Cecily Davis	1 May 2024	1/2*

* The absence was due to commitments prior to joining the Board.

The operation of the Committee is conducted by reference to its Terms of Reference which have been prepared to comply with relevant statutory, regulatory and corporate governance requirements and best practice and are available at www.bellwayplc.co.uk/investor-centre/governance/committees.

None of the Committee members have a personal financial interest, other than as shareholders, in the matters to be decided. There are no conflicts of interest arising from cross-directorships and no day-to-day involvement in running the business.

The Committee appointed Korn Ferry as independent external advisers, following a competitive tender process, on 1 January 2019. Korn Ferry does not provide any other services to the Company other than to the Remuneration Committee and the Board Committee on Non-Executive Directors' Remuneration. They are members of the Remuneration Consultants Group and abide by its Code of Conduct. The Committee is satisfied that Korn Ferry are independent. The total fee paid to Korn Ferry for advice to the Committees during the year was £137,930 (2023 – £70,287), which was charged on a time and material basis. The Committee also benefited from advice received from the Group General Counsel and Company Secretary on issues other than those relating to his own remuneration.

The remuneration of the Non-Executive Directors (apart from the Chair) is determined by the Board Committee on Non-Executive Directors' Remuneration, which comprises the Executive Directors. It also receives advice from the Group General Counsel and Company Secretary, and Korn Ferry.

Main focus in 2023/24

- Reviewed the Remuneration Policy ahead of the 2024 AGM.
- Review and determine the remuneration packages for the Executive Directors (including the newly appointed Chief Commercial Officer), and the first tier of management below Board level.
- Approve the long-term incentive awards vesting levels for the 2023/24 year for the Executive Directors and the Group General Counsel and Company Secretary.
- Approve the 2022/23 financial year bonus payments for the Executive Directors and the Group General Counsel and Company Secretary.
- Approve the 2022/23 Remuneration Report.
- Set the bonus targets for the 2023/24 year.
- Make awards under the long-term incentive scheme.
- Engage with employees on Executive remuneration through the Employee Listening Groups.

Focus areas for 2024/25

- Review and determine the remuneration packages for the Executive Directors, and the first tier of management below Board level.
- Approve the long-term incentive awards vesting levels for the 2024/25 year for the Executive Directors and senior management.
- Approve the 2023/24 financial year bonus payments for the Executive Directors and senior management.
- Approve the 2023/24 Remuneration Report.
- Set the bonus targets for the 2024/25 year.
- Make awards under the long-term incentive scheme.
- Engage with employees on Executive remuneration through the Employee Listening Groups.

Implementation of Remuneration Policy in 2023/24

The auditor is required to report on the information contained in the following part of this report, as noted on the relevant sections.

Salary for the year ended 31 July 2024

For 2023/24, Jason Honeyman received a salary of £765,372 and Keith Adey received a salary of £467,053.

Annual bonus for the year ended 31 July 2024

The annual bonus is payable in November 2024 for performance during the year ended 31 July 2024. The performance targets for the 2023/24 bonus comprised underlying operating profit, capital employed and strategic targets.

The actual bonus payment against underlying operating profit was determined on the following basis:

Objective	Weighting (% of salary)	Threshold (25% pays out)	Maximum value (100% pays out)	Actual	Payment (% of maximum)	Payment (% of salary)
Underlying operating profit[(a)]	72%	£170m	£230m[(b)]	£235.8m	100%	72%
Adjusted capital employed	12%	<£1,900m	<£1,750m	£1,964.3m	0%	0%
Strategy performance	36%		See below		100%	36%
Total					**90%**	**108%**

Notes:
a. Underlying operating profit for the Bonus includes the share of result of joint ventures.
b. The target value for underlying operating profit was £210million.

The basis for payment of the actual bonus against the strategic measures is set out below:

Strategic pillar	Weighting (% of salary)	Objectives	Performance	Achievement (% of max)
Land bank	21%	This will be in two parts: • Sales outlet openings to ensure that we have the ability to meet our sales ambitions and have secured sufficient planning consents. A threshold payment of 6% of salary would be triggered for 70 outlet openings up to a maximum of 12% of salary for 80 openings. • Availability of land bank of plots with DPP (available for completion in the following financial year) to ensure our sales ambitions are not frustrated by land shortages in future years.	80 outlets were opened in 2023/24, meeting the maximum target. Achieved – the land bank targets are commercially sensitive and will be disclosed one year in arrears[(a)].	100%
Sustainability – 5 star builder	5%	Retaining five-star[5] homebuilder status (as measured by the HBF) and achieve a score of at least 90%.	We retained our five-star[5] homebuilder status. The Group's score in 2024 was 91.6%.	100%
Sustainability – Employee Engagement	5%	A threshold payment of 2.5% of salary would be triggered for a score of 75% with an additional bonus opportunity on a straight-line basis for further improvement in score, up to a maximum of 5% of salary for a score of at least 80%.	The Group's engagement score was 80.8% and so the maximum target was exceeded.	100%
Sustainability – Carbon Reduction	5%	Development of a high-quality timber frame proposition to enable investment to be evaluated in line with our strategic business objectives.	A business case for a timber frame investment was presented to the Board at the July strategy meeting, and the Board was satisified with the strategy and provided approval.	100%

Notes:
a. The 2022/23 base target was set at 11,950 plots with a maximum target of 12,450 plots. The actual performance achieved was 13,216 plots.

Remuneration Report continued

Health and safety performance is taken into account by the Committee as part of its overall assessment of the bonus payment, and the Committee has discretion to reduce the overall bonus payment if it considers that health and safety standards have been unsatisfactory. The Committee is satisfied with the health and safety standards over the year and is comfortable that the formulaic outcome under the bonus is in line with wider business performance. Therefore, the Committee has not applied discretion.

The bonus outcome for the Executive Directors is set out below.

Executive Director	Outcome
Jason Honeyman	£826,602
Keith Adey	£504,417

In line with the policy in place for 2023/24, any bonus in excess of 100% of salary will be deferred into shares and held for three years. As a result, 8% of salary will be deferred.

Long-term incentives vesting in respect of performance period ended 31 July 2024

The PSP awards granted in 2021/22 were based on a three-year TSR performance for the period to 31 July 2024 and underlying EPS in 2023/24. The applicable vesting percentages were as follows:

Performance measure	Weighting (% of maximum)	Threshold (25% of maximum)	Maximum (100% of maximum)	Actual	Vesting (% of maximum)
Underlying EPS in 2023/24[1]	33.3%	383p	436p	135.2p	0%
Relative TSR vs peer housebuilders[2]	33.3%	Median	Median +7.5% p.a.	Below median	0%
Relative TSR vs FTSE 350[3]	33.3%	Median	Upper quartile	Below median	0%
Total	**100%**				**0%**

Notes:

1. Calculated using underlying profit.
2. The peer group includes: Barratt Developments plc, The Berkeley Group plc, Crest Nicholson Holdings plc, McCarthy & Stone plc, Persimmon plc, Redrow plc, Taylor Wimpey plc and Vistry Group plc.
3. Excludes financial services companies and investment trusts.

Based on performance over the period, the awards will lapse. The Committee is comfortable that the formulaic outcome of the LTIP reflects wider business performance and so no discretion has been applied.

Single figure of total remuneration (audited)

		Salary and fees [a] £	Taxable benefits[b] £	Pension[c] £	Annual bonus £	Sub-total £	Long-term incentives[d] £	Other items[e] £	Total £	Total fixed remuneration £	Total variable remuneration £
Non-Executive Chair											
John Tutte	**2024**	**269,100**	**–**	**–**	**–**	**269,100**	**–**	**–**	**269,100**	**269,100**	**–**
	2023	260,000	–	–	–	260,000	–	–	260,000	260,000	–
Executive Directors											
Jason Honeyman	**2024**	**765,372**	**46,320**	**76,537**	**826,602**	**1,714,831**	**–**	**–**	**1,714,831**	**888,229**	**826,602**
	2023	739,490	51,570	104,761	185,316	1,081,137	–	7,488	1,088,625	903,309	185,316
Keith Adey	**2024**	**467,053**	**35,707**	**46,705**	**504,417**	**1,053,882**	**–**	**–**	**1,053,882**	**549,465**	**504,417**
	2023	451,259	35,143	63,915	113,086	663,403	–	4,493	667,896	554,810	113,086
Non-Executive Directors											
Sarah Whitney	**2024**	**76,849**	**–**	–	–	**76,849**	–	–	**76,849**	**76,849**	–
	2023	63,879	–	–	–	63,879	–	–	63,879	63,879	–
Denise Jagger	2023	28,177	–	–	–	28,177	–	–	28,177	28,177	–
Jill Caseberry	**2024**	**78,660**	–	–	–	**78,660**	–	–	**78,660**	**78,660**	–
	2023	75,999	–	–	–	75,999	–	–	75,999	75,999	–
Ian McHoul	**2024**	**78,660**	–	–	–	**78,660**	–	–	**78,660**	**78,660**	–
	2023	75,999	–	–	–	75,999	–	–	75,999	75,999	–
Cecily Davis	**2024**	**16,172**	–	–	–	**16,172**	–	–	**16,172**	**16,172**	–
Total	**2024**	**1,751,866**	**82,027**	**123,242**	**1,331,019**	**3,288,154**	**–**	**–**	**3,288,154**	**1,957,135**	**1,331,019**
	2023	1,694,803	86,713	168,676	298,402	2,248,594	–	11,981	2,260,575	1,962,173	298,402

Notes:

a. Cecily Davis was appointed to the Board on 1 May 2024.
Denise Jagger retired from the Board and as Senior Independent Director on 16 December 2022, Sarah Whitney was appointed to the Board on 1 September 2022 and took over as Senior Independent Director upon Denise's retirement. Their fees reflect their service during the financial year.

b. Taxable benefits include car allowance/benefit and health insurance and £11,820 for Jason Honeyman, which relates to hotel and travel costs.

c. Pension includes payments in lieu of pension based on 10% of salary. In 2023/24, Keith Adey made contributions to a defined contribution scheme of £nil (2022/23 - £2,613). None of the Directors are members of the Group's defined benefit scheme.

d. The value of long-term incentives in 2024 is nil as the threshold performance targets for the 2021 PSP awards were not met and as a result the awards lapsed in full.

e. Other items refer to the discount on the awards, during the year stated, under the Group's all-employee savings-related share option scheme.

Remuneration Report continued

Directors' share-based rewards and options (audited)

Details of all Directors' interests in the Company share-based reward schemes are shown.

Jason Honeyman

Scheme	Awards/ options held at 1 August 2023	Granted/ awarded during the year	Exercised during the year	Lapsed during the year	Awards/ options held at 31 July 2024	Exercise price/ market price at date of award (p)	Date of grant/ award	Exercisable/ capable of vesting from
PSP[a]	**39,005**	–	–	(39,005)	**–**	2,317.0	27.10.2020	27.10.2023
PSP[b]	**33,216**	–	–	–	**33,216**	3,211.0	26.10.2021	26.10.2024
PSP[c]	**64,901**	–	–	–	**64,901**	1,937.0	11.11.2022	11.11.2025
2013 SRSOS[f]	**1,935**	–	–	–	**1,935**	1,550.0	07.12.2022	01.02.2028
PSP[d]	**–**	75,036	–	–	**75,036**	2,040.0	24.10.2023	24.10.2026
Totals	**139,057**	75,036	–	(39,005)	**175,088**			

Keith Adey

Scheme	Awards/ options held at 1 August 2023	Granted/ awarded during the year	Exercised during the year	Lapsed during the year	Awards/ options held at 31 July 2024	Exercise price/ market price at date of award (p)	Date of grant/ award	Exercisable/ capable of vesting from
PSP[a]	**22,668**	–	–	(22,668)	**–**	2,317.0	27.10.2020	27.10.2023
PSP[b]	**19,304**	–	–	–	**19,304**	3,211.0	26.10.2021	26.10.2024
PSP[c]	**39,604**	–	–	–	**39,604**	1,937.0	11.11.2022	11.11.2025
2013 SRSOS[f]	**1,161**	–	–	–	**1,161**	1,550.0	07.12.2022	01.02.2026
PSP[d]	**–**	45,789	–	–	**45,789**	2,040.0	24.10.2023	24.10.2026
Totals	**82,737**	45,789	–	(22,668)	**105,858**			

Notes:

a. The performance period for the awards granted in October 2020 finished on 31 July 2023 and these awards lapsed.

b. The performance period is 1 August 2021–31 July 2024. Details of the vesting of these awards, which will take place after this Report is published are set out in full under the heading 'Long-3term incentives vesting in respect of performance period ended 31 July 2024' above.

c. The performance period is 1 August 2022–31 July 2025. The performance condition is subject to underlying EPS performance (20%), Relative TSR vs a bespoke peer group of housebuilders (20%), Relative TSR vs FTSE 350 excluding financial services companies and investment trust (20%), Underlying Return on Adjusted Capital Employed (20%), Reduction in scope 1 and 2 emissions (10%) and Reduction in waste per completed unit (10%). These awards are subject to clawback provisions.

d. On 24 October 2023, awards of performance shares under the PSP were made to Jason Honeyman and Keith Adey, equal to 200% of their respective salaries at the date of grant. The face values on grant of these awards were, therefore £1,530,734 and £934,096 respectively based on a share price of £20.40 (based on the share price on the date prior to grant). The performance period is 1 August 2023–31 July 2026. The performance condition was in seven parts as detailed below. The Committee may adjust the level of vesting (including to nil) to such extent as it considers appropriate to ensure the level of vesting is a true reflection of the overall performance of the Company over the performance period. These awards are also subject to clawback provisions.

Metric	Performance condition	Threshold target (25% of max)	Stretch target (100% of max)
25% of opportunity	Relative TSR against a group of peer housebuilders comprising Barratt Developments PLC, The Berkeley Group plc, Crest Nicholson Holdings plc, Persimmon plc, Redrow plc, Taylor Wimpey plc and Vistry Group plc.	Median	Median +7.5% p.a.
25% of opportunity	Relative TSR against the FTSE 350 (excluding financial services companies and investment trusts).	Median	Upper quartile
10% of opportunity	Margin protection: ROCE in 2025/26.	10%	13%
10% of opportunity	Margin protection: Strategic land in DPP land bank in 2025/26.	2,700 plots	3,000 plots
10% of opportunity	Margin protection: Relative underlying operating margin against a group of peer housebuilders comprising Barratt Developments PLC, The Berkeley Group plc, Crest Nicholson Holdings plc, Persimmon plc, Redrow plc, Taylor Wimpey plc and Vistry Group plc in FY26. Median is calculated as an average of the median company and the Company above and below it.	Median	Median x 1.05
10% of opportunity	Sustainability: Customer satisfaction score 9-month survey result in 2025/26.	79%	82%
10% of opportunity	Sustainability: Achieve a meaningful contribution towards reducing scope 1,2 and 3 carbon emissions including through the redesign of Artisan house types to accommodate timber frame construction. The Committee will assess performance achieved (including the level and pace of achievement) during the three years and report these achievements and our expectations at the end of 2025/26.	Satisfactory performance	Excellent performance

e. All of the above awards set out in notes a–d were granted for nil consideration.

f. Further details of the 2013 SRSOS are shown in the summary of outstanding share options in note 23 to the accounts.

g. The market price of the ordinary shares at 31 July 2024 was 2,866p and the closing range during the year was 2,008p to 2,866p.

Payments to past Directors (audited)

No past Director received any payments from the Company during the year.

Payments for loss of office (audited)

No payments have been made in respect of loss of office during the 2023/24 financial year.

Statement of Directors' shareholdings and share interests (audited)

The Directors' interests (including family interests) in the ordinary share capital of the Company are set out below:

Scheme	Beneficially owned at 31 July 2024[c]	% basic salary held by Executive Directors in shares[a][b]	Shareholding target of 200% of basic salary met?	Beneficially owned at 31 July 2023[c]	Outstanding and unvested PSP awards[d] – with performance conditions	Outstanding and unvested share options – without performance conditions	Vested unexercised options	Share options exercised in the year
Jason Honeyman	**38,186**	125	In progress	38,186	**173,153**	**1,935**	–	–
Keith Adey	**80,218**	429	Yes	80,218	**104,697**	**1,161**	–	–
John Tutte	**20,000**	N/A	N/A	20,000	**N/A**	**N/A**	N/A	N/A
Sarah Whitney	**1,131**	N/A	N/A	–	**N/A**	**N/A**	N/A	N/A
Cecily Davis	**–**	N/A	N/A	–	**N/A**	**N/A**	N/A	N/A
Jill Caseberry	**470**	N/A	N/A	470	**N/A**	**N/A**	N/A	N/A
Ian McHoul	**2,000**	N/A	N/A	2,000	**N/A**	**N/A**	N/A	N/A

Notes:

a. For 2023/24, Executive Directors were required to accumulate a minimum shareholding equivalent to 200% of basic salary. Within a period of three months of appointment an Executive Director must acquire a minimum of 1,000 ordinary shares in the Company and must retain at least 50% of any shares vesting under the PSP, after allowance for paying tax, until the requisite number of shares has been accumulated.

b. The percentage of shareholding is based on salaries as at 31 July 2024 using the average share price for the year.

c. Includes shares owned by partner.

d. All awards are structured in the form of nil-cost options

There has been no change in any of the above interests between 31 July 2024 and the date of this report.

The following section of this Report is not required to be audited.

Implementation of Remuneration Policy in 2024/25

This section sets out how the Company will implement the Remuneration Policy for the 2024/25 financial year. Full details of how each element will operate are set out in the Remuneration Policy table.

The Committee has taken into account the remuneration and related policies for the rest of the workforce generally and engaged with the workforce through the Employee Listening Groups when setting the 2024/25 targets for the Executive Directors.

Basic salaries

The Committee has awarded Jason Honeyman and Keith Adey salary increases of 4.5%, which are in line with the average for the workforce for 2024/25 of 4.5%. Therefore, from 1 August 2024, Jason's salary was increased to £799,814 per annum and Keith's salary was increased to £488,070 per annum. On appointment, Simon Scougall's base salary was set as £444,000 and he received no further salary increase.

Annual bonus

Subject to shareholder approval at the 2024 AGM, the bonus opportunity will be in line with the new Remuneration Policy maximum of 150% of basic salary.

Performance measures and weightings were reviewed during the year. As a result, the 2024/25 bonus will be subject to underlying operating profit (60%), adjusted capital employed (6.7%), land delivery (20%) and 'Better with Bellway' measures (13.3%).

For the financial measures, the payout at threshold will be limited to 25% of maximum. The actual annual bonus performance targets are considered to be commercially sensitive at this time, and the Committee will disclose these retrospectively in next year's annual report on remuneration, provided they are no longer commercially sensitive.

The bonus remains subject to a health and safety underpin. The Committee will have the discretion to adjust the formulaic outcome of the bonus to reflect wider business performance including satisfactory health and safety performance. A quarter of any bonus earned must be deferred into shares for three years.

Remuneration Report continued

Long-term incentives

In line with the rationale set out in the Statement from the Committee Chair, the Company anticipates making a grant of Restricted Shares under the LTIP with a face value equivalent to 100% of salary to the Executive Directors. Awards will vest to the Executive Directors after three years, subject to satisfaction of the performance underpin with any shares vesting subject to a two-year holding period.

The Committee may adjust the level of vesting (including to nil) to such extent as it considers appropriate to ensure the level of vesting is a true reflection of the overall performance of the Company over the performance period.

Non-Executive Director fees

The Company's approach to Non-Executive Directors' remuneration is set by the Board, with account taken of the time and responsibility involved in each role, including, where applicable, the chairing of Board Committees.

With effect from 1 August 2024, an increase of 4.5% to the Non-Executive Director base fees was approved by the Board, and an increase of 4.5% to the Board Chair fee was approved by the Remuneration Committee, in line with the increase for the wider workforce.

Director	Fee from 1 August 2023 £	**% increase**	**Fee from 1 August 2024 £**
Non-Executive Chair fee	269,100	**4.5**	**281,210**
Non-Executive Director fee	64,688	**4.5**	**67,599**
Senior Independent Non-Executive Director	12,161	**4.5**	**12,708**
Audit and Remuneration Committee Chair fees	13,973	**4.5**	**14,602**

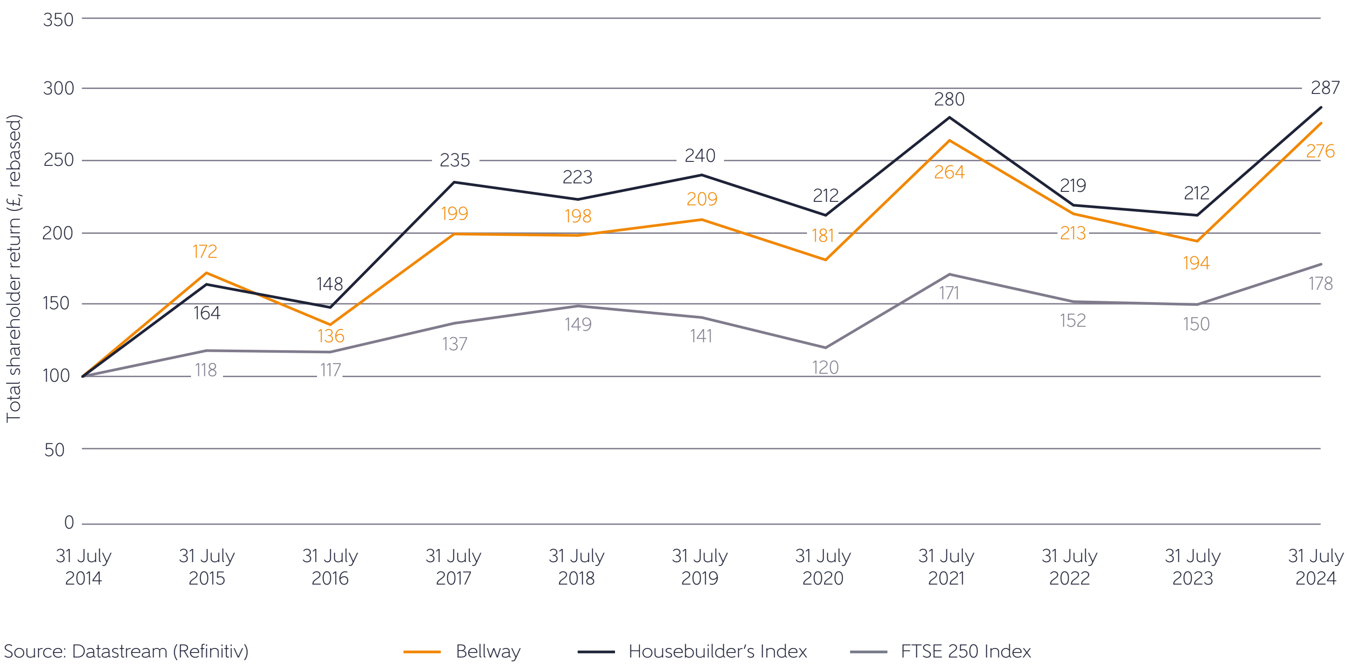
The Company's Articles of Association specify an annual limit on Non-Executive Director fees of £500,000. This excludes the fees for the Chair and additional fees payable to the Senior Independent Non-Executive Director and to Committee Chairs. Shareholder approval is required to amend this limit.

Performance graph and table

The graph below shows the TSR performance over the past ten years of the Company, the FTSE 250 Index and the bespoke Housebuilders' Index (as defined in note a on page 148). The FTSE 250 Index has been selected as the most appropriate 'broad equity market index' as the Company has been a constituent of the FTSE 250 Index over this period. The bespoke Housebuilders' Index has been selected as these companies have been used for the Company's long-term incentive plans.

This graph shows the value, as at 31 July 2024, of £100 invested in Bellway on 31 July 2014 compared with the value of £100 invested in the FTSE 250 Index and £100 invested equally in each of the other housebuilders, who form part of the Housebuilders Index. The other points plotted are the values at intervening financial year-ends.

Total shareholder return



Source: Datastream (Refinitiv)

Group Chief Executive total remuneration

The table below sets out the total remuneration for the Group Chief Executive over the same ten-year period as for the chart overleaf, together with the percentage of annual bonus paid and the vesting of long-term incentives as a percentage of the maximum (relating to the performance periods ending in that year).

	2015	2016	2017	2018[a]	2019[b]	2020	2021	2022	2023	**2024**
Total remuneration (£000)	1,960	2,785	3,468	1,737	1,220	1,110	1,998	1,738	1,089	**1,715**
Annual bonus paid (as % of maximum)	88.8%	95.8%	93.8%	0.0%	76.7%	0.0%	99.5%	98.6%	20.9%	**90%**
PSP vesting (as a % of maximum)	50.0%	100.0%	100.0%	99.8%	30.6%	47.7%	28.7%	0%	0%	**0%**

Notes:
a. Ted Ayres was absent during the 2017/18 financial year due to ill health and so the figures shown are lower than would normally be expected if he had been at work during the year.
b. Jason Honeyman was appointed as Group Chief Executive on 1 August 2018.

Percentage change in remuneration of Directors compared to workforce

The table below shows the annual percentage change in base salary, benefits and bonus between 2019/20 and 2023/24 in respect of the Directors of the Company and the average for all other employees. Over time, the percentage change over five years will eventually be disclosed.

	2023–2024			**2022–2023**			**2021–2022**			**2020–2021**			**2019–2020**		
	% Change in salary / fees[a]	**% Change in benefits**	**% Change in bonus**	**% Change in salary / fees[a]**	**% Change in benefits**	**% Change in bonus**	**% Change in salary / fees**	**% Change in benefits**	**% Change in bonus**	**% Change in salary / fees**	**% Change in benefits**	**% Change in bonus**	**% Change in salary / fees**	**% Change in benefits**	**% Change in bonus**
All other employees[b]	**+6.7**	**+3.1**	**-9.4**	+6.3	+1.6	+4.5	+6.0	+8.4	+83.2	+1.6	+8.3	-79.9	+2.6	+8.7	+17.8
J Honeyman (Group Chief Executive)[c]	**+3.5**	**-10.2**	**+346.0**	+4.0	-11.9	-78.0	+3.2	-11.2	+2.6	+3.4	+9.8	+100	+25.6	+38.5	-100
K Adey (Group Finance Director)	**+3.5**	**+1.6**	**+346.0**	+6.5	-13.1	-77.4	+5.6	+3.3	+5	+3.4	+0.3	+100	-1.4	+2.4	-100
J Tutte (Chair)[d]	**+3.5**	**n/a**	**n/a**	+140	n/a	n/a	+100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Whitney (INED)[f]	**+10.3**	**n/a**	**n/a**	+100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J Caseberry (INED)	**+3.5**	**n/a**	**n/a**	+5.9	n/a	n/a	+3.2	n/a	n/a	+3.4	n/a	n/a	-1.4	n/a	n/a
I McHoul (INED)	**+3.5**	**n/a**	**n/a**	+5.9	n/a	n/a	+3.2	n/a	n/a	+3.4	n/a	n/a	+4.4	n/a	n/a

Notes:
a. The comparative figures used for the Board are the actual salary and fees paid as per the single figure of remuneration table on page 147.
b. All other employee figures are calculated on a cash only basis, including the bonus which covers the prior year.
c. Explanations for large increases in prior years are provided in the previous Annual Reports.
d. John Tutte was appointed as Non Executive Chair during the 2021/22 financial year, having joined Bellway on the 1 March 2022.
e. Cecily Davis was appointed to the Board on 1 May 2024 and so a year-on-year comparison cannot be provided. As a result, Cecily has been excluded from the table.
f. Sarah Whitney was appointed to the Board 1 September 2022 and appointed as Senior Independent Director in December 2022.

CEO pay ratio

We are publishing our CEO pay ratio figures for the financial years 2018/19, to 2023/24. Over time, ten-year ratios will eventually be disclosed.

		Upper quartile			**Median**			**Lower quartile**		
Financial year	Method	Pay ratio	Total pay and benefits £	Salary component £	Pay ratio	Total pay and benefits £	Salary component £	Pay ratio	Total pay and benefits £	Salary component £
2018/19	A	19:1	62,168	50,200	28:1	42,845	22,647	40:1	29,858	23,305
2019/20	A	18:1	60,675	24,400	27:1	40,415	22,000	43:1	25,580	25,200
2020/21	A	31:1	65,866	52,279	45:1	44,864	40,556	68:1	29,886	24,750
2021/22	A	25:1	70,036	62,311	36:1	48,662	29,438	54:1	32,148	24,561
2022/23	A	15:1	74,421	55,000	22:1	49,903	40,215	34:1	32,422	26,462
2023/24[a]	**A**	**22:1**	**76,381**	**58,008**	**33:1**	**51,475**	**24,550**	**48:1**	**35,534**	**27,143**

Notes:
a. Median value is based on total pay, although salary component is higher within the lower quartile for 2023/24.

Remuneration Report continued

The pay ratios have been calculated as at 31 July 2024 using Option A of the Regulations, that is, the full-time equivalent pay and benefits for all of our employees to identify those employees on the quartiles. Option A has been selected as it is the most statistically accurate method of calculation. Employee benefits include company car, car allowance, private medical, employer pension contributions and share option gains. All payments are included on a cash basis, with the exception of the annual bonus for the Group Chief Executive. The annual bonus earned during the 2023/24 financial year, which is expected to be paid in November 2024, has been approved for the Group Chief Executive, there is not an accurate estimate for all other staff, therefore cash bonus paid during the year (relating to the 2022/23 financial year) has been used in the calculations.

The CEO pay ratio has increased year-in-year reflecting the higher payout under the annual bonus in FY24. A similar impact can be seen in FY 2022 and FY 2021. The pay ratios reflect how remuneration arrangements differ as accountability increases for more senior roles within the group. In particular the ratios reflect the weighting towards variable pay for the CEO which provides a strong link between pay and performance and alignment with shareholder interests.

We are satisfied that the median pay ratio reported this year is consistent with our wider pay, reward and progression policies for employees. The median reference employee has the opportunity for annual pay increases, annual performance payments and career progression and development opportunities.

Importance of remuneration relative to dividends and Section 106 and CIL payments

The table below shows the relative expenditure of the Group in respect of employee remuneration, dividends and Section 106 and CIL payments, together with the percentage change in each, for the financial years ended 31 July 2023 and 31 July 2024. The Directors have chosen dividends and Section 106 and CIL payments as comparators to employee costs as they consider that these demonstrate the relative importance of the remuneration of its employees to the returns the Group generates to shareholders and the contribution it makes to developing communities through Section 106 and CIL payments.

	2024 £m	2023 £m	% change
Employee costs[(a)]	**168.7**	191.5	(11.9)
Dividends[(b)]	**64.1**	169.2	(62.1)
Section 106 and CIL payments[(c)]	**36.3**	89.2	(59.3)

Notes:

a. Employee costs are calculated as wages and salaries, bonus and taxable benefits (including the Directors).

b. The dividend figures shown are the interim and final dividends paid or payable for the relevant financial year less forfeited dividends (see note 20 to the accounts).

c. The Section 106 and CIL payments figures are calculated from invoices received for these payments.

Dilution limits/shares held in trust to satisfy awards

The Bellway Employee Share Trust (1992) (the 'Trust') holds market-purchased shares to satisfy awards made under some of the Company's executive and employee share schemes. As at 31 July 2024, the Trust held 326,114 shares. It is the Company's current intention to use market-purchased shares to satisfy awards made under the PSP. Awards made under the deferred bonus plans (to which the Executive Directors are not eligible) must be satisfied using market-purchased shares. The SRSOS uses new issued shares. The Company's share plans comply with the IA guidance on dilution limits and the position as at 31 July 2024 was:

Limit of 5% in any ten years under all executive share plans	Actual 0.99%
Limit of 10% in any ten years under all share plans	Actual 0.88%

Statement of voting at AGMs

The votes cast by proxy at AGMs in relation to resolutions regarding Directors' remuneration are set out in the table below:

	Directors' Remuneration Policy (binding vote at AGM on 6 December 2021)		**Remuneration Report (advisory vote at AGM on 15 December 2023)**	
	Number of votes	**% of votes cast**	**Number of votes**	**% of votes cast**
For	89,540,335	96.95	95,714,235	98.84
Against	2,815,436	3.05	1,119,756	1.16
Total votes cast (excluding votes withheld)	**92,355,771**	**100**	**96,869,491**	**100**
Votes withheld	206,210		35,500	

At the AGM on 12 December 2024, the Company's shareholders will have an advisory vote on the Remuneration Report and a binding vote on the Directors' Remuneration Policy.

On behalf of the Board

Jill Caseberry
Chair of the Remuneration Committee

14 October 2024

Sustainability Committee Report

> **The Committee helps to drive the 'Better with Bellway' strategy, via best practice and sensible but challenging internal targets, helping us meet our long-term ESG aims."**

John Tutte
Chair of the Sustainability Committee

Membership and meeting attendance

Director	Date appointed to the Committee	Number of meetings attended during the year
John Tutte (Chair)	18 May 2023	3/3
Sarah Whitney	18 May 2023	3/3
Jill Caseberry	18 May 2023	3/3
Ian McHoul	18 May 2023	3/3
Cecily Davis	1 May 2024	1/2*
Keith Adey	18 May 2023	3/3

* Absence was due to commitments prior to joining the Board.

Focus areas for 2023/24

- To approve the Committee Terms of Reference.
- Approve the 'Better with Bellway' targets and KPIs for FY24.
- Continue to monitor progress of the 'Better with Bellway' strategy.
- Meet with key management with responsibility for the delivery of the 'Better with Bellway' strategy.

Focus areas for 2024/25

- To review the Committee Terms of Reference in line with updated guidance.
- Approve the 'Better with Bellway' targets and KPIs for FY25.
- Continue to monitor progress of the 'Better with Bellway' strategy.
- Meet with key management to review the implementation of the 'Better with Bellway' strategy.

Responsibilities and terms of reference

The main areas of the Sustainability Committee's (the 'Committee') responsibilities are:

- Debate, review and scrutinise the 'Better with Bellway' sustainability strategy and implementation plan and make recommendations to the Board for approval.
- Monitor and challenge the objectives, KPIs and targets set in relation to the implementation of the 'Better with Bellway' strategy, make recommendations for new KPIs and targets and recommend these to the Board for approval.
- Scrutinise the implementation of major 'Better with Bellway' initiatives.
- Identify, debate, review and scrutinise the business response to environmental and social risks with specific focus on climate risks and opportunities.
- Review the ongoing appropriateness of the Group's approach to ESG issues in the context of external best practice and monitor ESG compliance.
- Review the ongoing appropriateness and relevance of policies relating to ESG matters.

Activities in 2023/24

- The Committee met in September 2023, May 2024 and July 2024.
- The Committee Substantive Business, setting out standard agenda items, was drafted during the year and approved by the Board in May 2024.
- Key management met with the Committee and presented an update on the 'Better with Bellway' strategy, which includes a review of the KPIs and targets and recommendations were made for future targets.
- Gap analysis was carried out by the 'Better with Bellway' leadership team, on the supply chain against the Next Generation Benchmark requirements and presented to the Committee.
- Cecily Davis joined the Committee in May 2024, and brings extensive experience in the areas of legal, construction and infrastructure.

Focus in 2024/25

- To approve the 'Better with Bellway' targets and KPIs for FY25, ensuring they support the delivery of the overall 'Better with Bellway' strategy.
- Continue to monitor progress of the 'Better with Bellway' strategy, KPI's and targets.
- Carry out training for the Non-Executive Directors on ESG reporting requirements.
- Meet with key management who are responsible for the delivery of the 'Better with Bellway' strategy.
- Review relevant policies and determine their appropriateness in supporting the Groups sustainability agenda.
- Review industry best practice in respect of ESG compliance.

John Tutte

Chair of the Sustainability Committee

14 October 2024

Directors' Report

"The Directors have proposed a final ordinary dividend for the year ended 31 July 2024 of 38.0p per share."

Simon Scougall
Chief Commercial Officer and Company Secretary

The Directors of Bellway p.l.c. present their report in accordance with Section 415 of the Companies Act 2006.

Bellway p.l.c. is the holding company of the Bellway Group of companies and is a UK publicly listed company whose shares are traded on the London Stock Exchange. The main trading company is Bellway Homes Limited and this and all other subsidiaries and joint arrangements of the Group, are listed in note 26 to the accounts.

The following table sets out where information can be found, which is required to be reported on in the Directors' Report but has been included elsewhere in the Annual Report and Accounts and is cross-referenced here to avoid repetition.

Topic	Page number
Directors	106 to 107
Appointment and replacement of Directors	112 and in the Articles
Directors' interests	149
Future developments	29 of the Strategic Report
Group undertakings	206
Environmental issues	34 to 61 of the Strategic Report
Section 172 statement/ reporting	62 of the Strategic Report
Greenhouse gas emissions	45 to 48 of the Strategic Report
Whistleblowing	128
Financial risk management	79 to 82 of the Strategic Report
Going concern	81 of the Strategic Report

Results and dividends

The profit for the year attributable to equity holders of the parent company amounts to £130.5 million (2023 – £365.0 million).

The Directors have proposed a final ordinary dividend for the year ended 31 July 2024 of 38.0 per share (2023 – 95.0p). This has not been included within creditors as it was not approved by shareholders before the end of the financial year. The Directors recommend payment of the final dividend on Wednesday 8 January 2025 to shareholders on the Register of Members at the close of business on Friday 29 November 2024.

Dividends paid during the year comprise the final dividend of 95.0p per share in respect of the year ended 31 July 2023, together with an interim dividend in respect of the year ended 31 July 2024 of 16.0p per share.

Directors' indemnities and Directors' and officers' liability insurance

The Company carries appropriate insurance cover in respect of possible legal action being taken against its Directors, Officers and senior employees. The Articles provide the Directors and Officers with further protection against liability to third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of this report.

Major interests in shares

As at 31 July 2024, and as at the date of this report, the Company had been notified under DTR 5 of the following interests, amounting to 3% or more of the voting rights in the issued ordinary share capital of the Company:

	As at 31 July 2024		As at 14 October 2024	
Topic	Number of shares with voting rights	% total voting rights	Number of shares with voting rights	% total voting rights
BlackRock Inc	**8,854,350**	**7.44**	6,718,486	5.65
Baillie Gifford	**7,126,810**	**5.99**	6,958,535	5.85
Vanguard Group	**6,358,956**	**5.34**	6,663,749	5.60
Fidelity Management & Research	**6,168,856**	**5.13**	5,687,025	4.78
JPMorgan Asset Management	**5,492,027**	**4.61**	5,966,717	4.49
Dimensional Fund Advisors	**5,297,361**	**4.45**	5,338,009	4.49
Polaris Capital Management	**4,848,312**	**4.07**	4,800,712	4.03
GLG Partners	**4,121,659**	**3.46**	1,976,669	1.66

Post balance sheet events

Post year end, the Group entered into both a lease agreement for an industrial unit where Bellway will set up its own timber frame manufacturing facility and placed an order for robotic equipment which has the capability to manufacture both open panel systems and pre-insulated closed panel timber frame systems. This has increased capital commitments by around £20m.

Information on those third parties with which the Company has contracts or arrangements essential to its business

The Company is party to a number of debt agreements with major clearing banks. The withdrawal of such facilities could have a material effect on the financing of the business. There are no other arrangements that the Group considers to be critical to the performance of the business.

Takeovers directive and change of control

The Company is party to a number of banking agreements that may be terminable in the event of a change of control of the Company. On a change of control, any outstanding options and awards granted under the Group's share schemes would become exercisable, subject to any performance conditions being met.

Share capital

The Company's total issued share capital, as at 31 July 2024, consisted of 118,980,237 ordinary shares of 12.5p each. Further details of the issued capital of the Company can be found in note 18 to the accounts. The rights and obligations attaching to the ordinary shares in the Company are set out in the Articles of Association (the 'Articles'). Copies of the Articles can be obtained from Companies House or by writing to the Chief Commercial Officer and Company Secretary at the Company's registered office.

Restrictions on the transfer of shares

The restrictions on the transfer of shares are set out in the Articles. In compliance with the Company's Share Dealing Code, Company approval is required for Directors, certain employees and those persons closely associated with them to deal in the Company's ordinary shares. No person has special rights of control over the Company's share capital. There has been no amendments to these procedures during the year.

Rights in relation to the shares held in the employee benefit trust

The voting rights on shares held in the Bellway Employee Share Trust (1992) in relation to the Company's employee share schemes are exercisable by the trustees.

Restrictions on voting rights

Details of the deadlines for exercising voting rights are set out in the Articles. The Directors are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

Amendments to the Articles

The Company may amend its Articles by passing a special resolution at a general meeting of its shareholders.

Powers of the Board

The business and affairs of the Company are managed by the Directors, who may exercise all such powers of the Company as are, not by law or by the Articles, required to be exercised by the Company in general meetings. Subject to the provisions of the Articles, all powers of the Directors are exercised at meetings of the Directors, which have been validly convened and at which a quorum is present.

Allotment of shares

During the year, 52,927 new ordinary shares were issued to satisfy awards made under the Company's employee share schemes. The Directors have authority to allot shares within limits agreed by shareholders. Details of the renewal of this authority, including the resolutions which seek to renew this authority, are set out in the Notice of Meeting of the AGM, to be held on Thursday 12 December 2024.

Purchase of the Company's own shares

The Company was given authority at the AGM on 15 December 2023 to purchase its own ordinary shares. On 28 March 2023, the Group announced, 'The Buyback Programme', with the Board approving a return of surplus capital of £100 million to shareholders, an initial tranche of £50 million (First Tranche) was completed on 16 June 2023, followed by a further tranche of £50 million (Second Tranche), which commenced on 19 June 2023 and completed on 27 October 2023. The Company repurchased 4,560,057 shares for an aggregate value of circa £100 million.

Listing rules

There are no disclosures required by LR9.8.4 that apply to the Company. We have considered the Financial Conduct Authority's ('FCA') update to its Listing Rules in July 2024, including the categories under which securities are listed on the Official List. We also welcome the Financial Reporting Council's publication of the 2024 Corporate Governance Code (2024 Code) which will apply to Bellway for 1 August 2025 (FY26) and 1 August 2027 (FY28) in relation to procision 29. We are in the process of reviewing our governance framework and putting arrangements in place to ensure compliance with the 2024 Code in advance of the effective dates.

Accountability and audit

The Going Concern Statement, Long-Term Viability Statement and the Statement of Directors' Responsibilities in respect of the Annual Report and Accounts are shown on pages 81, 125 and 156 respectively.

The Audit Committee, whose role is detailed on pages 118 to 129, has meetings at least twice a year with the Company's auditor, Ernst & Young LLP.

Directors' Report continued

People

The key role that our people perform is described throughout the Strategic Report. In addition, supported by 'Better with Bellway' sustainable strategy and the Employer of Choice business priority, we aim to be an Employer of Choice that embraces diversity and promotes a safe and inclusive environment. More details are included with the 'Better with Bellway' section on pages 42 to 43.

The following disclosures provide additional information on how we treat our people and how we engage with them.

We are committed to fostering a diverse and inclusive workplace where everyone is valued and treated with respect. It is our policy to develop and apply, throughout the Group, procedures and practices, which are designed to ensure that equal access is provided to all of our employees, or those who seek employment with the Group, irrespective of their age, colour, disability, ethnic origin, gender, marital status, nationality, parental status, race, religion, belief, or sexual orientation.

All employees, whether part-time, full-time, or temporary, are treated fairly and equally. Selection for employment, promotion, training, or other matters affecting their employment is on the basis of aptitude and ability. All employees are supported and encouraged to develop to their full potential and the talents and resources of the workforce are fully utilised to maximise the efficiency of the organisation. Training at each division is planned and monitored through an annual training plan.

It is our policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled while employed by the Group) and to comply with any current legislation with regard to disabled persons.

The importance of good communications with employees is recognised by the Directors and senior management team. Employee Listening Groups are held on a regular basis to engage in open communication and a new internal communication platform 'Pathway' launched during the financial year. Each division maintains good employee relations using a variety of means appropriate to its own particular needs, with guidance, when necessary, from Head Office.

All new employees, when eligible, are automatically entered into the Group's pension arrangements. In addition, we operate a savings-related share option scheme and have discretionary bonus arrangements in place. We also provide life assurance cover to all of our employees, offer a private medical scheme (depending on seniority), and enhanced family friendly provisions, and the opportunity to purchase additional annual leave.

Health and safety at work

We promote all aspects of health and safety throughout our operations in the interests of employees, subcontractors, suppliers, customers and visitors to our sites and premises. This is further supported by our sustainable approach, 'Better with Bellway', and the Building Quality Homes, Safely business priority. More details can be found within the 'Better with Bellway' section on pages 49 to 52.

Health and safety issues are considered at each Board meeting and are addressed in the Strategic Report, and on our website www.bellwayplc.co.uk/sustainability. The Board receives external advice and training from specialist advisers on both the Directors' and the Company's regulatory obligations.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the Company is to be proposed at the forthcoming AGM.

AGM – special business

Six resolutions will be proposed as special business at the AGM to be held on Thursday 12 December 2024. Explanatory notes on these resolutions are set out in the Notice of Meeting of the AGM.

Disclosure of all relevant information to the auditor

The Directors who held office at the date of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is 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.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Group and parent company Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the 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 the Company and of the profit or loss of the Group and the Company for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group Financial Statements are required to be prepared in accordance with international financial reporting standards ('IFRS') as adopted by the UK.

In preparing these Financial Statements the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures, when compliance with the specific requirements in IFRS is insufficient, to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- In respect of the Group Financial Statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as adopted by the UK have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- In respect of the parent company Financial Statements, state whether UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis, unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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

Directors' responsibility statement (DTR 4.1)

The Directors confirm, to the best of their knowledge:

- That the consolidated Financial Statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- That the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- That they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the Board

Simon Scougall
Chief Commercial Officer and Company Secretary

14 October 2024

Independent Auditor's Report to the Members of Bellway p.l.c.

Opinion

In our opinion:

- Bellway p.l.c.'s Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 July 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bellway p.l.c. (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2024 which comprise:

Group	Parent Company
Group Income Statement for the year then ended	Company Statement of Changes in Equity for the year then ended
Group Statement of Comprehensive Income for the year then ended	Company Balance Sheet as at 31 July 2024
Group Statement of Changes in Equity for the year then ended	Company Statement of cash flows for the year then ended
Group Balance Sheet as at 31 July 2024	Related notes 1 to 29 to the financial statements, including material accounting policy information
Group Cash Flow Statement for the year then ended	
Related notes 1 to 29 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

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. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, obtaining an understanding of management's going concern assessment process and challenging management to ensure key factors were considered in their assessment.
- Assessing the appropriateness of the duration of the going concern assessment period to 31 July 2026 and considering the existence of any significant events or conditions beyond this period based on our procedures on the Group's business plan, cash flow forecasts and from knowledge arising from other areas of the audit.
- Obtaining management's going concern assessment, including the cash forecast, for the going concern period through to 31 July 2026 and testing these for arithmetical accuracy. We obtained an understanding of each of management's modelled scenarios, including the base case, severe downside cases and reverse stress test case. The reverse stress test case had been prepared by management to demonstrate the point at which the Group would run out of cash.
- Assessing the historical accuracy of forecasting and challenging the appropriateness of key assumptions in management's forecasts, including the impact of housing completions and average selling price on revenue generation. We also assessed these against information from the Office of National Statistics, with consideration to trends in respect of house price inflation, noting no contradictory indicators. We considered the appropriateness of the methods used to calculate the cash flow forecasts and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an appropriate assessment of going concern.
- Verifying the inputs into the cash flow forecasts, the debt facility terms, and reconciling the liquidity position as at 31 July 2024. We further reviewed the Group's borrowing facilities to both verify their availability to the Group aligned with their underlying contractual terms and to validate the financial covenants in relation to the available facilities.

- Assessing the plausibility of the downside scenarios and reverse stress test prepared by management. We did this by challenging the assumptions made and considering indicators of contradictory evidence.
- Considering any mitigating factors included in the downside scenarios that are within control of the Group. This includes assessment of the Group's operating and non-operating cash outflows relating to uncommitted land and work in progress spend, discretionary bonus payments and dividend payments and evaluating the Group's ability to control these outflows as mitigating actions if required.
- Assessing management's consideration of material climate change impacts in the going concern period, including incorporation of the expected costs of applying the Future Homes Standard during the going concern period.
- Reviewing the Group's going concern disclosures included in the Annual Report and Accounts in order to assess whether the disclosures appropriately described the assessment management performed and the key judgements taken.

Key observations

- The directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario. Under management's reverse stress test (which comprises a significant additional investment in land of £525m over and above that assumed the base case, followed by a reduction in private home completions of approximately 50% from 31 January 2025 compared to the 12 month pre-stress peak achieved in FY22, and average selling prices on private homes subsequently reducing by 15%), liquidity headroom is eliminated in May 2026. Management has concluded the likelihood of this combination of events to be remote.
- Other than the impact of the Future Homes Standard, we have not identified any material climate-related risks that should be incorporated into the Group's forecasts to 31 July 2026.

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 and Parent Company's ability to continue as a going concern for the period to 31 July 2026.

In relation to the Group and Parent Company's 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of Bellway p.l.c. and its components • The components where we performed full scope audit procedures accounted for 99% of profit before taxation, 99% of revenue and 99% of total assets.
Key audit matters	• Risk of inappropriate revenue recognition; • Risk of inappropriate cost of sales recognition and valuation of work in-progress and land on sites under development; • Risk of inappropriate valuation of land on sites not yet under development; and • Risk of inappropriate recognition of legacy building safety improvement provisions.
Materiality	• Overall Group materiality of £16.7m which represents 5% of normalised profit before taxation.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group, changes in the business environment, the potential impact of climate change and other factors such as recent Internal Audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 12 reporting components of the Group, we selected 2 components covering entities which represent the principal business units within the Group.

Of the 2 full scope components selected, which were selected based on their size or risk characteristics, we performed an audit of the complete financial information. The full scope components accounted for 99% (2023: 99%) of the Group's profit before taxation, 99% (2023: 99%) of the Group's revenue and 99% (2023: 99%) of the Group's total assets.

The remaining 10 components together represent 1% of the Group's profit before taxation. For these components, we performed other procedures, including analytical review, testing of consolidation journals, and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements. The statutory audits of these 10 components were performed concurrently with the Group audit.

Changes from the prior year

There are no changes to our scoping compared to the prior year.

Independent Auditor's Report to the Members of Bellway p.l.c. continued

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Bellway p.l.c. The Group has determined that the most significant future impacts from climate change on their operations will be from evolving legal and regulatory requirements (e.g. the Future Homes Standard) and the availability of more efficient products and technologies to deliver climate-resilient homes. These are explained on pages 88 to 95 in the required Task Force On Climate Related Financial Disclosures and on page 83 in the principal risks and uncertainties. They have also explained their climate commitments on pages 34 to 38. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Basis of Preparation note on page 176 how they have reflected the impact of climate change in their financial statements and how they have considered the impact of climate change, specifically providing an assessment of inventories and how they could be affected by measures taken to address additional requirements included in the Future Homes Standard. Management concluded in this assessment that no issues were identified that would have a material impact on the carrying value of the Group's assets or liabilities or have any other material impact on the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments and the effects of material climate risks disclosed on page 83. We also understood the Group's strategy to address these risks that may affect the financial statements and our audit.

As part of this evaluation, we performed our own risk assessment, supported by our climate change specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit. We identified the specific impact of climate change risks relating to the valuation of inventory, including land and work-in-progress under development arising from the requirements of the Future Homes Standard. Specifically, we considered the timing and nature of future cost assumptions underpinning the valuation of land and work-in-progress under development. We did this by understanding how future cost estimates were included within the site margin calculation in respect of the costs of applying the Future Homes Standard, required to be applied to all units without foundations constructed prior to its implementation. We further identified the specific impact of climate change risks relating to the valuation of land not yet under development. We considered the impact of physical climate risks, with consideration to land bank at flood risk locations, for a sample of items.

We also evaluated the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

We read the climate related information within the Annual Report, which included the Group's Task Force for Climate Related Financial Disclosures and considered consistency with the financial statements and our audit knowledge.

As described above, we considered the impact of climate change on the financial statements to impact certain key audit matters, principally cost of sales recognition and the valuation of work-in-progress and land on sites under development. Details of our procedures and related findings are included in our key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Risk</th><th>Our response to the risk</th><th>Key observations communicated to the Audit Committee</th></tr>
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Inappropriate revenue recognition

Refer to the Audit Committee Report (page 122); Accounting policies (pages 176 to 177); and Note 1 and 8 of the Consolidated Financial Statements (pages 178 to 179 and 186).

The Group has reported:
• Revenues of £2,380.2m (2023: £3,406.6m).
• Trade receivables of £27.0m (2023: £34.6m).

We identified a specific risk of fraud and error in respect of inappropriate revenue recognition arising from sales transactions being recorded ahead of performance obligations being satisfied, being legal or practical completion.

There is a risk that management may recognise revenue in advance of legal or practical completion of plot sale through inappropriate application of cut off or manual postings recording revenue in an earlier period than appropriate.

We focused our procedures on the occurrence of revenue and existence of trade receivables.

There is no change in our risk assessment from the prior year.
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Walkthrough and controls
• We performed walkthroughs of each significant class of revenue transactions which consists of private sales and housing association sales and assessed the design effectiveness of key transaction controls.

Timing of revenue recognition
• We applied a data analytics approach which allowed us to evaluate full populations of revenue transactions across all trading divisions to focus on any anomalies and unusual trends in respect of timing. This work has also enabled us to obtain assurance through a 3-way correlation between sales, accounts receivables and cash postings. We tested this correlation through a sample of revenue transactions from cash entries to source documentation. We also searched for associated identification of transactions which were processed outside of the expected transaction flow.
• We reviewed the output of the work performed by internal audit in respect of revenue recognised on plot completions 2 weeks prior and 2 weeks post the year end. We do not rely on the work performed by internal audit, therefore in line with our identified audit risk, we tested items classified as higher risk and agreed these items to completion statements to confirm the performance obligation was satisfied in advance of year end.
• We performed test of details in relation to unit sales at year end. We agreed a sample of transactions pre-year end and post year end to legal or practical completion statements or evidence of cash receipts. We selected these transactions randomly to incorporate unpredictability within our testing. We confirmed that revenue recognition is appropriate based on the performance obligation being satisfied when practical completion takes place.

Management override
• We performed inquiries of management at Group and divisions regarding awareness of instances of fraud. We extended these inquiries beyond the finance team and inquired with Internal Audit, the Group Chief Commercial Officer and Company Secretary, Regional Chairs and the Divisional Director teams.
• We performed specific procedures in relation to manual journals impacting revenue. We focused on entries with specific characteristics, such as journals from outside normal revenue patterns and those with unusual descriptions.
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We did not identify any evidence of material misstatement in revenue recognised in the year as a result of inappropriate revenue recognition, application of cut-off or management override.
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Independent Auditor's Report to the Members of Bellway p.l.c. continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inappropriate cost of sales recognition and valuation of work-in-progress and land on sites under development Refer to the Audit Committee Report (page 122); Accounting policies (pages 176 to 177); and Note 3 and 7 of the Consolidated Financial Statements (pages 181 and 185 to 186). The Group has reported: • Cost of sales before net legacy building safety expense of £1,999.1m (2023: £2,719.3m) • Land £2,431.4m (2023: £2,578.8) • Work-in-progress of £2,123.9m (2023: £1,861.6m). • Showhomes £145.0m (2023: £117.2m). The economic environment in FY24 has been challenging, with higher interest and mortgage rates impacting the affordability of new homes, combined with increased input costs and the ongoing cost-of-living crisis, having affected consumer confidence. Consequently, this has impacted customer demand for new homes and presents a greater risk of deterioration in margin. There is a risk that costs of sales and margin recognised in the financial statements and resulting valuation of work in progress (including land in respect of sites under development) may be misstated if the site margin is incorrectly determined, whether arising from fraud or error.	Walkthrough and controls • We performed a walkthrough of management's transaction controls in place covering the monitoring and updating of certain site valuations to assess design effectiveness. • We attended and observed the valuation meeting at 8 divisions held closest to year end. As part of this, we observed the level of review applied by management in evaluating assumptions within site valuations. • We confirmed that management action logs were reviewed at the valuation meetings attended. This included ensuring the process which is undertaken to challenge the margin, forecast costs to complete and any other factors that could impact on the margin was followed in accordance with the Group Commercial Policy. Testing appropriateness of assumption underpinning site margin We utilised data analytics in order to identify higher risk sites based on certain risk indicators. We identified certain sites for testing and performed the following procedures where appropriate: • We assessed management's inputs into projected future selling prices by developing an expectation of revenue at a plot level, utilising historical sales experience and considering the impact of trends in house price inflation. We assessed this using the average selling price on sold plots, based on house types and square footage. Where necessary we further corroborated exceptions to advertised plot release prices and/or selling prices recorded in the Bellway sales system. • We assessed management's inputs into projected costs on a site by site basis. We did this by performing a detailed review of the cost estimate and sampling key elements to supporting documentation including subcontractor orders, quotations, tender documentation and invoices. We also obtained supporting correspondence with suppliers in respect of price increases and variations where relevant. • We enquired of management regarding their assessment of the impact of climate change on the forecast costs to complete. In order to assess the reasonableness of their assumptions, we selected a sample of sites with construction phases beyond FY24. This was in order to assess for those sites impacted by the Future Homes Standard, that the application of future homes cost assumptions were appropriately reflected within the valuations. • We performed specific procedures to assess whether there were material movements recorded in the final stages of site completion, the net impact of this was not material. • We tested a sample of developments where the last plot was sold during FY24 and compared the final site margin to the previous quarterly valuation to assess whether the previous quarterly valuation was reasonable. • We performed specific procedures to assess whether there have been any material movements in the site margins post-year end. Where we identified sites with margin adjustments, the net impact of this was not material. • We performed inquiries of Internal Audit, Regional Chairs and the Divisional Director teams to further understand whether there are any other specific issues requiring evaluation.	We are satisfied the cost of sales margin and valuation of work-in-progress and land on sites under development is appropriate

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inappropriate valuation of land on sites not yet under development Refer to the Audit Committee Report (page 123); Accounting policies (pages 176 to 177); and Note 7 of the Consolidated Financial Statements (pages 185 to 186). The Group has reported total land of £2,431.4m (2023: £2,578.8m), of which £570.0m (2023: £659.5m) relates to land interests that are either not owned or unconditionally contracted, or without detailed planning permission. Land held without detailed planning permission is initially recorded at cost and reviewed for impairment with consideration of the value in use of the land and assessment of likelihood of achieving planning consent. There is a risk that land is valued at an amount that is higher than its recoverable amount, particularly where there are undeveloped sites where planning permission is yet to be granted or where development on the land is considered no longer feasible. The risk in respect of inappropriate valuation of land on sites not yet under development is heightened in the current year due to the UK's current macro-economic conditions.	Walkthrough and controls • We understood management's policies and performed a walkthrough the controls in place covering the valuation of land on sites not yet under development. Testing appropriateness of the valuation of land • For a sample of items included within the land bank not under development, we challenged management's assumptions in respect of land viability, with consideration of current economic factors impacting forecast margin calculations. Our sample included regional locations experiencing more severe economic impacts and/or reduction in house prices at a greater rate. • We performed test of details on the land bank and reviewed the status of planning permissions, agreeing to supporting information. We reviewed local authority planning websites for evidence of status of planning permissions and consultation outcomes. • For our sampled items we considered the impact of physical climate risks, with consideration to land bank at flood risk locations, for further indicators of impairment. • We performed inquiries of Internal Audit, Regional Chairs and the Divisional Director teams to further understand whether there are any potential impairment indicators. Testing the basis of management's provision calculation • We obtained management's fire provision schedule showing the brought forward fire provision, amounts spent and recovered, amounts further provided or released, and additional amounts recognised in respect of the Self-Remediation Terms and final year end provision, and understood significant movements. • We performed procedures on sites with known claims. We tested movements in the year, agreeing significant costs and recoveries to supporting documentation and agreed assumptions to third party support where available. We tested items of cash spend incurred in the year in excess of our testing threshold to supporting invoices, contractor certification or payment applications. • We obtained an understanding of the methodology used within valuation reports, through discussion with external consultants. This was in order to understand and challenge the basis of estimates made and to discuss the status of the most material provisions. We assessed the scope of the consultants work in accordance with government guidance. As part of our procedures, we assessed the objectivity, experience and competency of management's external specialist.	We are satisfied that the valuation of land on sites not yet under development is appropriate

Independent Auditor's Report to the Members of Bellway p.l.c. continued

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<tr><th>Risk</th><th>Our response to the risk</th><th>Key observations communicated to the Audit Committee</th></tr>
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Inappropriate recognition of legacy building safety improvement provisions

Refer to the Audit Committee Report (page 124); Accounting policies (pages 176 to 177); and Notes 2 and 10 of the Consolidated Financial Statements (pages 179 to 181 and 188 to 189).

The Group has reported:

- Net Self Remediation Terms ('SRT') and associated review provision of £463.6m (2023: £477.7m).
- Structural defects provision of £45.6m (2023: £30.5m).
- Net legacy building safety expense of £19.9m (2023: £38.6m).

There is estimation uncertainty and subjectivity in determining the most likely costs which will be required in order to remediate affected properties based on the latest legal interpretation and government guidance.

There is no change in our risk assessment from the prior year.

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Walkthrough and controls

- We performed a walkthrough of management's transaction controls in place over monitoring and updating the SRT and associated review and structural defects provisions to assess design effectiveness.
- We attended the valuation meeting closest to year end for the Building Safety division. As part of this, we observed the level of review applied by management in evaluating the status of live and pending projects (known claims) and challenging assumptions. This included estimates provided by third party consultants underpinning the amounts recognised relating to live projects within management's provision calculation.

Testing the basis of management's provision calculation

- We obtained management's provision schedules showing the brought forward provisions, amounts spent and recovered, amounts further provided or released, additional amounts recognised and the final year end provisions, and understood significant movements.
- We performed procedures on sites with known claims. We tested movements in the year, agreeing significant costs and recoveries to supporting documentation and agreed assumptions to third party support where available.
- We tested items of cash spend incurred in the year in excess of our testing threshold to supporting invoices, contractor certification or payment applications.
- We obtained an understanding of the methodology used within valuation reports, through discussion with external consultants. This was in order to understand and challenge the basis of estimates made and to discuss the status of the most material provisions. We assessed the scope of the consultants work in accordance with government guidance. As part of our procedures, we assessed the objectivity, experience and competency of management's external specialist.
- We performed testing on management's assumptions, with support from EY Insurance Risk and Actuarial specialists, regarding the costs of remediation per plot, the number of plots to be remediated, the time period for the work to be completed and the discount factor applied to the overall provision.
- We performed sensitivity analysis on the provision in order to establish whether these could give rise to material variances.
- We further performed divisional inquiries with all Regional Chairs and Divisional Finance teams to understand latest obligations. We further made inquiries of the Group Finance Director and the Group Chief Commercial Officer and Company Secretary. We did not identify any further known or potential issues to be included in management's provision calculation.

Disclosures within the financial statements

- We assessed the appropriateness of the disclosures included within the Financial Statements in relation to provisions and contingent liabilities, including the disclosure of the assumptions and associated sensitivities in relation to the key sources of estimation uncertainty.

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Based on the procedures performed, including testing of key movements, direct inquiry of management's expert and engaging EY Insurance Risk and Actuarial specialists in the audit of assumptions underpinning management's provision calculation, we are satisfied that the resultant year end provision is fairly stated.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £16.7 million (2023: £24.2 million), which is 5% (2023: 5%) of normalised profit before taxation (2023: profit before taxation). We believe that normalised profit before taxation, calculated as the average of 2023 and 2024 profit before taxation, provides us with the most relevant performance measure to the stakeholders of the Group and reflects the significant fluctuation in profitability arising from market conditions that are not expected to recur in future years. It is therefore an appropriate basis for materiality. We determined materiality for the Parent Company to be £3.2 million (2023: £3.0 million), which is 0.5% (2023: 0.5%) of total assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £12.5 million (2023: £18.2 million). We have set performance materiality at this percentage due to the level of misstatements identified in prior years being low

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £3.8 million to £11.9 million (2023: £4.3 million to £20.2 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.8 million (2023: £1.2 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 157, including the Strategic Report, Governance Reports, the Directors' Report set out on pages 8 to 157, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Bellway p.l.c. continued

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

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 or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 81;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 81;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 156 to 157;
- Directors' statement on fair, balanced and understandable set out on page 157;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 83 to 87;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 126 to 127; and
- The section describing the work of the audit committee set out on page 118 to 129.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 156 to 157, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 and Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code), tax legislation, competition law, employment law, health and safety legislation, environmental regulations and the Self-Remediation Terms with the Department for Levelling Up, Housing and Communities in relation to historical fire safety issues across the sector as well as equivalent regulations in Wales and Scotland.
- We understood how the Group is complying with those frameworks by making inquiries with management, internal audit, those responsible for legal and compliance procedures, the Group Chief Commercial Officer and Company Secretary and, where necessary, the Group's external legal counsel. We corroborated our enquiries through our review of Board minutes and review of Group compliance with policies and processes. We obtained and reviewed legal correspondence to support our audit procedures and to assess management positions reported in respect of legacy building safety improvements and the market investigation by the Competition and Markets Authority.

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it was considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual consolidation journals, and journals indicating large or unusual transactions based on our understanding of the business; enquiries of Group management and internal audit; and focused testing, as referred to in the key audit matters section above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the company on 11 December 2020 to audit the financial statements for the year ending 31 July 2021 and subsequent financial periods
- The period of total uninterrupted engagement including previous renewals and reappointments is 4 years, covering the years ending 31 July 2021 to 31 July 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Morritt (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

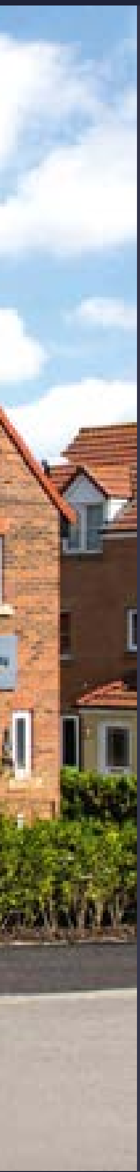
Newcastle upon Tyne
14 October 2024

Our Barton Meadows development in Northhamptonshire.

Sales advisor at our Crossways Quarter site.

Disciplined financial management with Bellway

We will continue with our disciplined approach to land investment and cost management.



Accounts

Primary statements

Accounting Policies

Notes to the Financial Statements

Key to financial statement icons

Throughout the financial statements the below icons are used and they represent the following:

Accounting policy

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

Accounting estimate

The Directors consider these areas to be the major sources of estimation that have been made in these financial statements.

Accounting judgement

The Directors consider these to be the major judgements that could have a significant effect on the financial statements when applying the Group's accounting policies.

Group Income Statement
for the year ended 31 July 2024

	Note	**2024 £m**	2023 £m
Revenue	1	**2,380.2**	3,406.6
Cost of sales	3	**(2,019.0)**	(2,757.9)
Analysed as:			
Underlying cost of sales		**(1,999.1)**	(2,719.3)
Adjusting item: net legacy building safety expense	2	**(19.9)**	(38.6)
Gross profit		**361.2**	648.7
Other operating income	4	**50.6**	29.1
Other operating expenses	4	**(51.8)**	(30.3)
Administrative expenses		**(147.2)**	(142.2)
Analysed as:			
Underlying administrative expenses		**(141.8)**	(142.2)
Adjusting item: aborted transaction costs	2	**(5.4)**	–
Operating profit	4	**212.8**	505.3
Finance income	16	**9.5**	9.9
Finance expenses	16	**(36.3)**	(30.8)
Analysed as:			
Underlying finance expenses		**(19.2)**	(19.8)
Adjusting item: net legacy building safety expense	2	**(17.1)**	(11.0)
Share of result of joint ventures	13	**(2.3)**	(1.4)
Profit before taxation		**183.7**	483.0
Income tax expense	6	**(53.2)**	(118.0)
Profit for the year*		**130.5**	365.0
Earnings per ordinary share – Basic	5	**109.8p**	297.7p
Earnings per ordinary share – Diluted	5	**109.0p**	296.3p

* All attributable to equity holders of the parent.

Adjusting items

	Note	**2024 £m**	2023 £m
Gross profit			
Gross profit per the Group Income Statement		**361.2**	648.7
Adjusting item: net legacy building safety expense	2	**19.9**	38.6
Underlying gross profit		**381.1**	687.3
Operating profit			
Operating profit per the Group Income Statement		**212.8**	505.3
Adjusting item: net legacy building safety expense	2	**19.9**	38.6
Adjusting item: aborted transaction costs	2	**5.4**	–
Underlying operating profit		**238.1**	543.9
Profit before taxation			
Profit before taxation per the Group Income Statement		**183.7**	483.0
Adjusting item: net legacy building safety expense	2	**37.0**	49.6
Adjusting item: aborted transaction costs	2	**5.4**	–
Underlying profit before taxation		**226.1**	532.6
Profit for the year			
Profit for the year per the Group Income Statement		**130.5**	365.0
Adjusting item: net legacy building safety expense	2	**37.0**	49.6
Adjusting item: aborted transaction costs	2	**5.4**	–
Adjusting item: income tax on exceptional items	2	**(12.3)**	(12.4)
Underlying profit for the year		**160.6**	402.2

Group Statement of Comprehensive Income

for the year ended 31 July 2024

	Note	2024 £m	2023 £m
Profit for the year		**130.5**	365.0
Other comprehensive expense			
Items that will not be recycled to the income statement:			
Remeasurement losses on defined benefit pension plans	22	**(1.6)**	(4.9)
Income tax on other comprehensive expense	6	**0.5**	1.4
Other comprehensive expense for the year, net of income tax		**(1.1)**	(3.5)
Total comprehensive income for the year*		**129.4**	361.5

* All attributable to equity holders of the parent.

Statements of Changes in Equity

at 31 July 2024

Group	Note	Issued capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 August 2022		15.4	182.0	20.0	1.5	3,148.9	3,367.8
Total comprehensive income for the year							
Profit for the year		–	–	–	–	365.0	365.0
Other comprehensive expense*		–	–	–	–	(3.5)	(3.5)
Total comprehensive income for the year		–	–	–	–	361.5	361.5
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	20	–	–	–	–	(171.7)	(171.7)
Credit in relation to share options and tax thereon	6, 23	–	–	–	–	4.5	4.5
Share buyback programme and cancellation of shares	18,19	(0.4)	–	0.4	–	(100.5)	(100.5)
Total contributions by and distributions to shareholders		(0.4)	–	0.4	–	(267.7)	(267.7)
Balance at 31 July 2023		15.0	182.0	20.4	1.5	3,242.7	3,461.6
Total comprehensive income for the year							
Profit for the year		–	–	–	–	130.5	130.5
Other comprehensive expense*		–	–	–	–	(1.1)	(1.1)
Total comprehensive income for the year		–	–	–	–	129.4	129.4
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	20	–	–	–	–	(131.7)	(131.7)
Shares issued	18	–	1.2	–	–	–	1.2
Credit in relation to share options and tax thereon	6, 23	–	–	–	–	5.3	5.3
Share buyback programme and cancellation of shares	18, 19	(0.2)	–	0.2	–	(0.4)	(0.4)
Total contributions by and distributions to shareholders		(0.2)	1.2	0.2	–	(126.8)	(125.6)
Balance at 31 July 2024		**14.8**	**183.2**	**20.6**	**1.5**	**3,245.3**	**3,465.4**

* An additional breakdown is provided in the Group Statement of Comprehensive Income.

Company	Note	Issued capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 August 2022		15.4	182.0	20.0	2.1	386.4	605.9
Total comprehensive income for the year							
Profit for the year		–	–	–	–	171.5	171.5
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	–	171.5	171.5
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	20	–	–	–	–	(171.7)	(171.7)
Credit in relation to share options	23	–	–	–	–	4.5	4.5
Share buyback programme and cancellation of shares	18, 19	(0.4)	–	0.4	–	(100.5)	(100.5)
Total contributions by and distributions to shareholders		(0.4)	–	0.4	–	(267.7)	(267.7)
Balance at 31 July 2023		15.0	182.0	20.4	2.1	290.2	509.7
Total comprehensive income for the year							
Profit for the year		–	–	–	–	234.0	234.0
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	–	234.0	234.0
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	20	–	–	–	–	(131.7)	(131.7)
Shares issued	18	–	1.2	–	–	–	1.2
Credit in relation to share options	23	–	–	–	–	4.5	4.5
Share buyback programme and cancellation of shares	18, 19	(0.2)	–	0.2	–	(0.4)	(0.4)
Total contributions by and distributions to shareholders		(0.2)	1.2	0.2	–	(127.6)	(126.4)
Balance at 31 July 2024		**14.8**	**183.2**	**20.6**	**2.1**	**396.6**	**617.3**

Balance Sheets

at 31 July 2024

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Restated* Company 2023 £m
ASSETS					
Non-current assets					
Property, plant and equipment	11	**30.2**	31.7	**–**	–
Investments in subsidiaries	12	**–**	–	**52.3**	48.0
Financial assets	12	**47.7**	38.6	**–**	–
Equity accounted joint arrangements	12	**9.8**	4.9	**–**	–
Deferred tax assets	6	**–**	1.7	**–**	–
Retirement benefit assets	22	**0.9**	2.5	**–**	–
Trade and other receivables	8	**–**	–	**441.1**	276.5
		88.6	79.4	**493.4**	324.5
Current assets					
Inventories	7	**4,714.8**	4,575.6	**–**	–
Trade and other receivables	8	**76.8**	88.3	**80.8**	167.3
Corporation tax receivable		**–**	8.8	**–**	–
Cash and cash equivalents	15	**119.5**	362.0	**55.8**	52.9
		4,911.1	5,034.7	**136.6**	220.2
Total assets		**4,999.7**	5,114.1	**630.0**	544.7
LIABILITIES					
Non-current liabilities					
Interest-bearing loans and borrowings	15	**130.0**	130.0	**–**	–
Trade and other payables	9	**93.6**	107.3	**–**	–
Deferred tax liabilities	6	**0.7**	6.2	**–**	–
Provisions	10	**376.5**	403.5	**–**	–
		600.8	647.0	**–**	–
Current liabilities					
Corporation tax payable		**7.9**	–	**1.8**	0.4
Trade and other payables	9	**792.9**	900.8	**10.9**	34.6
Provisions	10	**132.7**	104.7	**–**	–
		933.5	1,005.5	**12.7**	35.0
Total liabilities		**1,534.3**	1,652.5	**12.7**	35.0
Net assets		**3,465.4**	3,461.6	**617.3**	509.7
EQUITY					
Issued capital	18	**14.8**	15.0	**14.8**	15.0
Share premium	19	**183.2**	182.0	**183.2**	182.0
Capital redemption reserve	19	**20.6**	20.4	**20.6**	20.4
Other reserves		**1.5**	1.5	**2.1**	2.1
Retained earnings		**3,245.3**	3,242.7	**396.6**	290.2
Total equity		**3,465.4**	3,461.6	**617.3**	509.7

Approved by the Board of Directors on 14 October 2024 and signed on its behalf by:

John Tutte
Director

Keith Adey
Director

Registered number 1372603

* See basis of preparation for details of the restatement.

Parent Company Income Statement

In accordance with the provisions of section 408 of the Companies Act 2006, a separate Income Statement for the Company has not been presented. The Company's profit for the year was £234.0 million (2023 – £171.5 million).

Cash Flow Statements

for the year ended 31 July 2024

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Restated* Company 2023 £m
Cash flows from operating activities					
Profit for the year		**130.5**	365.0	**234.0**	171.5
Depreciation charge	11	**5.1**	6.0	**–**	–
Finance income	16	**(9.5)**	(9.9)	**(2.9)**	(1.9)
Finance expenses	16	**36.3**	30.8	**–**	–
Share-based payment expense	23	**4.5**	4.5	**0.2**	–
Share of post tax result of joint ventures	13	**2.3**	1.4	**–**	–
Income tax expense	6	**53.2**	118.0	**1.5**	0.4
Increase in inventories		**(139.2)**	(152.0)	**–**	–
Decrease/(increase) in trade and other receivables		**11.5**	28.7	**(243.5)**	(171.2)
(Decrease)/increase in trade and other payables		**(98.8)**	(75.3)	**10.8**	–
(Decrease)/increase in provisions		**(16.1)**	55.7	**–**	–
Cash (utilised in)/from operations		**(20.2)**	372.9	**0.1**	(1.2)
Interest paid		**(6.8)**	(6.9)	**–**	–
Income tax paid		**(38.5)**	(129.8)	**–**	–
Net cash (outflow)/inflow from operating activities		**(65.5)**	236.2	**0.1**	(1.2)
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(1.4)**	(2.7)	**–**	–
Proceeds from sale of property, plant and equipment		**–**	0.1	**–**	–
Increase in loans to joint ventures	12	**(13.9)**	(15.6)	**–**	–
Dividends from joint ventures	12	**2.0**	3.0	**–**	–
Interest received		**5.3**	6.9	**2.8**	1.3
Net amounts (outflow)/inflow from investing activities		**(8.0)**	(8.3)	**2.8**	1.3
Cash flows from financing activities					
Amounts received from subsidiary undertakings		**–**	–	**165.4**	237.7
Payment of lease liabilities	17	**(3.6)**	(3.5)	**–**	–
Proceeds from the issue of share capital on exercise of share options		**1.2**	–	**1.2**	–
Share buyback programme	18	**(34.9)**	(66.0)	**(34.9)**	(66.0)
Dividends paid	20	**(131.7)**	(171.7)	**(131.7)**	(171.7)
Net cash outflow from financing activities		**(169.0)**	(241.2)	**–**	–
Net (decrease)/increase in cash and cash equivalents		**(242.5)**	(13.3)	**2.9**	0.1
Cash and cash equivalents at beginning of year		**362.0**	375.3	**52.9**	52.8
Cash and cash equivalents at end of year	15	**119.5**	362.0	**55.8**	52.9

* See basis of preparation for details of the restatement.

Accounting Policies

Basis of preparation

Bellway p.l.c. (the 'Company') is a company incorporated in England and Wales.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 July. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of these entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint arrangements are those entities over whose activities the Group has joint control, established by contractual agreement. A joint arrangement can take two forms:

(i) Joint venture – these entities are included in the consolidated financial statements using the equity method of accounting.

(ii) Joint operation – the Group's share of the assets, liabilities and transactions of such entities are accounted for directly as if they were assets, liabilities and transactions of the Group.

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

The parent company financial statements are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. On publishing the Company financial statements here together with the Group financial statements, which were approved for issue on 14 October 2024, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these financial statements.

Other financial statement considerations

In preparing the Group and Company financial statements, management has considered the impact of climate change, and the possible impact of climate-related and other emerging business risks. A rigorous assessment of the impact of climate-related risks has been performed, and disclosed in the Strategic Report, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures. This included an assessment of inventories and how they could be affected by measures taken to address global warming. No issues were identified that would materially impact the carrying values of either the Group's or Company's assets or liabilities, or have any other material impact on the financial statements.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies set out within the notes to the financial statements have been applied consistently to all periods presented in these consolidated financial statements.

Parent Company prior year restatements

The prior year balance sheet of the Company has been restated to amend the presentation of amounts due from subsidiary undertakings. As £276.5 million of this balance was not expected to be realised within 12 months of the balance sheet date, this has been reclassified from current assets to non-current assets.

In addition, the cash flow statement of the Company has been restated to amend the presentation of £237.7 million of amounts received from subsidiary undertakings which relates to financing activities. The effect of this adjustment has been to amend the movement in trade and other receivables within operating cashflows from a decrease of £66.5 million to an increase of £171.2 million, and to amend amounts received from subsidiary undertakings within financing activities from £nil to £237.7 million.

These restatements have had no impact on the Company's net assets, cash and cash equivalents or profit for the year.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chief Executive's Market and Operational Review on pages 26 to 29. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Group Finance Director's Review on pages 30 to 33 and the Directors' Report on pages 154 to 157. The Risk Management section on pages 79 to 82 sets out the Group's policies and processes for managing its capital, financial risk, and its exposure to credit, liquidity, interest rate and housing market risk.

The Group's activities are financed principally by a combination of ordinary shares and cash in hand less debt. At 31 July 2024, Bellway had net debt of £10.5 million[2] (note 15), having utilised cash of £242.5 million (note 15) during the year, including £20.2 million of cash utilised in operations.

The Group has operated within all its debt covenants throughout the year, and covenant compliance was considered as part of the going concern assessment. In addition, the Group had bank facilities of £400.0 million at 31 July 2024, expiring in tranches up to December 2028. Furthermore, in February 2021 the Group entered into a contractual arrangement to issue a sterling US Private Placement ('USPP') for a total amount of £130.0 million, as part of its ordinary course of business financing arrangements, which has maturity dates in 2028 and 2031. In aggregate, the Group had committed debt lines of £530.0 million at 31 July 2024.

Including committed debt lines and cash, Bellway had access to total funds of £519.5 million, along with net current assets (excluding cash) of £3,858.1 million at 31 July 2024, providing the Group with appropriate liquidity to meet its current liabilities as they fall due.

The Group's internal forecasts have been regularly updated, incorporating our actual experience along with our expected future outturn. The latest available base forecast has been sensitised, setting out the Group's resilience to the principal risks and uncertainties in the most severe but plausible scenario. The sensitivity includes a recession due to economic uncertainty and a deterioration in customer confidence. This could lead to a reduction in both the total number of legal completions and private average selling price, with overheads, land spend and construction spend reducing accordingly.

This sensitivity includes the following principal assumptions:

- Private completions in H1 FY25 are supported by the forward order book. In the 12 months to 31 January 2026, private completions reduce by around 50% compared to the 12 month pre-stress peak achieved in FY22. This is followed by a gradual recovery based on the lower base position.
- Private average selling price in H1 FY25 remains in line with internal forecasts due to the forward order book position. In the 12 months to 31 January 2026, the private average selling price reduces by 10% compared to the latest achieved pricing. This is followed by a gradual recovery based on the lower base position.
- These assumptions reflect the Group's experience in the 2008-09 Global Financial Crisis.

A number of prudent mitigating actions within the Directors' control were incorporated into the plausible but severe downside scenario, including:

- Plots in the land bank only being replaced at the same rate that they are utilised.
- Construction spend reducing in line with housing revenue.
- Dividends reducing in line with earnings.

The sensitivity analysis was modelled over the period to 31 July 2026 for the going concern assessment, but extended to 31 July 2028 for the Directors' long-term viability assessment. In addition to the above, several additional mitigating measures remain available to management that were not included in the scenario. These include withholding discretionary land spend and instead trading out of the substantial existing land holdings.

In the scenario, the Group had significant headroom in both its financial debt covenants and existing debt facilities and met its liabilities as they fall due. In relation to climate risks, and in particular the requirement of the Group to reduce carbon emissions, the going concern assessment is not considered to be materially affected by the Future Homes Standard.

The Directors consider that the Group is well placed to manage business and financial risks in the current economic environment. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the period to 31 July 2026, aligning with the first year end after the minimum 12 month assessment period, and have therefore prepared the financial statements on a going concern basis.

Effect of new standards and amendments effective for the first time

The Group adopted and applied the following standards and amendments in the year, none of which had a material effect on the financial statements:

- IFRS 17 'Insurance Contracts';
- Definition of Accounting Estimates – amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12 'Income Taxes'; and
- Disclosure of Accounting Policies – Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2.

Notes to the Financial Statements

Basis of preparation continued

Standards and amendments in issue but not yet effective

At the date of authorisation of these financial statements there were a number of standards and amendments which were in issue but not yet effective. These have not been applied in these financial statements and are not expected to have a material effect when adopted.

Performance for the year

1. Revenue

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable, net of incentives.

Private housing sales and land sales

Revenue is recognised in the income statement at a point in time when the performance obligation, being the transfer of a completed dwelling or land to a customer, has been satisfied. This is when legal title is transferred.

Social housing

The Group reviews social housing contracts on a contract-by-contract basis and determines the appropriate revenue recognition based on the specific terms of each contract.

Where a contract with a housing association transfers both land and social housing on legal completion ('turnkey and plot sale contracts' which typically represents around one third of social housing revenue), there is one performance obligation and revenue is recognised in the income statement at a point in time when the homes are build complete and all material contractual obligations have been fulfilled. This is when legal title is transferred.

Where a contract with a housing association transfers legal title of land once foundations are in place ('design and build' contracts which typically represents around two thirds of social housing revenue) and separately transfers the social housing dwellings when they are build complete, there is a judgement as to whether the sale of land is a separate performance obligation for the purposes of revenue recognition and consequentially whether revenue should be recognised over time or on a point in time basis for the social housing units. Based on the contractual terms in the majority of such contracts, notably those that enable the Group to retain control over the land regardless of the transfer of title, the Group has determined that these contracts include one performance obligation which is appropriately recognised at a point in time, when the homes are build complete and all material contractual obligations have been fulfilled.

The Group recognises revenue in the income statement over time for contracts where the control of land is irrevocably transferred to the customer before or during construction. Revenue is recognised from the point that control is irrevocably transferred to the customer.

Where revenue is recognised over time and the outcome of the contract can be estimated reliably, it is recognised based on the stage of completion of the contract at the balance sheet date. This is usually by reference to surveys of work performed to the balance sheet date. Variations to such contracts are included in revenue to the extent that they have been agreed with the customer. Where the outcome of such a contract cannot be measured reliably, revenue is recognised to the extent of costs incurred.

Incentives

Sales incentives are substantially cash in nature. Cash incentives are recognised as a reduction in housing revenue by the cost to the Group of providing the incentive.

Segmental analysis

The Executive Board (the Chief Operating Decision Maker as defined in IFRS 8 'Operating Segments') regularly reviews the Group's performance and balance sheet position at both a consolidated and divisional level.
Each division is an operating segment as defined by IFRS 8 in that the Executive Board assesses performance and allocates resources at this level. All of the divisions have been aggregated in to one reporting segment on the basis that they share similar economic characteristics including:

- National supply agreements are in place for key inputs including materials.
- Debt is raised centrally and the cost of capital is the same at each division.
- Sales demand at each division is subject to the same macroeconomic factors, such as mortgage availability and government policy.

Additional information on average selling prices and the unit sales split between private and social has been included in the Group Finance Director's Review on pages 30 to 33. The Board does not, however, consider these categories to be separate reportable segments as they review the entire operations at a consolidated and divisional level when assessing performance and making decisions about the allocation of resources.

1. Revenue continued

Revenue from contracts with customers

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

	Housing completions		Revenue	
	2024 Number	2023 Number	**2024 £m**	2023 £m
Housing – private	**5,758**	8,166	**2,002.3**	2,931.3
Housing – social	**1,896**	2,779	**354.4**	465.0
Total housing	**7,654**	10,945	**2,356.7**	3,396.3
Non-housing revenue	**–**	–	**23.5**	10.3
Total	**7,654**	10,945	**2,380.2**	3,406.6

2. Net legacy building safety expense and exceptional items

Exceptional items are those which, in the opinion of the Board, are material by size or nature and of such significance that they require separate disclosure on the face of the income statement.

Exceptional items

A major judgement which the Directors consider could have a significant effect on the financial statements when applying the Group's accounting policies is whether items should be treated as adjusting and disclosed separately on the face of the primary statements. The Directors assessed each possible exceptional item against a framework incorporating the Group's accounting policy and the accounting requirements of IAS 1 'Presentation of Financial Statements' relating to the separate disclosure of material items of income or expense.

The Directors considered that the net legacy building safety expense and aborted transaction costs related to the all-share offer to acquire Crest Nicholson Holdings plc satisfied the requirements to be separately disclosed on the face of the income statement.

Profit before taxation for the years ended 31 July 2024 and 31 July 2023 has been arrived at after recognising the following items in the income statement:

	2024				
	SRT and associated review £m	**Structural defects £m**	**Total net legacy building safety expense £m**	**Aborted transaction costs £m**	**Total adjusting items £m**
Provisions (note 10)	6.1	14.1	**20.2**	–	**20.2**
Reimbursement assets (note 10)	(0.3)	–	**(0.3)**	–	**(0.3)**
Net cost of sales	5.8	14.1	**19.9**	–	**19.9**
Administrative expenses	–	–	**–**	5.4	**5.4**
Finance expenses (notes 10, 16)	15.9	1.2	**17.1**	–	**17.1**
Total net legacy building safety expense and exceptional items	21.7	15.3	**37.0**	5.4	**42.4**

	2023				
	SRT and associated review £m	Structural defects £m	Total net legacy building safety expense £m	Aborted transaction costs £m	Total adjusting items £m
Provisions	58.1	30.5	88.6	–	88.6
Reimbursement assets	(50.0)	–	(50.0)	–	(50.0)
Net cost of sales	8.1	30.5	38.6	–	38.6
Finance expenses (note 16)	11.0	–	11.0	–	11.0
Total net legacy building safety expense and exceptional items	19.1	30.5	49.6	–	49.6

Notes to the Financial Statements continued

2. Net legacy building safety expense and exceptional items continued

The income tax rate applied to the exceptional items in the income statement is the Group's standard rate of income tax, including both corporation tax and Residential Property Developer Tax ('RPDT'), of 29.0% (2023 – 25.0%).

SRT and associated review

Bellway continues to act responsibly with regards to building and resident safety, and this is reflected by the significant resource and funding the Group has committed to remediate its legacy apartments.

In March 2023 the Group signed the SRT with MHCLG. Under the terms of the SRT, developers have agreed to identify and remediate, life-critical fire safety defects in residential buildings over 11 metres in height that they have developed or refurbished since April 1992. The Group contractually committed to remediate its legacy buildings in both Wales and Scotland by signing the Pact with The Welsh Ministers (the 'Pact') in May 2023 and the Scottish Safer Buildings Accord in July 2023.

Signing the SRT has led to improved clarity on the standards required for internal and external remediation, including Publicly Available Specification ('PAS') 9980:2022, which is the code of practice for Fire Risk Appraisals of External Wall construction ('AE'). Buildings are deemed to be assessed under the requirements of the SRT when a qualifying assessment has been approved by the MHCLG. This requires the completion of both a FRÆW and a Fire Safety Assessment ('FSA').

In total, for the year ended 31 July 2024 Bellway set aside a net exceptional pre-tax expense of £21.7 million (2023 – £19.1 million), in relation to the SRT and associated review. Of this expense, a net £5.8 million (2023 – £8.1 million) is recognised in cost of sales and an adjusting finance expense of £15.9 million (2023 – £11.0 million) in relation to the unwinding of the discount of the provision to present value. The net expense recognised in cost of sales includes an expense of £32.7 million (2023 – £129.7 million) relating to cost estimate increases, and a further expense of £6.7 million (2023 – £33.0 million reduction) following a decrease (2023 – increase) in discount rates during the period (note 10), which are offset by provision releases of £33.3 million (2023 – £38.6 million). The net exceptional cost of sales expense includes one-off cost recoveries of £0.3 million (2023 – £50.0 million), across several sites, which have been pursued for several years.

The total amount Bellway has set aside in relation to the SRT and associated review since 2017 is £609.7 million (2023 – £582.8 million). Costs have been provided regardless of whether Bellway still retains ownership of the freehold interest in the building or whether warranty providers have a responsibility to carry out remedial works.

The provision has been calculated using cost estimates based on our extensive experience to date, using analysis of previously tendered works and prudent, professional estimates based on knowledge of known issues. In addition, on developments where full investigations have not yet been undertaken or cost reports obtained, costs to date on similar developments have been used to estimate the likely cost. We have also made assumptions with regards to the likely cost of resolving potential issues, that we have not yet been made aware of, on blocks constructed since 1992.

Cost estimates have been reviewed and updated in the year based on the latest scopes following surveys undertaken, tendered works and progress with remediation.

The provision calculation uses the expected timings of cash outflows which are adjusted for future estimated cost inflation in accordance with the Build Cost Information Service ('BCIS') index, a leading provider of cost and price information to the construction industry. The provision is discounted back to a present value using UK gilt rates with maturities which reflect the expected timing of cash outflows. The unwinding of this discount is charged through the income statement as an adjusting finance expense. The majority of the cash outflow is expected to be over the next five years, although there will be some residual expenditure beyond this. The anticipated timing reflects the complex issues around remediation including identifying the works required, design and planning obligations, interpretation of the PAS 9980:2022, liaison and negotiations with building owners, appointment of contractors and time taken to obtain access licences. As at 30 September 2024, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 137 buildings where work is complete or underway.

Total recoveries recognised since 2017 are £80.3 million (2023 – £80.0 million). Reimbursement assets of £0.1 million (2023 – £nil) remained outstanding at the year end (note 8).

Structural defects

During the year ended 31 July 2023 a structural defect relating to the reinforced concrete frame was identified at a historical high-rise apartment scheme in Greenwich, London. The current provision for the cost of the remediation work is £45.6 million (2023 – £30.5 million).

During the year, the remediation design and strategy evolved and following significant progress in the year, both are now at advanced stages. As a result, the scope and extent of required works has increased. This cost estimate is based on an expert third-party report and reflects management's expected scope of works.

In total, for the year ended 31 July 2024 Bellway set aside an exceptional pre-tax expense of £15.3 million (2023 – £30.5 million), in relation to the structural defects. Of this, £14.1 million (2023 – £30.5 million) is recognised in cost of sales. The amount recognised in cost of sales includes expenses of £13.8 million (2023 – £30.5 million) relating to cost estimate increases and £0.3 million (2023 – £nil) following a decrease in discount rates during the period (note 10). In addition, there is an adjusting finance expense of £1.2 million (2023 – £nil) relating to the unwinding of the discount of the provision to present value.

2. Net legacy building safety expense and exceptional items continued

The provision calculation uses the expected timings of cash outflows which are adjusted for future estimated cost inflation in accordance with the BCIS index. The provision is discounted back to a present value using UK gilt rates with maturities which reflect the expected timing of cash outflows. The unwinding of this discount is charged through the income statement as an adjusting finance expense.

The Group has carried out a review of other buildings constructed by, or on behalf of Bellway, where the same third parties responsible for the design of the frame in the Greenwich development have been involved. To date, no other similar design issues with reinforced concrete frames have been identified.

We are actively seeking recoveries in relation to the structural defect identified, but as these are not virtually certain at the balance sheet date, no reimbursement assets have been recognised.

The cash outflow is expected to be over the next three years.

Aborted transaction costs

During the year, the Group announced that it made an all-share offer to acquire Crest Nicholson Holdings plc. On 13 August 2024, the Board decided not to progress with this acquisition and have recognised £5.4 million (2023 – £nil) of costs associated with this aborted transaction as exceptional.

3. Cost of sales recognition

Cost of sales recognition

Cost of sales is recognised for completed house sales as an allocation of the latest whole site/phase gross margin which is an output of the site/phase valuation. These valuations, which are updated at frequent intervals throughout the life of the site/phase, use actual and forecast selling prices, land costs and construction costs and are sensitive to future movements in both the estimated cost to complete and expected selling prices. Forecast selling prices are inherently uncertain due to changes in market conditions. This is a key estimate made in the financial statements.

To determine the amount of cost of sales that the Group should recognise on its sites/phases in the year, the Group needs to allocate site/phase wide costs between all plots, both those already sold, and those plots to be sold in future periods. The Group generally allocates site/phase wide costs based on expected total revenue unless this does not reflect an appropriate apportionment of the costs. It is also necessary to estimate costs to complete on such sites/phases. In addition, the Group makes estimates in relation to future sales prices on the site/phase. The Group has a number of internal controls to assess and review the reasonableness of estimates made. If housing gross margin decreased by 200 basis points, it is estimated that the quantum of housing cost of sales would increase by around 2.4%.

4. Operating profit

4a. Part-exchange properties

Part-exchange properties

The purchase and subsequent sale of part-exchange properties is an activity undertaken in order to achieve the sale of a new property. The original sale of private housing is recognised at the fair value of the part-exchange property plus the cash received or receivable (note 1). The fair value of the part-exchange property is equal to the amount assessed by external valuers. The onward sale of a part-exchange property is recognised at the fair value of consideration received or receivable. As it is not considered a principal activity of the Group the income and expenses associated with this are recognised in other operating income and other operating expenses. Income is recognised in the income statement at a point in time when the performance obligations have been satisfied. This is when legal title is transferred.

All other operating income relates to the sale of part-exchange properties and all other operating expenses relate to the associated fair value of the part-exchange properties less costs to sell.

4b. Operating profit is stated after charging

	2024 £m	2023 £m
Employee costs (including Directors) (note 21)	**198.2**	223.2
Depreciation of owned property, plant and equipment (note 11)	**2.3**	2.7
Depreciation of right-of-use assets (note 11)	**2.8**	3.3
Expenses related to short-term and low value leases	**14.9**	17.6

Notes to the Financial Statements continued

4. Operating profit continued

4c. Auditor's remuneration

The remuneration paid to Ernst & Young LLP, the Group's external auditor, is as follows:

	2024 £000	2023 £000
Fee payable for the audit of the Company and consolidated financial statements	**89**	84
Amounts receivable by the auditor and its associates in respect of:		
Fees payable for the audit of the Company's subsidiaries	**455**	408
Fees payable for the pension scheme audit	**21**	20
Total audit fees	**565**	512
Non-audit related fees	**470**	–
Total fees related to the Company and its subsidiaries	**1,035**	512

Non-audit related fees comprise services related to the aborted acquisition of Crest Nicholson Holdings plc.

Details of the Group's policy on the use of the Company's auditor for non-audit services and auditor independence are set out in the Audit Committee Report on pages 118 to 129.

In addition to the remuneration paid to the Company's auditor for services related to the Company and its subsidiaries, the auditor received the following remuneration from joint ventures in which the Group participates:

	2024 £000	2023 £000
Fees payable for the audit of the Group's joint ventures pursuant to legislation	**46**	42
Total fees related to joint ventures	**46**	42

5. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled).

Diluted earnings per ordinary share uses the same profit for the year figure as the basic calculation. The weighted average number of shares has been adjusted to reflect the dilutive effect of outstanding share options allocated under employee share schemes where the market value exceeds the option price. Diluted earnings per ordinary share is calculated by dividing profit for the year by the diluted weighted average number of ordinary shares.

Reconciliations of the profit for the year and weighted average number of shares used in the calculations are outlined below:

	Profit for the year 2024 £m	Weighted average number of ordinary shares 2024 Number	Earnings per share 2024 p	Profit for the year 2023 £m	Weighted average number of ordinary shares 2023 Number	Earnings per share 2023 p
For basic earnings per ordinary share	**130.5**	**118,830,821**	**109.8**	365.0	122,593,350	297.7
Dilutive effect of options and awards		**846,522**	**(0.8)**		600,864	(1.4)
For diluted earnings per ordinary share	**130.5**	**119,677,343**	**109.0**	365.0	123,194,214	296.3

Underlying basic and underlying diluted earnings per share exclude the effect of adjusting items and any associated net tax amounts. Reconciliations of these are outlined below:

	Underlying profit for the year 2024 £m	Weighted average number of ordinary shares 2024 Number	Underlying earnings per share 2024 p	Underlying profit for the year 2023 £m	Weighted average number of ordinary shares 2023 Number	Underlying earnings per share 2023 p
For basic underlying earnings per ordinary share	**160.6**	**118,830,821**	**135.2**	402.2	122,593,350	328.1
Dilutive effect of options and awards		**846,522**	**(1.0)**		600,864	(1.6)
For diluted underlying earnings per ordinary share	**160.6**	**119,677,343**	**134.2**	402.2	123,194,214	326.5

Taxation

6. Taxation

Taxation

The charge for taxation is based on the result for the year and takes into account current and deferred taxation. The charge is recognised in the income statement except to the extent that it relates to either items recognised in equity in which case it is recognised in equity or other comprehensive income or expense in which case it is recognised in other comprehensive income or expense.

Deferred taxation

Deferred taxation is provided for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

6a. Income tax recognised in the income statement

	2024 £m	2023 £m
Current tax expense/(income):		
UK corporation tax	**49.1**	101.8
Residential property developer tax	**6.9**	18.6
Adjustments in respect of prior years	**(0.3)**	0.5
	55.7	120.9
Deferred tax income:		
Origination and reversal of temporary differences	**(2.5)**	(1.6)
Adjustments in respect of prior years	**–**	(1.3)
	(2.5)	(2.9)
Total income tax expense in income statement	**53.2**	118.0

6b. Factors affecting the income tax charge for the year

The effective tax expense is 29.0% of profit before taxation (2023 – 24.4%). Both the standard tax rate and effective tax rate include RPDT. The differences between the effective tax rate and the standard tax rate are explained below:

	2024 £m	2024 £m	2023 £m	2023 £m
Reconciliation of effective tax rate:				
Profit before taxation		**183.7**		483.0
Tax calculated at UK income tax rate	**29.0**	**53.3**	25.0	120.8
Non-taxable income and enhanced deductions	**0.1**	**0.2**	(0.4)	(2.0)
Adjustments in respect of prior years – current tax	**(0.1)**	**(0.3)**	0.1	0.5
– deferred tax	**–**	**–**	(0.3)	(1.3)
Effective tax rate and tax expense for the year	**29.0**	**53.2**	24.4	118.0

6. Taxation continued

As part of the UK adoption of the Organisation for Economic Cooperation and Development ('OECD') Pillar Two rules, the UK government announced two new taxes, the Multinational Top-up Tax and the Domestic Top-up Tax which are designed to ensure corporations pay tax at a rate of at least 15%. The Domestic Top-up Tax applied to the Group from 1 August 2024. As the Group's current effective tax rate is in excess of 15%, it is expected the introduction of this tax will not affect Bellway. The Multinational Top-up Tax is not expected to affect Bellway. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

It is currently expected that the Group's standard rate of tax, including RPDT, for the year ending 31 July 2025 will be 29%.

6c. Tax recognised in equity and other comprehensive expense

	2024 £m	2023 £m
Deferred tax recognised directly in equity and other comprehensive expense:		
Credit relating to remeasurements on the defined benefit pension scheme	**0.5**	1.4
Credit relating to equity-settled transactions	**0.8**	–

6d. Deferred Taxation

The following are the deferred tax assets/(liabilities) recognised by the Group and the movements thereon during the current and prior year:

Group	Capital allowances £m	Retirement benefit assets £m	Share-based payments £m	Inventory £m	Unutilised tax losses £m	Total £m
At 1 August 2022	(1.6)	(2.1)	0.1	(5.2)	–	(8.8)
Income statement credit	0.2	–	0.2	1.1	1.4	2.9
Credit to other comprehensive expense	–	1.4	–	–	–	1.4
At 31 July 2023	(1.4)	(0.7)	0.3	(4.1)	1.4	(4.5)
Income statement (expense)/credit	(0.2)	–	0.7	0.7	1.3	2.5
Credit to other comprehensive expense	–	0.5	–	–	–	0.5
Credit to equity	–	–	0.8	–	–	0.8
At 31 July 2024	**(1.6)**	**(0.2)**	**1.8**	**(3.4)**	**2.7**	**(0.7)**

The carrying amount of the gross deferred tax assets are reviewed at each balance sheet date and are recognised to the extent that there will be sufficient taxable profits to allow the asset to be recovered.

The deferred tax assets/(liabilities) held by the Group are valued at the substantively enacted corporation tax and RPDT rates totalling 29% that will be effective when they are expected to be realised.

There are no deferred tax balances in respect of the Company.

Working capital

7. Inventories

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, in relation to work-in-progress and showhomes, 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 selling price less all estimated costs of completion and overheads.

Land comprises: land held for development; options purchased in respect of land; investments in land without the benefit of planning consent; and, promotion agreements in respect of land without the benefit of planning consent.

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. Regular reviews are carried out to identify any impairment in the value of the land by comparing the total estimated selling prices less estimated selling expenses against the book cost of the land plus estimated costs to complete. A provision is made for any irrecoverable amounts. Where, through deferred payment terms, the fair value of land purchased differs from the amount that will subsequently be paid in settling the liability, the difference is charged as a finance expense in the income statement over the period to settlement.

Options purchased in respect of land are capitalised initially at cost. Regular reviews are carried out for impairment in the value of these options and provisions made accordingly to reflect loss of value. The impairment reviews consider the period elapsed since the date of purchase of the option given that the option contract has not been exercised at the review date. Further, the impairment reviews consider the remaining life of the option, taking account of any concerns over whether the remaining time available will allow a successful exercise of the option. The carrying cost of the option at the date of exercise is included within the cost of land purchased as a result of the option exercise.

Investments in land without the benefit of planning consent, either through the purchase of land or non-refundable deposits paid on land purchase contracts subject to planning consent, are included initially at cost. Regular reviews are carried out for impairment in the values of these investments and provision made to reflect any irrecoverable element. The impairment reviews consider the existing use value of the land and assess the likelihood of achieving planning consent and the value thereof.

Promotion agreements in respect of land without the benefit of planning consent comprise initial costs of entering into the agreements. These costs are capitalised initially at cost. Regular reviews are carried out for impairment in the values of these costs incurred and provisions made accordingly to reflect loss of value. The impairment reviews consider the likelihood of securing planning permission, the successful marketing of the site and the remaining life of the promotion agreement.

Carrying amount of land held for development and work-in-progress

Inventories are carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Valuations of site/phase work-in-progress are carried out at regular intervals and estimates of the cost to complete a site/phase and estimates of anticipated revenues are required to enable a development profit to be determined. Management are required to employ judgement in estimating the profitability of a site/phase and in assessing any impairment provisions which may be required. If a 10% increase was applied to the inventories net realisable provision, this would not have a material effect on the carrying value of work-in-progress and land held for development at the year end.

For both the years ended 31 July 2024 and 31 July 2023, a full review of inventories has been performed and write downs have been made where cost exceeds net realisable value. Estimated selling prices have been reviewed on a site by site/phase by phase basis and have been amended based on local management and the Board's assessment of current market conditions.

Notes to the Financial Statements continued

7. Inventories continued

Group	2024 £m	2023 £m
Land	**2,431.4**	2,578.8
Work-in-progress	**2,123.9**	1,861.6
Showhomes	**145.0**	117.2
Part-exchange properties	**14.5**	18.0
	4,714.8	4,575.6

Inventories of £1,942.9 million were expensed in the year (2023 – £2,662.0 million).

In the ordinary course of business, inventories have been written down by a net £8.2 million in the year (2023 – £18.4 million).

Land with a carrying value of £162.5 million (2023 – £212.0 million) was used as security for land payables (note 9).

Land includes £1,861.4 million (2023 – £1,913.3 million) which is owned or unconditionally contracted by the Group and where there is an implementable detailed planning permission.

The anticipated costs relating to the adoption of the Future Homes Standard in 2025, and the interim standard in 2023, are included within the carrying value of inventories as at 31 July 2024 and 31 July 2023 where appropriate.

The Directors consider all inventories to be essentially current in nature although the Group's operational cycle is such that a proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventory will be realised as this is subject to a number of factors including consumer demand and planning permission delays.

The Company has no inventory.

8. Trade and other receivables

Trade and other receivables

Trade and other receivables are stated at their fair value at the date of initial recognition and subsequently at amortised cost less allowances for impairment. Amounts recoverable on certain social housing contracts where revenue is recognised over time are included in trade receivables to the extent that they have been invoiced, or if not they are included within prepayments and accrued income, and are stated as the amount due less any foreseeable losses, equal to the lifetime expected credit loss.

The loss allowance for amounts owed by subsidiary undertakings is equal to the 12-month expected credit loss unless there has been a significant increase in credit risk since the date of initial recognition, in which case the loss allowance is equal to the lifetime expected credit loss. A significant increase in credit risk is deemed to have occurred if a review of available information indicates an increased probability of default.

Non-current receivables	Group 2024 £m	Group 2023 £m	Company 2024 £m	Restated* Company 2023 £m
Amounts due from subsidiary undertakings	**–**	–	**441.1**	276.5
	–	–	**441.1**	276.5

Current receivables	Group 2024 £m	Group 2023 £m	Company 2024 £m	Restated* Company 2023 £m
Trade receivables	**27.0**	34.6	**–**	–
Other receivables	**35.0**	36.5	**–**	–
Amounts due from subsidiary undertakings	**–**	–	**80.0**	166.7
Prepayments and accrued income	**14.8**	17.2	**0.8**	0.6
	76.8	88.3	**80.8**	167.3

* See basis of preparation for details of the restatement.

The Group assesses the ageing of trade receivables in accordance with the policy on page 80. None of the trade receivables are past their due dates (2023 – £nil), and are therefore all rated as low risk.

Other receivables includes £20.8 million (2023 – £26.1 million) in relation to VAT recoverable and £0.1 million (2023 – £nil) in relation to reimbursement assets (notes 2, 10).

The Group has assessed expected credit losses and the loss allowance for trade and other receivables as immaterial.

The Company has assessed expected credit losses and the loss allowance for amounts due from subsidiary undertakings as immaterial.

9. Trade and other payables

Trade and other payables

Trade and other payables on normal terms are not interest-bearing and are stated at their nominal value.
Trade payables on deferred terms, most notably in relation to land purchases, are recorded initially at the fair value of all expected future payments. The discount to nominal value is amortised over the period to settlement and charged to finance expenses.

Leases

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented in property, plant and equipment on the balance sheet and lease liabilities are shown on the balance sheet in trade and other payables in current liabilities and non-current liabilities.

Payments on account

Payments on account, measured at amortised cost, are recorded as a liability on receipt and are released to the income statement when revenue is recognised in accordance with the Group's revenue recognition policy.

Non-current liabilities	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Land payables	**82.6**	95.4	**–**	–
Lease liabilities	**11.0**	11.9	**–**	–
	93.6	107.3	**–**	–

Land payables of £70.9 million (2023 – £68.8 million) are secured on the land to which they relate.

The carrying value of the land used for security is £67.7 million (2023 – £65.4 million).

Current liabilities	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Trade payables	**285.0**	306.2	**–**	–
Land payables	**142.7**	273.4	**–**	–
Social security and other taxes	**5.6**	7.7	**0.2**	–
Other payables	**5.3**	5.0	**0.3**	0.1
Lease liabilities	**3.1**	3.1	**–**	–
Accruals	**194.6**	147.0	**10.4**	–
Payments on account	**156.6**	123.9	**–**	–
Share buyback obligation	**–**	34.5	**–**	34.5
	792.9	900.8	**10.9**	34.6

Notes to the Financial Statements continued

9. Trade and other payables continued

Land payables of £100.3 million (2023 – £151.7 million) are secured on the land to which they relate.

The carrying value of the land used for security is £94.8 million (2023 – £146.6 million).

Payments on account comprises deposits received in advance which are contract liabilities. Deposits received in advance are typically held for up to 18 months before the associated performance obligations are satisfied and the revenue is recognised. The majority of these contract liabilities as at 31 July 2023 have been recognised as revenue in the current year. The approximate transaction value allocated to the performance obligations that are unsatisfied at 31 July 2024 is £1,412.9 million[2] (2023 – £1,193.5 million), the majority of which is expected to be recognised as revenue during the next financial year.

Accruals includes £5.3 million (2023 – £nil) of aborted transaction costs (see note 2).

10. Provisions and reimbursement assets

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past transaction or event, and it is probable that the Group will be required to settle that obligation either due to known data or based on historical data and a weighting of possible outcomes against their associated probabilities. Provisions are measured at the Directors best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to the present value using a UK risk free discount rate reflecting the period of the expected cashflow, where the effect is material.

SRT and associated review

The Directors consider that their assessment and judgement of the SRT and associated review provision, in accordance with the Group's accounting policies, could have a significant effect on the Group's financial statements.

The Directors have established whether any remedial works are required to be performed on certain sites and if so, have then assessed whether there is a legal or constructive obligation at the balance sheet date. A legal obligation, assessed on a site-by-site basis, is present if the building was constructed within a specified time period and there are life critical defects as set out in the SRT, Pact or Accord. A constructive obligation is present if Bellway has communicated to the involved parties (such as residents and building owners) that it will undertake the remedial works. If the Group has identified that it has a legal or constructive obligation then a provision has been recognised for the latest estimated cost of the remedial works.

This is a highly complex area with judgements in respect of the extent of those properties within the scope of Bellway's SRT and associated review provision, the scope of the works and the provision could change should the scope of the SRT or latest interpretation of government guidance further evolve (note 24).

SRT and associated review

The SRT and associated review provision has been established to carry out remedial corrective works on a number of schemes. wManagement have estimated the cost of the corrective works for the current anticipated scope, but this is inherently uncertain as further investigative works are still to be undertaken across the portfolio of sites within the scope of the SRT and associated review. These estimates may change over time as further information is assessed, building works progress and the interpretation of the scope of the SRT or fire safety regulations further evolve.

If:

- cost estimates increase by 5%, the provision at 31 July 2024 would increase by around £23 million.
- the discount rate increases by 100 bps, the provision at 31 July 2024 would decrease by around £9 million.

10. Provisions and reimbursement assets continued

	SRT and associated review			Structural defects			Total legacy building safety improvements		
	Provision £m	Reimbursement assets £m	Total £m	Provision £m	Reimbursement assets £m	Total £m	Provision £m	Reimbursement assets £m	Total £m
At 1 August 2023	(477.7)	–	(477.7)	(30.5)	–	(30.5)	(508.2)	–	(508.2)
Adjusting item – cost of sales (note 2)	(6.1)	0.3	(5.8)	(14.1)	–	(14.1)	(20.2)	0.3	(19.9)
Analysed as:									
Additions	(32.7)	0.3	(32.4)	(13.8)	–	(13.8)	(46.5)	0.3	(46.2)
Released	33.3	–	33.3	–	–	–	33.3	–	33.3
Change in discount rate	(6.7)	–	(6.7)	(0.3)	–	(0.3)	(7.0)	–	(7.0)
Utilised/(received)	36.1	(0.2)	35.9	0.2	–	0.2	36.3	(0.2)	36.1
Unwinding of discount (notes 2, 16)	(15.9)	–	(15.9)	(1.2)	–	(1.2)	(17.1)	–	(17.1)
At 31 July 2024	**(463.6)**	**0.1**	**(463.5)**	**(45.6)**	**–**	**(45.6)**	**(509.2)**	**0.1**	**(509.1)**

The provision is classified as follows:

	SRT and associated review £m	**Structural defects £m**	**Total legacy building safety improvements £m**
Current	(132.5)	(0.2)	(132.7)
Non-current	(331.1)	(45.4)	(376.5)
Total	**(463.6)**	**(45.6)**	**(509.2)**

The Group has established a provision for the cost of performing fire remedial works on a number of legacy developments and a structural defect relating to a historical high rise apartment scheme (note 2).

The Company had no provisions in either year.

Investing activities

11. Property, plant and equipment

Property, plant and equipment

Items are stated at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is charged to the income statement on a straight-line basis over their estimated useful lives over the following number of years:

- Plant, fixtures and fittings – 3 to 10 years.
- Freehold buildings – 40 years.

Freehold land is not depreciated.

Right-of-use assets

The accounting policy for leases is included in note 9.

Accounts

Notes to the Financial Statements continued

11. Property, plant and equipment continued

Group	Owned Land and property £m	Owned Plant, fixtures and fittings £m	Right-of-use assets Land and property £m	Right-of-use assets Plant, fixtures and fittings £m	Total £m
Cost					
At 1 August 2022	16.9	16.0	20.2	5.0	58.1
Additions	1.3	1.4	0.4	0.6	3.7
Disposals	–	(1.3)	–	(1.5)	(2.8)
At 1 August 2023	18.2	16.1	20.6	4.1	59.0
Additions	0.1	1.3	2.3	–	3.7
Disposals	–	(1.5)	(0.5)	(1.0)	(3.0)
At 31 July 2024	**18.3**	**15.9**	**22.4**	**3.1**	**59.7**
Depreciation					
At 1 August 2022	3.3	10.7	7.5	2.4	23.9
Charge for year	0.4	2.3	2.3	1.0	6.0
On disposals	–	(1.2)	–	(1.4)	(2.6)
At 1 August 2023	3.7	11.8	9.8	2.0	27.3
Charge for year	0.5	1.8	2.0	0.8	5.1
On disposals	–	(1.5)	(0.5)	(0.9)	(2.9)
At 31 July 2024	**4.2**	**12.1**	**11.3**	**1.9**	**29.5**
Net book value					
At 31 July 2024	**14.1**	**3.8**	**11.1**	**1.2**	**30.2**
At 31 July 2023	14.5	4.3	10.8	2.1	31.7

The Company has no property, plant and equipment.

12. Financial assets and equity accounted joint arrangements, and investments in subsidiaries

Investments in subsidiaries

Interests in subsidiary undertakings are valued in the Company financial statements at cost less impairment.

The subsidiary undertakings and joint arrangements in which the Group has interests are incorporated in England and Wales. In each case their principal activity is related to housebuilding. At 31 July 2024, the Group was made up of 25 subsidiaries and 8 joint arrangements. Further details are included in note 26.

Where Bellway owns 100% of the voting rights of a business, the company is considered to be controlled by Bellway and is treated as a subsidiary.

The Group and Company had the following investments or financial assets in subsidiaries and joint arrangements at 31 July:

	Group 2024 £m	Group 2023 £m	**Company 2024 £m**	Company 2023 £m
Subsidiary undertakings				
Interest in subsidiary undertakings' shares at cost	**–**	–	**52.3**	48.0
Financial assets and equity accounted joint arrangements				
Financial assets – loan to joint ventures	**47.7**	38.6	**–**	–
Interest in joint ventures – equity	**9.8**	4.9	**–**	–
	57.5	43.5	**–**	–
	57.5	43.5	**52.3**	48.0

12. Financial assets and equity accounted joint arrangements, and investments in subsidiaries continued

The increase in interest in subsidiary undertakings in the year is related to share-based payments.

The movement on both the equity accounted joint ventures and related financial assets during the year is as follows:

	Group 2024 £m	Group 2023 £m
At the start of the year	**43.5**	30.2
Increase in loans to joint ventures	**18.3**	17.7
Dividends received from equity accounted joint ventures	**(2.0)**	(3.0)
Share of result	**(2.3)**	(1.4)
At the end of the year	**57.5**	43.5

There are no losses in any of the Group's joint ventures that have not been recognised by the Group.

At the balance sheet date, the Company had no interests in joint ventures.

13. Joint arrangements

DFE TW Residential Limited, Cramlington Developments Limited and Leebell Developments Limited are classified as joint operations as the shareholders have substantially all of the economic benefit of the assets and fund the liabilities of the entities.

Ponton Road LLP, Fradley Residential LLP, Lambeth Regeneration LLP, Bellway Latimer Cherry Hinton LLP and Langley Sustainable Urban Development Limited are classified as joint ventures as the Group has rights to the net assets of the arrangements rather than the individual assets and liabilities.

The Group's share of the joint ventures' net assets and income are made up as follows:

	Group 2024 £m	Group 2023 £m
Current assets	**74.0**	65.5
Current liabilities	**(63.5)**	(50.2)
Non-current liabilities	**(9.9)**	(10.4)
Share of net assets of joint ventures	**0.6**	4.9
Joint venture losses recognised against loan to joint ventures	**9.2**	–
Interest in joint ventures – equity	**9.8**	4.9
Revenue	**10.7**	10.6
Costs	**(8.2)**	(9.5)
Operating profit	**2.5**	1.1
Interest	**(4.8)**	(2.5)
Share of result of joint ventures	**(2.3)**	(1.4)
Share of dividends paid to joint venture partners	**(2.0)**	(3.0)

Guarantees relating to the overdrafts of the joint arrangements have been given by the Company (see note 17).

The Group has assessed expected credit losses and the loss allowance for joint venture financial assets as immaterial.

Notes to the Financial Statements continued

14. Commitments

Capital commitments

Group	2024 £m	2023 £m
Capital commitments		
Contracted not provided	**0.4**	–
Authorised not contracted	**0.1**	–

Company

The commitments of the Company were £nil (2023 – £nil).

Financing

15. Net (debt)/cash

Cash and cash equivalents

Cash and cash equivalents are defined as cash balances in hand and in the bank (including short-term cash deposits). The Group utilises bank overdraft facilities, which are repayable on demand, as part of its cash management policy. As a consequence, bank overdrafts are included as a component of net cash and cash equivalents within the cash flow statement.

Where bank agreements include a legal right of offset for in hand and overdraft balances, and the Group intends to settle the net outstanding position, the related balances are offset to record the net position in the balance sheet.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are stated at their fair value at the date of initial recognition and subsequently at amortised cost.

15a. Reconciliation of net cash flow to net (debt)/cash

Group	2024 £m	2023 £m
Decrease in net cash and cash equivalents	**(242.5)**	(13.3)
Decrease in net cash from cash flows	**(242.5)**	(13.3)
Net cash at 1 August	**232.0**	245.3
Net (debt)/cash at 31 July	**(10.5)**	232.0

Company	2024 £m	2023 £m
Increase in net cash and cash equivalents	**2.9**	0.1
Increase in net cash from cash flows	**2.9**	0.1
Net cash at 1 August	**52.9**	52.8
Net cash at 31 July	**55.8**	52.9

15b. Analysis of net (debt)/cash

Group	At 1 August 2023 £m	Cash flows £m	At 31 July 2024 £m
Cash and cash equivalents	362.0	(242.5)	**119.5**
Fixed rate sterling USPP notes	(130.0)	–	**(130.0)**
Net (debt)/cash	232.0	(242.5)	**(10.5)**

Company	At 1 August 2023 £m	Cash flows £m	At 31 July 2024 £m
Cash and cash equivalents	52.9	2.9	**55.8**
Net cash	52.9	2.9	**55.8**

16. Finance income and expenses

Finance income and expenses

Finance income includes interest receivable on bank deposits, loans to joint ventures and other receivables.

Finance expenses includes interest on bank borrowings and fixed rate sterling USPP notes. The discounting of both the deferred payments for land purchases and provisions produces a notional interest payable amount and this is also charged to finance expenses.

	2024 £m	2023 £m
Interest receivable on short-term bank deposits	**3.8**	7.2
Net interest on defined benefit asset (note 22)	**–**	0.3
Other interest receivable	**5.7**	2.4
Finance income	**9.5**	9.9

	2024 £m	2023 £m
Interest payable on bank loans	**3.8**	2.8
Interest payable on fixed rate sterling USPP notes	**3.4**	3.4
Interest on deferred term land payables	**11.1**	13.1
Unwinding of the discount on the legacy building safety improvements provision (notes 2, 10)	**17.1**	11.0
Interest payable on leases	**0.4**	0.5
Other interest payable	**0.5**	–
Finance expenses	**36.3**	30.8

The unwinding of the discount on the legacy building safety improvements provision is an adjusting item (note 2).

17. Financial instruments

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired, or when the Group has transferred those rights and substantially all the risks and rewards of the asset. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Land purchased on deferred terms

The Group sometimes acquires land on deferred payment terms. In accordance with IFRS 9 'Financial Instruments' the creditor is initially recorded at fair value, being the price paid for the land discounted to present day, and subsequently at amortised cost. The difference between the nominal value and the initial fair value is amortised over the deferred term to finance expenses, increasing the land creditor to its full cash settlement value on the payment date.

Financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements in accordance with IFRS 9 and accounts for them as such. The Company has assessed the fair value of these financial guarantee contracts to be immaterial (2023 – immaterial).

The maturity profile of the total contracted cash payments in respect of amounts due on land creditors at the balance sheet date is as follows:

	Balance at 31 July £m	Total contracted cash payment £m	Within 1 year or on demand £m	1–2 years £m	2–5 years £m	More than 5 years £m
At 31 July 2024	**225.3**	**234.9**	**145.0**	**62.2**	**26.8**	**0.9**
At 31 July 2023	368.8	381.1	276.0	61.6	26.0	17.5

Accounts

Notes to the Financial Statements continued

17. Financial instruments continued

The maturity profile of the total contracted payments in respect of financial liabilities (excluding amounts due on land creditors shown separately above) is as follows:

	Balance at 31 July £m	Total contracted cash payment £m	Within 1 year or on demand £m	1–2 years £m	2–5 years £m	More than 5 years £m
Trade and other payables (excluding lease liabilities)	484.9	484.9	484.9	–	–	–
Fixed rate sterling USPP notes	130.0	146.3	3.4	3.4	87.3	52.2
Lease liabilities	14.1	15.2	3.6	3.2	4.9	3.5
At 31 July 2024	**629.0**	**646.4**	**491.9**	**6.6**	**92.2**	**55.7**
Trade and other payables (excluding lease liabilities)	458.2	458.2	458.2	–	–	–
Fixed rate sterling USPP notes	130.0	149.8	3.4	3.4	89.4	53.6
Lease liabilities	15.0	17.5	3.6	3.6	6.5	3.8
Share buyback obligation	34.5	34.5	34.5	–	–	–
At 31 July 2023	637.7	660.0	499.7	7.0	95.9	57.4

The imputed interest rate on land payables reflects market interest rates available to the Group on floating rate bank loans at the time of acquiring the land.

At the year end, the Group had £400.0 million (2023 – £400.0 million) of undrawn bank facilities available.

Cash and cash equivalents

This comprises cash held by the Group and short-term bank deposits with a maturity date of less than one month.

The amount of cash and cash equivalents for the years ended 31 July 2024 and 31 July 2023 for both the Group and the Company are shown in note 15.

The average interest rate earned on the cash and cash equivalents balance as at 31 July 2024, excluding joint ventures, was 4.61% (2023 – 4.16%).

Fair values

The carrying values of financial assets and liabilities reasonably approximate their fair values.

Financial assets and liabilities by category

The carrying values and fair values of the financial assets and liabilities of the Group and the Company are as follows:

	Group 2024 £m	Group 2023 £m	**Company 2024 £m**	Company 2023 £m
Loans and receivables	**109.7**	109.7	**521.1**	443.2
Cash and cash equivalents	**119.5**	362.0	**55.8**	52.9
Financial liabilities at amortised cost	**(854.3)**	(1,006.5)	**(10.7)**	(34.6)
	(625.1)	(534.8)	**566.2**	461.5

17. Financial instruments continued

Reconciliation of liabilities arising from financing activities

Group	At 1 August £m	Net cash flows £m	New leases £m	Share buyback programme £m	Disposals £m	Interest £m	At 31 July £m
Fixed rate sterling USPP notes	130.0	(3.4)	–	–	–	3.4	**130.0**
Lease liabilities	15.0	(3.6)	2.3	–	–	0.4	**14.1**
Share buyback obligation	34.5	(34.9)	–	0.4	–	–	**–**
At 31 July 2024	**179.5**	**(41.9)**	**2.3**	**0.4**	**–**	**3.8**	**144.1**
Fixed rate sterling USPP notes	130.0	(3.4)	–	–	–	3.4	130.0
Lease liabilities	17.2	(3.5)	1.0	–	(0.2)	0.5	15.0
Share buyback obligation	–	(66.0)	–	100.5	–	–	34.5
At 31 July 2023	147.2	(72.9)	1.0	100.5	(0.2)	3.9	179.5

Company	At 1 August £m	Net cash flows £m	New leases £m	Share buyback programme £m	Disposals £m	Interest £m	At 31 July £m
Share buyback obligation	34.5	(34.9)	–	0.4	–	–	**–**
At 31 July 2024	**34.5**	**(34.9)**	**–**	**0.4**	**–**	**–**	**–**
Share buyback obligation	–	(66.0)	–	100.5	–	–	34.5
At 31 July 2023	–	(66.0)	–	100.5	–	–	34.5

Cash flows relating to interest are included within interest paid in cash flows from operating activities, within the cash flow statement.

Bank facilities

The Group had bank facilities of £400.0 million as at 31 July 2024 (2023 – £400.0 million) which, as at the year end, were due to expire during the course of the following financial years:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
By 31 July 2025	**–**	50.0	**–**	–
By 31 July 2026	**150.0**	100.0	**–**	–
By 31 July 2027	**50.0**	100.0	**–**	–
By 31 July 2028	**150.0**	150.0	**–**	–
By 31 July 2029	**50.0**	–	**–**	–
	400.0	400.0	**–**	–

Post year end the Group extended the maturity of some of its bank facilities by a year. In the above table, the £50.0 million that was due to expire by 31 July 2027 is now due to expire by 31 July 2028, and the £150.0 million that was due to expire by 31 July 2026 is now due to expire by 31 July 2027.

Notes to the Financial Statements continued

17. Financial instruments continued

Fixed rate sterling USPP notes

During 2021, the Group entered a contractual arrangement to issue fixed rate sterling USPP notes for a total amount of £130.0 million, as part of its ordinary course of business financing arrangements. This USPP debt has a weighted average fixed coupon of 2.7%, is fully drawn down at year end and expires during the course of the following financial years:

	Group 2024 £m	Group 2023 £m	**Company 2024 £m**	Company 2023 £m
By 31 July 2028	**80.0**	80.0	**–**	–
By 31 July 2031	**50.0**	50.0	**–**	–
	130.0	130.0	**–**	–

Capital management

The Group is financed through the proceeds of issued ordinary shares, reinvested profits and cash in hand less debt. The following table analyses the capital structure:

	Group 2024 £m	Group 2023 £m	**Company 2024 £m**	Company 2023 £m
Equity	**3,465.4**	3,461.6	**617.3**	509.7
Net debt (note 15)	**10.5**	–	**–**	–
Capital employed	**3,475.9**	3,461.6	**617.3**	509.7

Risks

Details of the risks relating to financial instruments are set out in the Risk Management section on page 80.

Company

Relating to subsidiaries

The Company is a guarantor to bank and USPP indebtedness of other companies within the Group. Based on the liquidity and expected cash generation of these other companies, the fair value of these guarantees, as at 31 July 2024 is immaterial (2023 – immaterial).

Relating to joint arrangements

The Company has guaranteed the overdrafts of joint arrangements up to a maximum of £0.3 million (2023 – £0.3 million). These overdrafts were cancelled post year end with the guarantees released and there were no related cash outflows, so the fair value of these guarantees, as at 31 July 2024 were considered immaterial (2023 – immaterial).

Shareholder capital

18. Issued capital

Classification of equity instruments and financial liabilities issued by the Group

Equity instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium exclude amounts in relation to those shares.

18. Issued capital continued

Group and Company

	2024 Number 000	2024 £m	2023 Number 000	2023 £m
Allotted, called up and fully paid 12.5p ordinary shares				
At start of year	**120,559**	**15.0**	123,486	15.4
Issued on exercise of options	**52**	**–**	2	–
Buyback and cancellation of shares	**(1,631)**	**(0.2)**	(2,929)	(0.4)
At end of year	**118,980**	**14.8**	120,559	15.0

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year, the Company purchased 1,631,263 of its own ordinary shares for a total consideration of £34.9 million, including transaction costs of £0.4 million. All shares purchased were for cancellation, as part of the £100.0 million share buyback programme entered into on 28 March 2023 and completed on 27 October 2023. As the programme was irrevocable, £34.5 million of this consideration was recognised as a financial liability as at 31 July 2023.

19. Reserves

Own shares held by ESOP trust

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

Share premium

This reserve is not distributable.

Own shares held

The Group and Company holds shares within the Bellway Employee Share Trust (1992) (the 'Trust'), on which dividends have been waived, for participants of certain share-based payment schemes as outlined in note 23. The cost of these is charged to retained earnings.

Group and Company

	2024 Number	2023 Number
At start of year	**327,202**	331,115
Transferred to employees or Directors	**(1,088)**	(3,913)
At end of year	**326,114**	327,202

	2024 £m	2023 £m
Cost of shares held in the Trust	**8.8**	8.8
Market value of shares held in the Trust	**9.3**	7.3

Capital redemption reserve

On 7 April 2014 the Group and Company redeemed 20,000,000 £1 preference shares, being all of the preference shares in issue. An amount of £20.0 million, equivalent to the nominal value of the shares redeemed, was transferred to a capital redemption reserve on the same date.

During the year, the Group and Company purchased 1,631,263 (2023 – 2,928,794) of its own shares which it cancelled. On cancellation of the shares, the aggregate nominal value was transferred from issued capital to the capital redemption reserve.

This reserve is not distributable.

Notes to the Financial Statements continued

19. Reserves continued

Group and Company

	2024 £m	2023 £m
At start of year	**20.4**	20.0
Amounts transferred in respect of own shares purchased and cancelled during the year	**0.2**	0.4
At end of year	**20.6**	20.4

20. Dividends on equity shares

Dividends

Dividends on equity shares are recognised as a liability in the period in which they are approved by the shareholders. Interim dividends are recognised when paid.

	2024 £m	2023 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 July 2023 of 95.0p per share (2022 – 95.0p)	**112.7**	117.0
Interim dividend for the year ended 31 July 2024 of 16.0p per share (2023 – 45.0p)	**19.0**	54.7
	131.7	171.7
Proposed final dividend for the year ended 31 July 2024 of 38.0p per share (2023 – 95.0p)	**45.1**	114.5

The 2024 proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 12 December 2024 and, in accordance with IAS 10 'Events after the Reporting Period', has not been included as a liability in these financial statements. At the record date for the final dividend for the year ended 31 July 2023, shares were held by the Bellway Employee Share Trust (1992) (the 'Trust') on which dividends had been waived (see note 19).

The level of distributable reserves are sufficient in comparison to the proposed dividend.

Directors and employees

21. Employee information

Employment costs, including directors, comprised:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Wages and salaries	**168.7**	191.5	**4.6**	2.5
Social security	**16.2**	18.4	**0.4**	0.5
Pension costs (note 22)	**8.8**	8.8	**0.2**	0.2
Share-based payments (note 23)	**4.5**	4.5	**1.8**	1.3
	198.2	223.2	**7.0**	4.5

The average number of persons employed, including Directors, during the year was:

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Administrative	**1,064**	1,170	**11**	7
Production and others employed in housebuilding and associated trading activities	**1,709**	1,960	**–**	–
	2,773	3,130	**11**	7

On 10 June 2024, the employment contracts of 26 employees of a subsidiary were transferred to the Company.

The majority of the costs of the Company's employees are charged to the other Group companies.

The emoluments of the Executive Directors are disclosed in the Report of the Board on Directors' Remuneration on pages 130 to 152.

21. Employee information continued

Key management personnel remuneration, including directors, comprised:

	2024 £m	2023 £m
Salaries and fees (including pension compensation)	**4.2**	3.3
Social security	**1.0**	0.6
Taxable benefits	**0.2**	0.2
Annual cash bonus	**3.3**	0.6
Pension costs	**0.2**	0.1
Share-based payments	**2.4**	1.7
	11.3	6.5

Key management personnel, as disclosed under IAS 24 'Related party disclosures', comprises the Directors and other senior operational management.

22. Retirement benefit assets

Employee benefits – retirement benefit costs

The net defined benefit scheme asset or liability is the fair value of scheme assets less the present value of the defined benefit obligation at the balance sheet date. The calculation is performed by a qualified actuary using the projected unit credit method. All remeasurement gains and losses are recognised immediately in the Statement of Comprehensive Income ('SOCI'). Net interest income/(cost) is calculated on the defined benefit asset/(liability) for the period by applying the discount rate used to measure the defined benefit liability at the start of the year. Return on plan assets in excess of the amounts included in the net interest cost are recognised in the SOCI.

Defined contribution pension costs are charged to the income statement in the period for which contributions are payable.

(a) Retirement benefit assets

The Group sponsors the Bellway plc 1972 Pension Scheme (the 'Scheme') which has a funded final salary defined benefit arrangement which is closed to new members and to future service accrual. The Group also sponsors the Bellway plc 2008 Group Self Invested Personal Pension Plan ('GSIPP') which is a defined contribution contract-based arrangement.

Contributions of £8.8 million (2023 – £8.8 million) were charged to the income statement for the GSIPP.

(b) Role of Trustees

The Scheme is managed by the Trustees, who are appointed by either the Company or the members. The role of the Trustees is to manage the Scheme in line with the Scheme trust deed and rules, to act prudently, responsibly and honestly, impartially and in the interests of all beneficiaries. The main responsibilities of the Trustees are to agree with the employer the level of contributions to the Scheme and to make sure these are paid, to decide how the Scheme's assets are invested so the Scheme is able to meet its liabilities, and to oversee that the payment of benefits, record keeping and administration of the Scheme complies with the Scheme trust deed and rules and legislation.

(c) Funding

UK legislation requires that pension schemes are funded prudently (i.e. to a level in excess of the current expected cost of providing benefits). The last full actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 31 July 2023 and updated on an approximate basis to 31 July 2024.

With regard to the Scheme, regular contributions made by the employer over the financial year were £nil (2023 – £nil). The employer paid no special contributions (2023 – £nil) and reimbursed the pension fund £nil (2023 – £nil) for expenses incurred by the fund.

The Group is expected to make no regular contributions during the year ending 31 July 2025.

(d) Regulation

The UK pensions market is regulated by the Pensions Regulator whose key statutory objectives in relation to UK defined benefit plans are:

- to protect the benefits of members of occupational pension schemes;
- to promote, and to improve understanding of the good administration of work-based pension schemes;
- to reduce the risk of situations arising which may lead to compensation being payable from the Pension Protection Fund, and
- to maximise employer compliance with employer duties and the employment safeguards introduced by the Pensions Act 2008.

Notes to the Financial Statements continued

22. Retirement benefit assets continued

(e) Risk

The Scheme exposes the Group to a number of risks, the most significant are:

Risk	Description
Asset volatility	The Scheme's defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields. However, a significant proportion of the Scheme's assets are invested in growth assets, such as equities, that would be expected to outperform corporate bonds in the long-term but create volatility and risk in the short-term. This scheme mitigates this volatility risk through the use of diversified growth funds and liability driven instruments.
Inflation risk	A significant proportion of the Scheme's defined benefit obligation is linked to inflation, with higher inflation increasing the liabilities. However, there are caps of either a 3% (CPI) or 5% p.a. (RPI) increase in place to limit the effect of higher inflation.
Life expectancy	The majority of the Scheme's liabilities are to provide a pension for the life of the member, with any increase in life expectancy also increasing the Scheme's defined benefit obligation.

The Group and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes liability driven investment funds which invest in assets such as gilts, swaps and repurchase agreements. The purpose of the liability driven investment funds is to significantly reduce the volatility of the Plan's funding level by mitigating inflation and interest rate risks, as the liability driven investment funds match the movements in interest rates and inflation closely.

High Court rules on amendments to contracted out defined benefit schemes

In the 2023 Virgin Media case, the High Court found that amendments to the rules of a contracted out scheme which related to section 9(2B) rights were void and ineffective to the extent that the amendment was introduced without the required Section 37 confirmation, even if the amendment did not adversely affect benefits. The case went to appeal, and, on 25 July 2024, the Court of Appeal upheld the High Court's decision.

A joint statement has been published by the Association of Consulting Actuaries, Association of Pension Lawyers and the Society of Pension Professionals, explaining that an industry group has been engaging with the Department for Work and Pensions ('DWP') and has proposed that the Secretary of State "should make regulations that would validate retrospectively any amendment that is held to be void…". At this stage the DWP has not indicated what, if any, resolution to the issue it may take.

The Scheme Trustee is in the process of assessing past deeds of amendment in light of this case. Once that review has been completed, the Group will be in a position to consider what, if any, effect there will be on the Scheme.

Movements in net defined benefit assets

	Defined benefit obligation		Fair value of Scheme assets		Net defined benefit asset	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Balance at 1 August	**(41.5)**	(48.9)	**44.0**	56.0	**2.5**	7.1
Included in the income statement						
Interest (expense)/income	**(2.1)**	(1.7)	**2.1**	2.0	**–**	0.3
	(2.1)	(1.7)	**2.1**	2.0	**–**	0.3
Included in other comprehensive (expense)/income						
Remeasurement gain arising from:						
– Change in demographic and financial assumptions	**(0.4)**	8.8	**–**	–	**(0.4)**	8.8
– Experience adjustments	**(0.8)**	(2.1)	**–**	–	**(0.8)**	(2.1)
Return on plan assets excluding interest income	**–**	–	**(0.4)**	(11.6)	**(0.4)**	(11.6)
	(1.2)	6.7	**(0.4)**	(11.6)	**(1.6)**	(4.9)
Other						
Benefits paid	**2.5**	2.4	**(2.5)**	(2.4)	**–**	–
	2.5	2.4	**(2.5)**	(2.4)	**–**	–
Balance at 31 July	**(42.3)**	(41.5)	**43.2**	44.0	**0.9**	2.5

22. Retirement benefit assets continued

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11 years (2023 – 12 years).

Scheme assets

The fair value of the Scheme assets is:

	2024 £m	2023 £m
Diversified growth fund	**13.9**	14.7
Corporate bonds	**4.9**	5.2
Liability driven instruments	**19.6**	18.7
Insurance policies annuities	**4.7**	5.2
Cash and cash equivalents	**0.1**	0.2
Total	**43.2**	44.0

None of the assets have a quoted market price in an active market.

Diversified growth funds are pooled funds invested across a diversified range of assets with the aim of giving long-term investment growth with lower short-term volatility than equities. Liability driven instruments are a portfolio of funds designed to hedge the majority of the interest rate and inflation risks associated with the schemes' obligations.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date:

	2024 % per annum	2023 % per annum
Discount rate	**5.00**	5.10
Future salary increases	**3.60**	3.60
Allowance for pension in payment increases of RPI or 5% p.a. if less	**2.90**	2.90
Allowance for deferred pension increases of 3% p.a.	**3.00**	3.00
Allowance for commutation of pension for cash at retirement	**15% of pension**	15% of pension

The mortality assumptions adopted at 31 July 2024 are based on the S3PxA tables and allow for future improvement in mortality. The tables used imply the following life expectancies at age 65:

Male retiring in 2024	**22.3 years**
Female retiring in 2024	**24.2 years**
Male retiring in 2044	**23.6 years**
Female retiring in 2044	**25.7 years**

The mortality assumptions adopted at 31 July 2023 were based on the S3PxA tables and allow for future improvement in mortality. The tables used imply the following life expectancies at age 65:

Male retiring in 2023	22.3 years
Female retiring in 2023	24.2 years
Male retiring in 2043	23.6 years
Female retiring in 2043	25.6 years

Notes to the Financial Statements continued

22. Retirement benefit assets continued

Sensitivities

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises the effect on the defined benefit obligation at the end of the reporting period if different assumptions were used:

Assumption	Change in assumption	Change in liabilities (%)
Discount rate	+0.10% p.a.	Decrease by 1.1%
Inflation	+0.10% p.a.	Increase by 1.0%
Mortality	+1 year life expectancy	Increase by 4.1%

The calculations for the sensitivity analysis are not as accurate as a full valuation carried out using these assumptions. Each assumption change is considered in isolation, which in practice is unlikely to occur, as changes in some of the assumptions are correlated.

23. Share-based payments

Employee benefits – share-based payments

The fair value of equity settled share options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured as at the date the options are granted and the charge is only amended if vesting does not take place due to non-market conditions not being met. Various option pricing models are used according to the terms of the option scheme under which the options were granted. The fair value is spread over the period during which the employees become unconditionally entitled to the options. At the balance sheet date, if it is expected that non-market conditions will not be satisfied, the cumulative expense recognised in relation to the relevant options is reversed.

With respect to share-based payments, a deferred tax asset is recognised on the relevant tax base. The tax base is then compared to the cumulative share-based payment expense recognised in the income statement. Deferred tax arising on the excess of the tax base over the cumulative share-based payment expense recognised in the income statement has been recognised directly in equity outside the SOCI as share-based payments are considered to be transactions with shareholders.

Where the Company grants options over its own shares to employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity settled share-based payment charge recognised in its consolidated financial statements, with the corresponding credit being recognised in equity.

The Group operates a long-term incentive plan ('LTIP'), a deferred bonus plans ('DBP'), an employee share option scheme and Savings Related Share Option Schemes ('SRSOS'), all of which are detailed below.

Awards under the LTIP have been made to Executive Directors, including the Chief Commercial Officer (formerly Group General Counsel and Company Secretary), and senior employees, with awards under the DBP also made to senior employees. The awards take the form of ordinary shares in the Company.

The Bellway p.l.c. (2014) Employee Share Option Scheme ('2014 ESOS') is an approved discretionary scheme which provides for the grant of options over ordinary shares to employees and Executive Directors. It is, however, the current intention that no Executive Directors of the Company should be granted options under this scheme. Awards will be available to vest after three years, subject to objective performance targets. As at 31 July 2024 no options had been granted under this scheme.

23. Share-based payments continued

Options issued under the SRSOS are offered to all employees including the Executive Directors.

An outline of the performance conditions in relation to the LTIP is detailed under the long-term incentive scheme section on pages 146 to 150 within the Remuneration Report.

Share-based payments have been valued by an external third party using various models detailed below, based on publicly available market data at the time of the grant, which the Directors consider to be the most appropriate method of determining their fair value.

The number and weighted average exercise price of share-based payments is as follows:

LTIP, DBP

	2024 Weighted average exercise price p	**2024 Number of options No.**	2023 Weighted average exercise price p	2023 Number of options No.
Outstanding at the beginning of the year	**–**	**459,623**	–	329,279
Granted during the year	**–**	**268,698**	–	222,974
Lapsed during the year	**–**	**(129,954)**	–	(88,717)
Exercised during the year	**–**	**(1,088)**	–	(3,913)
Outstanding at the end of the year	**–**	**597,279**	–	459,623
Exercisable at the end of the year	**–**	**–**	–	88

The options outstanding at 31 July 2024 have a weighted average contractual life of 1.5 years (2023 – 1.5 years). The weighted average share price at the date of exercise for share options exercised during the year was 2,260.9 (2023 – 1,906.6p).

SRSOS

	2024 Weighted average exercise price p	**2024 Number of options No.**	2023 Weighted average exercise price p	2023 Number of options No.
Outstanding at the beginning of the year	**1,686.5**	**753,984**	2,445.4	442,082
Granted during the year	**1,632.0**	**232,528**	1,550.0	684,517
Forfeited during the year	**1,707.6**	**(163,423)**	2,337.5	(371,508)
Exercised during the year	**2,268.9**	**(52,927)**	1,892.8	(1,107)
Outstanding at the end of the year	**1,625.5**	**770,162**	1,686.5	753,984
Exercisable at the end of the year	**2,338.2**	**6,767**	2,528.0	356

The options outstanding at 31 July 2024 have an exercise price in the range of 1,550.0p to 2,535.0p (2023 – 1,550.0p to 2,535.0p) and have a weighted average contractual life of 2.7 years (2023 – 3.3 years). The weighted average share price at the date of exercise for share options exercised during the year was 2,734.3p (2023 – 2,445.7p).

Notes to the Financial Statements continued

23. Share-based payments continued

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The inputs into the models for the various grants in the current and previous year were as follows:

	2024				
	October 2023	November 2023	November 2023	November 2023	November 2023
Scheme description	LTIP	LTIP	DBP	3 year SRSOS	5 year SRSOS
Valuation model	Monte Carlo	Monte Carlo	n/a	Black Scholes	Black Scholes
Grant date	24-Oct-23	14-Nov-23	14-Nov-23	22-Nov-23	22-Nov-23
Risk free interest rate	0.0%	0.0%	0.0%	4.3%	4.1%
Exercise price	–	–	–	1,632.0p	1,632.0p
Share price at date of grant	2,036.0p	2,350.0p	2,350.0p	2,378.0p	2,378.0p
Expected dividend yield	0.0%	5.0%	5.0%	5.0%	5.0%
Expected life	3 years	3 years	4 years	3 years 2 months	5 years 2 months
Vesting date	24-Oct-26	14-Nov-26	14-Nov-27	01-Feb-27	01-Feb-29
Expected volatility	30%	30%	30%	30%	35%
Fair value of option	1,376.6p	1,554.3p	1,744.0p	744.0p	789.0p

	2023					
	November 2022	November 2022	November 2022	November 2022	December 2022	December 2022
Scheme description	LTIP	LTIP	DBP	DBP	3 year SRSOS	5 year SRSOS
Valuation model	Monte Carlo	Monte Carlo	n/a	n/a	Black Scholes	Black Scholes
Grant date	11-Nov-22	28-Nov-22	28-Nov-22	28-Nov-22	07-Dec-22	07-Dec-22
Risk free interest rate	0.0%	0.0%	0.0%	0.0%	3.3%	3.2%
Exercise price	–	–	–	–	1,550.0p	1,550.0p
Share price at date of grant	2,093.0p	1,996.0p	1,996.0p	1,996.0p	1,940.0p	1,940.0p
Expected dividend yield	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Expected life	3 years	3 years	3 years	4 years	3 years 2 months	5 years 2 months
Vesting date	11-Nov-25	28-Nov-25	28-Nov-25	28-Nov-26	01-Feb-26	01-Feb-28
Expected volatility	40%	40%	40%	40%	40%	35%
Fair value of option	1,560.6p	1,412.6p	1,508.0p	1,432.0p	574.0p	537.0p

A simplified Monte Carlo simulation method has been used to determine the Group's TSR performance against the FTSE 350 Index (excluding investment trusts and financial service companies). In the case of the DBP, there are no market-related performance conditions and awards will be eligible to vest upon reaching a date set out in the Deed of the award. As dividends are not reinvested, the fair value of these awards is equal to the share price at the date of the grant. The valuations have also been adjusted for any post-vesting holding period with the adjustment calculated using Ghaidarov's adjustments to Finnerty's Average Strike Option Marketability Discount Model to calculate the loss of marketability discount factor.

The expected volatility for all models was determined by considering the volatility levels historically for the Group. Volatility levels for more recent years were considered to have more relevance than earlier years for the period reviewed.

The Group recognised total expenses of £4.5 million (2023 – £4.5 million) in relation to equity-settled share-based payment transactions.

Contingencies, related parties and subsidiaries

24. Contingent liabilities

Contingent liabilities

Contingent liabilities of the Group and Company are disclosed unless the possibility of an outflow in settlement is remote.

24. Contingent liabilities continued

Group

SRT and associated review

We continue to take a proactive approach to nationwide concerns with regards to fire safety in high-rise buildings across the UK. Bellway recognises its responsibilities in its legacy apartment portfolio and continues to review combustion risks, in external wall systems, on past high-rise developments.

As detailed in note 2, Bellway has identified a number of developments, which obtained building regulation approval at the time of construction, where the building materials used may not fully comply with the most recent government guidance or where remedial works may need to be performed in line with the SRT, Welsh Pact or Scottish Safer Buildings Accord. For these developments we have established that the cost of the remedial works satisfies the accounting requirements of a provision at the balance sheet date. While a prudent approach has been taken, the extent of the provision could increase or reduce in line with normal accounting practice, if new issues are identified or if estimates change, as Bellway and building owners continue to undertake investigative works on these and other schemes within the legacy portfolio.

Group and Company

Market investigation by the Competition and Markets Authority

The UK Competition and Markets Authority ('CMA') launched a market study into the housebuilding sector in England, Scotland and Wales in February 2023, the results of which were published in the CMA's final report on 26 February 2024.

During the study, the CMA stated that it also found evidence which indicated some housebuilders may be sharing commercially sensitive information with competitors, which could be influencing the build-out rate of sites and the prices of new homes. While the CMA does not consider such sharing of information to be one of the main factors in the persistent under delivery of homes, the CMA is concerned that it may weaken competition in the market. As a result, the CMA has launched an investigation under the Competition Act 1998 into eight housebuilders, including Bellway. The CMA has not yet reached any conclusions, and Bellway will continue to engage positively and co-operate fully with the CMA during the investigation.

25. Related party transactions

Group and Company

The Board and certain members of senior management are related parties within the definition of IAS 24 'Related Party Disclosures'. Summary information of the transactions with key management personnel is provided in note 21. Detailed disclosure of individual remuneration of Board members is included in the Remuneration Report on pages 130 to 152.

Group

Transactions between fellow subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

During the year the Group entered into the following related party transactions with its joint arrangements:

	2024 £m	2023 £m
Invoiced to joint arrangements in respect of accounting, management fees, interest on loans, land purchases and infrastructure works	**22.9**	22.4
Amounts owed to joint arrangements in respect of land purchases and management fees at the year end	**(5.0)**	(4.3)
Amounts owed by joint arrangements in respect of accounting, management fees, interest, land purchases and infrastructure works	**62.2**	45.4

Company

The Company has entered into transactions with its subsidiary undertakings in respect of Group services, including administrative, legal, management and operational services.

During the year the Company entered into the following related party transactions with its subsidiaries:

	2024 £m	2023 £m
Amounts received in the year from subsidiaries for share options exercised by subsidiary company employees, dividends received, finance income and recharges for group services	**244.5**	171.2
Amounts paid in the year by subsidiaries on behalf of the Company in respect of dividends, finance expenses and share purchases, and receivable from subsidiaries on disposal of investments	**(166.6)**	(237.7)
Amounts owed by subsidiaries in respect of dividends and shares issued net of amounts paid on behalf of the Company	**521.1**	443.2
Investments in subsidiaries	**52.3**	48.0

Notes to the Financial Statements continued

26. Group undertakings

The Directors set out below information relating to the Group undertakings (excluding resident management companies presented in note 27) as at 31 July 2024. All of these Group undertakings are registered in England and Wales unless otherwise stated. They are engaged in housebuilding and associated activities, have coterminous year ends with the Group, 100% of their ordinary share capital is held by the Company and the registered address is the same as the Company (unless otherwise stated).

Subsidiaries – trading
Bellway Homes Limited
Bellway Housing Trust Limited
Bellway Properties Limited
Bellway (Services) Limited
Litrose Investments Limited
Woolsington One Limited ^^
Ashberry Strategic Land Limited (formerly Rosconn Strategic Land Limited) ^^
Bellway Home Space Limited (formerly Woolsington Three Limited)[g]
Joint arrangements
Cramlington Developments Limited (50% owned, year end of 30 June) ^^ [a]
Fradley Residential LLP (50% owned) ^^
Leebell Developments Limited (50% owned, year end of 30 June) ^^ [a]
Ponton Road LLP (50% owned) ^^
Lambeth Regeneration LLP (50% owned) ^^
Bellway Latimer Cherry Hinton LLP (50% owned) ^^
DFE TW Residential Limited (50% owned) ^^ [c]
Langley Sustainable Urban Extension Limited (33% owned) ^^ [e]
Subsidiaries – dormant ^
Ashberry Homes Limited
Bellway (Builders) Limited
Bellway Financial Services Limited
Bellway London Limited
Bellway Trustee Company Limited
Bulldog Premium Growth I Limited
George Blackett Limited
Homes2Let Limited
J. T. B. (Chapel Farm) Estates Limited
J. T. B. Estates Limited
John T. Bell & Sons (1976) Limited
Nixons Kitchens Limited
Seaton GR SPV 13 Limited
Seaton GR SPV 14 Limited
Seaton Thirteen Limited
Seaton Eleven Limited [f]
Seaton Eight Limited
Other entities
HBF Insurance PCC Limited [b]
MI New Home Insurance PCC Limited [b]
Artex Insurance (Guernsey) PCC Limited [d]

Notes:
^ Dormant
^^ These shares are held indirectly.
a. Registered address is Persimmon House, Fulford, York, YO19 4FE
b. Registered address is PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET
c. Registered address is 5 Temple Square, Temple Street, Liverpool, L2 5RH
d. Registered address is PO Box 230, Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4JH
e. Registered address is One Eleven, Edmund Street, Birmingham, B3 2HJ
f. Registered address is Bothwell House, Hamilton Business Park, Caird Street, Hamilton ML3 0QA
g. Name change effective from 14 October 2024.

27. Resident management companies

The Directors set out below information relating to resident management companies which are currently held by the Group as at 31 July 2024.

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, unless otherwise indicated, without share capital 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.

Company Name	Registered Office
Abbey Heights Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Abbotswood Park Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, SP2 7QY
Abingworth Meadows Management Company Limited	Suite No. 1 Stubbings House, Henley Road, Maidenhead, Berkshire, England, SL6 6QL
Admiral Park (Tongham) Management Company Limited	Victoria House, 178 - 180 Fleet Road, Fleet, Hampshire, England, GU51 4DA
Alkerden Heights (Parcel 5a) Management Company Limited	C/O Trinity Estates Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Amen Corner (Binfield) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, SP2 7QY
Archers Field Management Company Limited	8 Hemmells, Basildon, Essex, England, SS15 6ED
Area F1 (Kings Hill) Management Company Limited	Gateway House, 10 Coopers Way, Southend-On-Sea, Essex, United Kingdom, SS2 5TE
Arrowe Brook Park (Greasby) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Ashlands and Brierley View Management Company Limited	Bellway Homes Limited (East Midlands) 3 Romulus Court, Meridian Business Park, Braunstone Town, Leicester, United Kingdom, LE19 1YG
Aspects Management Company Limited	100 Avebury Boulevard, Milton Keynes, England, MK9 1FH*
Aspen Apartments (Colchester) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Aspen Walk (Eight Ash Green) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Astley Management Company Limited	Bellway Homes Limited (West Midlands) 1 Centurion Court, Centurion Way, Wilnecote, Tamworth, Staffordshire, United Kingdom, B77 5PN
Avondale (Cressing) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Azalea (Medstead) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Badbury Reach Management Company Limited	Trinity, Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Barley Fields (Tamworth) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Barleycorn Way Residents Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Barleywoods Residential Management Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Bartley Square Management Company Limited	Sutherland House, 1759 London Road, Leigh-On-Sea, Essex, SS9 2RZ
Barton Manor (Barton) Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH
Barton Meadows Residents Management Company Limited	C/O Kingston Property Services Limited Cheviot House, Beaminster Way, East Kingston Park, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Barton Quarter (Horwich) Residents Management Company Limited	C/O Rmg House, Essex Road, Hoddesdon, United Kingdom, EN11 0DR
Bassingbourne Fields Management Company Limited	C/O Michæl Laurie Magar Ltd, Elstree Way, Borehamwood, England, WD6 1JH
Baswich Grange Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Beaulieu Grange (Chelmsford) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Beckton Parkside Management Company Limited	C/O Pinnacle Housing Ltd As Agent For Beckton Parkside Management Company Limited, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6PL
Bellway at Rosewood Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Bellway Whitehouse Farm Management Company Limited	253-255 Queensway Queensway, Bletchley, Milton Keynes, England, MK2 2EH
Belmont Park (Maidenhead) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Belvedere Park Management Company Limited	20 King Street, London, England, EC2V 8EG
Bentall Place (Heybridge) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Berwick Green Bristol Management Company Limited	1st Floor 2540 The Quadrant, Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ*
Bicknor Wood Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

Notes to the Financial Statements continued

27. Resident management companies continued

Company Name	Registered Office
Blenheim Green Management Company Limited	C/O Trustmgt Ltd Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Bluebell Walk (Harrietsham) Management Company Ltd	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Southend-On-Sea, Essex, United Kingdom, SS2 5TE
Bluebells (Witham) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Bluecoats Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Bluenote Apartments Management Company Limited	395 Centennial Park Centennial Avenue, Elstree, Borehamwood, England, WD6 3TJ
Boorley Gardens Residents Management Company Limited	2 Centro Place, Pride Park, Derby, Derbyshire, United Kingdom, DE24 8RF*
Bourne View (Ipswich) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Bower Place Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Bowood View (Melksham) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Brackley Village Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Brambleside Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Brampton Gate Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Bridleway Grange Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
Broadleaf Ashby Management Company Limited	100 Avebury Boulevard, Milton Keynes, United Kingdom, MK9 1FH
Broadleaf Management Company Limited	100 Avebury Boulevard, Milton Keynes, United Kingdom, MK9 1FH
Brook Meadows Wixams Residents Management Company Limited	Building 5 Caldecotte Lake, Caldecotte, Milton Keynes, United Kingdom, MK7 8LE
Brook View (Wixams) Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Brookvale Management Company Limited	Trinity Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Buckland Rise (Peters Village) Management Company Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Buckthorn Grange Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Burdon Rise Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Byron Heights Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, Tyne And Wear, England, NE3 2ER
Castlegate (Skelton) Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, England, NE3 2ER
Cathedral Park (Chichester) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Cecilly Mills Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Centurion Chase Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Centurion Fields Elloughton Ltd	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Chailey Gardens Management Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Chalfont Drive Residents Management Company Limited	406a Birmingham Road, Sutton Coldfield, England, B72 1YJ
Chamberlains Bridge Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Charters Hill Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Cherry Orchard (Bevere) Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Chestnut Vale Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Chilsey Grange Management Company Limited	Imperium, Imperial Way, Reading, Berkshire, United Kingdom, RG2 0TD
City Fields (Wakefield) Management Company Limited	2 Centro Place, Pride Park, Derby, Derbyshire, DE24 8RF
Clarence Gate Residents Management Company Limited	C/O Kingston Property Services Limited Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Clifford Gardens (Skipton) Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, United Kingdom, SY1 3BF
Coed Derw Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Cooper Square (Maidenhead) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Copenhagen Wharf Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Copperfields Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
Copperhouse Green Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Copthorne Keep Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Corallian Heights Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Cornelia Gardens Management Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN

27. Resident management companies continued

Company Name	Registered Office
Cornfield's Residents Management Company Limited	Romulus Court Meridian East, Meridian Business Park, Leicester, Leicestershire, United Kingdom, LE19 1YG
Cortlands Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Cotton Woods (Preston) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Crossways Quarter Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Crown Fields (Chatham) Management Company Limited	C/O Gateway Property Management Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-On-Sea, Essex, England, SS2 5TE
Curzon Park (Residents) Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Cuttle Brook Management Company Ltd	One Eleven, Edmund Street, Birmingham, B3 2HJ
Dacres Wood Court Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Dalesway (Harrogate) Management Company Limited	RMG House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
Darwins Edge Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
De Havilland Place (Kings Hill) Management Company Limited	C/O 30 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Devonshire Place (Grays) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Dickens Manor Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Digby Court (Birmingham) Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH
Dove Manor Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Dunton Fields (Laindon) Management Company Limited	8 Hemmells, Basildon, Essex, England, SS15 6ED
Earlsfield Park (Knowsley) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
East Middle Callerton Residents Management Company Limited	Kingston Property Services Limited Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Eastbrook Village East Phase 1 (Site H) Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Eastbrook Village East Phase 2 (Site H) Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Eastside Quarter Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Ebbsfleet Cross (Phase 2) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Ebbsfleet Cross Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Elder brook Residents Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JH
Elements Residents Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
Elizabeth Square (Durrington) Residents Management Company Limited	C/O Bellway Homes Limited (South London) 1st Floor, Regent House, 1-3 Queensway, Redhill, Surrey, United Kingdom, RH1 1QT
Elmington Parcel 1 Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Elmington Parcel 2 Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Elmington Parcel 3 Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Euxton Heights Residents Management Company Limited	C/O Trustmgt (Rfs) Limited, Unit 7 Portal Business Park, Tarporley, Cheshire, United Kingdom, CW6 9DL
Eve Meadows (Haughley) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Fairfields (Calcot) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Falcon Grove Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Fallow Wood View (Burgess Hill) Residents Management Company Limited	C/O Bellway Homes Limited (South London) 1st Floor, Regent House, 1-3 Queensway, Redhill, Surrey, United Kingdom, RH1 1QT
Farriers Court Residents Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Fellows Gardens Management Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Fielders Crescent Management Company Limited	C/O Pinnacle Housing Ltd As Agent For Fielders Crescent Management Company Limited, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6PL
Fielders Crescent Phase 3 (209A) Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Fielders Quarter Phase 4 (209B) Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Fielders Quarter Phase 5 (208A) Management Company Limited	8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL
Fifers Lane (Orchard Place) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, HP2 7DN
Forest Chase Management Company Ltd	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Forest Oak Management Company Limited	Faulkner & Company 1a, George Street, Hinckley, Leicestershire, England, LE10 0AL
Forest Walk (Lydney) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Forster Park (Stevenage) Residents Management Company Ltd	2 Centro Place, Pride Park, Derby, Derbyshire, United Kingdom, DE24 8RF
Four Oaks (Oxted) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

Notes to the Financial Statements continued

27. Resident management companies continued

Company Name	Registered Office
Foxhill (Brackley) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Foxlow Grange Berryfields Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Foxmill Gardens (Willand) Management Company Limited	C/O Principle Estate Management, 137 Newhall Street, Birmingham, United Kingdom, B3 1SF
Frobisher Court (Finningley) Management Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, United Kingdom, SY1 3BF
Furlong Park Residents Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Fusion (Harlow) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Gloster Chase Management Company Limited	C/O 30 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Goodsyard (No 1) Management Company Limited	395 Centennial Park 395 Centennial Park, Centennial Avenue, Elstree, London, United Kingdom, WD6 3TJ
Grammar School Gardens Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Great Dunmow Grange Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Greensands Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Greenwich Wharf Management Company Limited	8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW
Grey Gables Farm Management Company Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ
Greystone Meadows (Undy) Management Company Limited	7 Portal Business Park, Eaton Lane, Tarporley, England, CW6 9DL
Grove Meadows Management Company Limited	Marlborough House, 298 Regents Park Road, London, N3 2UU
Halewood Oaks Resident Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Hall Road (Rochford) Management Company Limited	C/O Pod Group Services Limited First Floor, Unit 1, Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JD
Halyards Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Hampden Gardens (Thame) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Hampton Trove Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Hanwell View Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Harbour Village (Ebbsfleet) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Hardintone Court Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH
Harnham Park Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Hartshorne Residents Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Hartside View (Hartlepool) Residents Management Company Limited	2 Centro Place, Pride Park, Derby, Derbyshire, United Kingdom, DE24 8RF*
Harvard Place (Earls Colne) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Harvino Residents Management Company Limited	Trustmgt (Rfs) Limited 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL
Hatfield Grove (Hatfield Peveral) Management Company Limited	C/O Pod Group Services Limited First Floor, Unit 1, Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JD
Hathaway Gardens Management Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Hathaway Gardens Ph2 Residents Management Company Limited	100 Avebury Boulevard, Milton Keynes, United Kingdom, MK9 1FH
Hawksview (Hawkhurst) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Hawthorne Rise Management Company Limited	Trinity, Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Hazel Fold Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
Hazelrigg Residents Management Company Limited	2 Centro Place, Pride Park, Derby, Derbyshire, DE24 8RF*
Hazlemere Marina (Waltham Abbey) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Heathcote Park (Warwick) Management Limited	Alexander Faulkner Partnership Limited, 11 Little Park Farm Road, Fareham, England, PO15 5SN
Heatherley Wood Residents Management Company Limited	Rmg House, Essex Road, Hoddesdon, England, EN11 0DR
Heathlands Rmc Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Helios Park Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Helios Park Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Helliers Lane (Cheddar) Management Company Limited	1st Floor 2540 The Quadrant Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ
Hellingly (Hailsham) Management Company Ltd	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

27. Resident management companies continued

Company Name	Registered Office
Henderson Park (Thorpe le Soken) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
High Point Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Highland Park (South Ockendon) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Highlands Grange Management Company Limited	Bellway House Anchor Boulevard, Crossways Business Park, Dartford, Kent, England, DA2 6QH
Hinxhill Park (Ashford) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Hollytree Walk (Colchester) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Holmwood Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Hugglescote Grange Management Company Limited	Bellway Homes Limited (East Midlands) Romulus Court, Meridian East, Leicester, United Kingdom, LE19 1YG
Huntercombe Walk (Taplow) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
Ikon (Croydon) Management Company Limited	Sutherland House, 1759 London Road, Leigh On Sea, Essex, United Kingdom, SS9 2RZ
Imperial Gardens (Howden) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, CW6 9DL
Imperial Park (Maidstone) Management Company Limited	Gateway House, 10 Coopers Way, Southend On Sea, Essex, United Kingdom, SS2 5TE
Indigo Park (Chichester) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Ivy Hill Residential Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Jameson Manor Residents Management Company Limited	Kingston Property Services Limited Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Jellicoe Gardens (Moreton) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL
Jubilee Green Management Company Limited	Bellway Homes Limited (South Midlands) Oak House, Eastwood Business Village, Harry Weston Road, Binley, Coventry, United Kingdom, CV3 2UB
Jubilee Park Residents Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, UK, SY1 3BF
K George's Vale (Cuffley) Management Company Limited	Gateway House, 10 Coopers Way, Southend-On-Sea, Essex, England, SS2 5TE
Keephatch Gardens (Wokingham) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Kent Wharf Management Company Limited	Concierge Office Kent Wharf, Creekside, London, England, SE8 3GP
Kingfisher Green (Rainham) Management company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Kingsland Gate Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Kingsmere Park (West Parley) Management Company Limited	Vantage Point 23 Mark Road, Hemel Hempstead Industrial Estate, Hemel Hempstead, England, HP2 7DN
Kingsreach (Slough) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY
Kingswood (High Wycombe) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Kingswood Heath (Colchester) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR*
Ladden Garden Village Pl 24-27 (Leasehold Apartments) Management Company Limited	1st Floor 2540 The Quadrant, Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ
Lakeside Park Management Company Limited	137 Newhall Street, Birmingham, England, B3 1SF
Langford Park Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Langmead Place (Angmering) Management Company Limited	C/O Realty Management Ground Floor, Discovery House, Crossley Road, Stockport, United Kingdom, SK4 5BH
Lansbury Square Management Company Limited	129 Oxford Street, London, England, W1D 2HZ
Lathom Pastures Residents Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Latitude Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Latitude Residents No 3 Limited	New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, United Kingdom, SO53 3LG
Legacy Wharf (Phase 2) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Legacy Wharf Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Lestone Mews Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Liberty Quarter Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Lilibet Gardens Residents Management Company Limited	Rmg House, Essex Road, Hoddesdon, United Kingdom, EN11 0DR
Limehouse Basin (London) Management Company Limited	196 New Kings Road, London, United Kingdom, SW6 4NF
Linkside (Burton) Management Company Limited	Unit 7, Astra Centre, Edinburgh Way, Harlow, Essex, England, CM20 2BN
Linmere Gateway Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Linmere Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Lion Wharf (Isleworth) Management Company Limited	395 Centennial Park Centennial Avenue, Elstree, Borehamwood, England, WD6 3TJ
Little Acres Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, England, SP2 7QY

Notes to the Financial Statements continued

27. Resident management companies continued

Company Name	Registered Office
Little Meadows (Cranleigh) Management Company Limited	C/O A W Associates Regus, Building 2, Guildford Business Park Road, Guildford, Surrey, GU2 8XG
Littlebrook (Cutbush Lane) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Lockharts Rmc Limited	Unit 7 Astra Centre, Harlow, Essex, England, CM20 2BN
Lockwood Place (Bramford) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Long Acre (Shinfield) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Long Lane (Beverley) Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, United Kingdom, SY1 3BF
Longfield Place (Sherfield) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Longholme Park Residents Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, England, SY1 3BF
Longwood Copse Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Lucas Green Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Lyde Green Management Company Limited	94 Park Lane, Croydon, England, CR0 1JB
Lydiate Gate Residents Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Lysander Fields Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Mæs Y Rhedyn Fern Meadow Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL*
Mallard Walk Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Malvern Chase (Tewkesbury) Management Company Limited	Bellway Homes 2540 The Quadrant, Aztec West, Bristol, BS32 4AQ
Maple Creek Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead Industrial Estate, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Marconi (Chelmsford) Management Company Limited	C/O Pinnacle Housing Ltd As Agent For Marconi (Chelmsford) Management Company Limited, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6P
Marlborough Road Wroughton (Swindon) Management Company Limited	1st Floor 2540 The Quadrant, Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ
Maybrey Works Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Mead Fields (Phase 2) Weston Parklands Management Company Limited	1st Floor, 2540 The Quadrant Aztec West, Almondsbury, Bristol, England, BS32 4AQ
Mead Fields Phase 2 (Leasehold Apartments) Management Company Limited	1st Floor 2540 The Quadrant, Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ
Meadow Rise (Heighington) Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, England, NE3 2ER
Meadow View (Romsey) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Merchants Gate Cottingham Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Mill Fields (Wingerworth) Management Company Limited	C/O Trust Green Management Company Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Milldown Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Millstone Park Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL
Millworks, K Langley Management Company Limited	C/O Gateway Property Management Gateway House 10 Coopers Way, Temple Farm Industrial Estate, Southend-On-Sea, Essex, England, SS2 5TE
Modello Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Montague Green (Rowland's Castle) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Montem Square Management Company Limited	Bellway Homes Limited (Thames Valley) Imperium, Imperial Way, Reading, United Kingdom, RG2 0TD
Mousley Park Hilton Management Company Limited	One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
Mulberry Park Apartments (Management Company) Limited	2540 The Quadrant Aztec West, Almondsbury, Bristol, BS32 4AQ
New Cardington Estate Management Company Limited	C/O It All Figures 14 Coningsbury Lane, Shortstown, Bedford, England, MK42 0PW
New Cardington Hangars Block Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
New Cardington Hangars Estate Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY
New Gimsons Place (Witham) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Nightingale Rise (Hoo) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
North Abingdon Management Company Limited	Unit 7 Astra Centre, Edinburgh Way, Harlow, Essex, United Kingdom, CM20 2BN
Northdene Residents Management Company Limited	Unit 7 Portal Business Park Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Novello Management Company Limited	C/O Pod Group Services Limited First Floor, Unit 1, Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JD

27. Resident management companies continued

Company Name	Registered Office
Oak Hill Park (Chinnor) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Oakes Park (Dartford) Management Company Limited	C/O Pmuk, The Base, Dartford Business Park, Victoria Road, Dartford, England, DA1 5FS
Oakfields Park (Halstead) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Oakley Park (Edenbridge) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Old Brook View Residents Management Company Limited	C/O Rmg House, Essex Road, Hoddesdon, United Kingdom, EN11 0DR
Old Forest Road (Winnersh) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Old R Chace Management Company Limited	395 Centennial Park, Elstree, Borehamwood, England, WD6 3TJ
Old School Gardens Residents Management Company	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Oxenden Park (Thornden Wood) Management Company Limited	Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Oxlease Residents Limited	New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, England, SO53 3LG
P.R.P. Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Park Gate Village Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, England, CW6 9DL
Parsonage Place (Otham) Management Company Limited	Queensway House, Queensway, New Milton, Hampshire, England, BH25 5NR
Parsons Croft Management Company Limited	Unit 7 Portal Business Park, Tarporley, United Kingdom, CW6 9DL
Pasture Walk Management Company Limited	Castleman Business Centre, Embankment Way, Ringwood, England, BH24 1EU
Penmire Rise Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Penny Way Snaith Management Company Limited	Bellway Homes Limited (Yorkshire) First Floor, Unit 2150, Century Way, Leeds, United Kingdom, LS15 8ZB
Perceval Grange Management Company Limited	C/O Bellway Homes Limited (South London) 1st Floor, Regent House, 1-3 Queensway, Redhill, Surrey, United Kingdom, RH1 1QT
Phase 1A Parc Mawr (Penllergær) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, England, CW6 9DL
Phoenix Park (Thame) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Pinchbeck Fields (EC) Residents Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Pinchbeck Fields Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Pine Walk Guisborough Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Pinewood Grange (Stowmarket) Management Company Limited	Second Floor, Premier House, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JH
Pipits Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Pirton Fields (Churchdown) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, England, CW6 9DL
Platts Meadow (Winsford) Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL
Plummers Meadow (Halewood) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, England, CW6 9DL
Poppy Field Residents Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Poppy Fields (Cholsey) Flats Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Poppy Fields (Cholsey) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Poppy View (Saffron Walden) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Porters Grove (St. Leonards) Management Company Limited	C/O 30 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Portland Gardens (Wouldham) Management Company Ltd	Gateway House, 10 Coopers Way, Southend On Sea, Essex, United Kingdom, SS2 5TE
Priory Grange (Hatfield Peverel) Management Company Limited	C/O Pod Group Services Limited First Floor, Unit 1, Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, United Kingdom, WD6 1JD
QE2 (Welwyn Garden City) Management Company Limited	Sutherland House, 1759 London Road, Leigh On Sea, Essex, United Kingdom, SS9 2RZ
Quakers Walk (Devizes) Management Company Limited	Queensway House, 11 Queensway, New Milton, England, BH25 5NR
Quantock Heights (Banwell) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Rainbow Fields (Waddicar) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, England, SP2 7QY
Redlands Grove Management Limited*	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Renaissance (Reading) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Renovo (West Thurrock) Management Company Limited	8 Hemmells, C/O Accordant Estates Company Ltd., Hemmells, Basildon, England, SS15 6ED

Notes to the Financial Statements continued

27. Resident management companies continued

Company Name	Registered Office
Ridleys Orchard (Whitton) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Riverbrook Place (Crawley) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Rolleston Manor Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Roman Fields (Corbridge) Management Company Limited	2 Centro Place, Pride Park, Derby, Derbyshire, United Kingdom, DE24 8RF
Roman Gate (Melton Mowbray) Management Company Limited	80 Mount Street, Nottingham, Nottinghamshire, England, NG1 6HH
Roman Walk Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Rookery Park Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Rose Meadow (Northwich) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Rosedale Park Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Rowley Fields Residents Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, England, SY1 3BF
Royal Bowland Park Residents Management Company Limited	C/O Rmg House, Essex Road, Hoddesdon, United Kingdom, EN11 0DR
Sandstone Brook Residents Management Company	One Eleven, Edmund Street, Birmingham, West Midlands, United Kingdom, B3 2HJ
Sandwell College Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH**
Sapphire Fields & Beaumont Park Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Saxon Heath (Marham Park) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Scholars Place Management Company Limited	Unit 7, Astra Centre, Edinburgh Way, Harlow, Essex, England, CM20 2BN
Seaford Grange (Newlands) Management Company Limited	Woodland Place Wickford Business Park, Hurricane Way, Wickford, England, SS11 8YB
Sheasby Park Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Silkmakers Court Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Sixty Three Management Company Limited	Gateway House, 10 Coopers Way, Southend-On-Sea, Essex, SS2 5TE
Sky Plaza (Farnborough) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, United Kingdom, SP2 7QY
Snelsmoor Village Management Company Limited	Bellway Homes East Midlands 3 Romulus Court, Meridian Business Park, Braunstone Town, Leicester, United Kingdom, LE19 1YG
Solomon's Seal (Horsham) Management Company Limited	25 Carfax, Horsham, West Sussex, RH12 1EE
Somerford Gate (Congleton) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
Sovereign Place (Horley) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Spindrift Park (Pagham) Residents Management Company Limited	Embankment Way, Castleman Business Centre, Ringwood, Hampshire, United Kingdom, BH24 1EU
St George's Walk Residential Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
St James Park (Parcel G) Management Company Limited	C/O Gateway Property Management Gateway House, 10 Coopers Way, Southend-On-Sea, England, SS2 5TE
St James Park (Parcels B and C) Management Company Limited	C/O Gateway Property Management Limited, Gateway House 10 Coopers Way, Southend-On-Sea, Essex, SS2 5TE
St John's View (Menston) Management Company Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, United Kingdom, SY1 3BF
St Lythans Park (Culverhouse Cross) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
St Mary's Hill (Blandford) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
St Mary's Stannington Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, England, NE3 2ER***
St Wilfrid's Place (Litherland) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, England, CW6 9DL
St. George's Park Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
St. James Mews (Charfield) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Staverton Lodge Residents Management Company Limited	Bellway Homes South Midlands Oak House, Binley Business Park, Coventry, Warwickshire, United Kingdom, CV3 2UB
Steeds Farm (Fern Hill Gardens) Management Co Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Steeple Chase (Frisby) Management Company Limited	7 Astra Centre, Edinburgh Way, Harlow, Essex, England, CM20 2BN
Stilton Gate Management Company Limited	Premiere House, Elstree Way, Borehamwood, England, WD6 1JH
Stonebridge View Residents Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Stoughton Park Management Company Limited	One Eleven, Edmund Street, Birmingham, West Midlands, United Kingdom, B3 2HJ
Summerhill View Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
Summers Bridge (SAB) Management Limited	Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL*
Summers Bridge Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL*
Swanland Grange Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, CW6 9DL
Swinfen Vale Management Company Limited	Bellway Homes East Midlands 3 Romulus Court, Meridian Business Park, Braunstone Town, Leicester, United Kingdom, LE19 1YG

27. Resident management companies continued

Company Name	Registered Office
Tattenhoe Park (Parcel 4) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
The Abbey Fields Grange Management Company Limited	80 Mount Street, Nottingham, Nottinghamshire, England, NG1 6HH
The Academy Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
The Alders (Wolverhampton) Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH
The Avenue (Medburn) Residents Management Company Limited	Kingston Property Services Limited Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
The Beeches (Stanton Cross) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
The Brackens Residents Management Company Limited	R M G House, Essex Road, Hoddesdon, England, EN11 0DR
The Brambles (Apse Heath Isle of Wight) Limited	The Estate Office Church Mews, Beatrice Avenue, East Cowes, Isle Of Wight, PO32 6LW
The Bridles Residential Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Chase Residents Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
The Coppice Heights & Amber Rise Management Company Limited	80 Mount Street, Nottingham, Nottinghamshire, England, NG1 6HH
The Fairways (Basingstoke) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
The Foresters Management Company Limited	3 Romulus Court Meridian Business Park, Braunstone Town, Leicester, United Kingdom, LE19 1YG
The Foundry (Hemel Hempstead) Management Company Limited	395 Centennial Park Centennial Avenue, Elstree, WD6 3TJ
The Furlongs (Gt.Leighs) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
The Furrows (Warboys) Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
The Gateford Quarter Management Company Limited	80 Mount Street, Nottingham, Nottinghamshire, England, NG1 6HH
The Grange (Fenham) Resident Management Company Limited	Cheviot House, Beaminster Way East, Newcastle, Tyne And Wear, United Kingdom, NE3 2ER
The Green (Solihull) Management Company Limited	10 Queen Street Place, London, United Kingdom, EC4R 1AG
The Haven (Emsworth) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
The Landings Residents Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, Cheshire, United Kingdom, CW6 9DL
The Long Shoot Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Mount Prestwich Residents Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, United Kingdom, SP2 7QY
The Oaks (Parsons Hill) Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
The Oaks (Witham) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
The Orchards (Colchester) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
The Pastures (Telford) Management Company Limited	80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH
The Printworks (Reading) Residents Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
The Residence (Nine Elms) Management Company Limited	C/O Pinnacle Housing Ltd As Agent For The Residence (Nine Elms) Management Company Ltd, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6PL
The Residence (Phase 2) Management Company Limited	C/O Pinnacle Housing Ltd As Agent For The Residence (Phase 2) Management Company Limited, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6PL
The Ridgeway (Chinnor) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN**
The Rosehips (Lower Howsell Road) Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
The Spinney (Oteley Road) Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, Wiltshire, England, SP2 7QY
The Vale (Bottesford) Management Company Limited	One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
The Vickers (Witchford) Residents Management Company Limited	C/O Michæl Laurie Magar Ltd, Elstree Way, Borehamwood, England, WD6 1JH
The Wickets Management Company Limited	Bellway Home East Midlands 3 Romulus Court, Meridian Business Park, Braunstone Town, Leicester, United Kingdom, LE19 1YG
The Willows (Swallowfield) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
The Willows Residential Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
The Withers (Netherton Residents Management Company Limited	Unit 7 Portal Business Park, Tarporley, England, CW6 9DL
The Woodlands (Watnall) Management Company Limited	Unit 7, Astra Centre, Edinburgh Way, Harlow, Essex, England, CM20 2BN
Thomas Road Management Company Limited	C/O Pinnacle Housing Ltd As Agent For Thomas Road Management Company Limited, 8th Floor Holborn Tower, 137-144 High Holborn, London, England, WC1V 6PL
Tidbury Heights Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Tindale Reach (Wickwar) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR

Notes to the Financial Statements continued

27. Resident management companies continued

Company Name	Registered Office
Tranby Park Residential Management Company Limited	Rmg House, Essex Road, Hoddesdon, Hertfordshire, United Kingdom, EN11 0DR
Turnberry Quay Management Company Limited	137 Newhall Street, Birmingham, England, B3 1SF
Tylman Place (Faversham) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Vicarage Gardens (South Marston Swindon) Management Company Limited	13a, Building Two, Canonbury Yard, 190 New North Road, London, England, N1 7BJ
Victoria Gardens (Peters Village) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Victoria Gate and Place Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
Waltham Heights Resident's Management Company Limited	100 Avebury Boulevard, Milton Keynes, United Kingdom, MK9 1FH
Walton Park Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Waterhouse Mill Residents Management Company	One Eleven, Edmund Street, Birmingham, B3 2HJ
Waterside At Riverwell (Block E) Management Company Limited	395 Centennial Park Centennial Avenue, Elstree, Borehamwood, England, WD6 3TJ
Wavendon Chase Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Wavendon View Residents Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Weaver Green Residents Management Company Limited	C/O Unit 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL
Weavers Meadow (Trowbridge) Management Company Limited	1st Floor, 2540 The Quadrant Aztec West, Almondsbury, Bristol, United Kingdom, BS32 4AQ
Wellfield Rise Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Wellington Gardens (Aldershot) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Wellington Grange (Pocklington) Management Limited	North Point Stafford Drive, Battlefield Enterprise Park, Shrewsbury, United Kingdom, SY1 3BF
West End Quarter (Folkestone) Management Company Limited	C/O Gateway Property Management Limited Gateway House, 10 Coopers Way, Southend-On-Sea, Essex, United Kingdom, SS2 5TE
Westbrook Moorings Management Company Limited	395 Centennial Park Centennial Avenue, Elstree, Borehamwood, England, WD6 3TJ
Westcombe Park (Heybridge) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Western Grange Residents Management Company Limited	Bellway Homes Limited Bellway House, Kings Park, Kingsway North, Gateshead, Tyne And Wear, United Kingdom, NE11 0JH
Westland Place (Rainham) Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Westland Place Management Company Limited	C/O 30 Tower View, Kings Hill, West Malling, Kent, United Kingdom, ME19 4UY
Westminster Road Management Company Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ
Wharf Farm (Rugby) Residents Management Company Limited	Unit 7 Portal Business Park, Eaton Lane, Tarporley, United Kingdom, CW6 9DL*
Whitehill Gardens Residential Management Company Limited	C/O Mlm Property Management 2nd Floor, Premiere House, Elstree Way, Borehamwood, United Kingdom, WD6 1JH
Whitehouse Park Residents Management Company Limited	C/O Trinity (Estates) Property Management Limited Vantage Point, 23 Mark Road, Hemel Hempstead, United Kingdom, HP2 7DN
Whitworth View Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, United Kingdom, NE3 2ER
Wickfields (Longwick) Management Company Limited	Sutherland House, 1759 London Road, Leigh On Sea, Essex, United Kingdom, SS9 2RZ
Wildflower Meadow Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, England, HP2 7DN
Willow Park (Halstead) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Willow Rise Management Company Limited	Bellway Homes Limited (East Midlands) Romulus Court, Meridian East, Leicester, United Kingdom, LE19 1YG
Windgreen Gardens Management Company Limited	Fisher House, 84 Fisherton Street, Salisbury, England, SP2 7QY
Wolds View Residents Management Company Limited	North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, Shropshire, England, SY1 3BF
Woodcroft Park Management Company Limited	Queensway House, 11 Queensway, New Milton, Hampshire, England, BH25 5NR
Woodgreen (Blyth) Residents Management Company Limited	Cheviot House, Beaminster Way East, Newcastle Upon Tyne, Tyne And Wear, England, NE3 2ER
Yellowfields Phase 3B Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, United Kingdom, HP2 7DN
Yew Tree Gardens (Cholsey) Management Company Limited	Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 7DN
Yew Tree Park Management Company Limited	Cumberland Court, 80 Mount Street, Nottingham, United Kingdom, NG1 6HH

* Company is a 50/50 Joint venture.
** Company limited by shares wholly owned by Bellway Homes Limited.
*** Company limited by shares wholly owned by an employee of Bellway Homes Limited.
**** Company limited by shares.

Other information

28. Alternative performance measures

Bellway uses a variety of alternative performance measures ('APMs') which, although financial measures of either historical or future performance, financial position or cash flows, are not defined or specified by IFRSs. The Directors use a combination of APMs and IFRS measures when reviewing the performance, position and cash of the Group.

The APMs used by the Group are defined below:

- **Underlying gross profit and underlying operating profit** – Both of these measures are stated before net legacy building safety expense and exceptional items, and are reconciled to total gross profit and total operating profit on the face of the consolidated income statement. The Directors consider that the removal of the net legacy building safety expense and exceptional items provides a better understanding of the underlying performance of the Group.
- **Underlying gross margin** – This is gross profit before net legacy building safety expense and exceptional items, divided by total revenue. The Directors consider this to be an important indicator of the underlying trading performance of the Group.
- **Underlying administrative expenses as a percentage of revenue** – This is calculated as the administrative expenses before any directly attributable administrative expenses relating to the net legacy building safety expense and exceptional items divided by total revenue. The Directors consider this to be an important indicator of how efficiently the Group is managing its administrative overhead base.
- **Administrative expenses as a percentage of revenue** – This is calculated as the total administrative expenses divided by total revenue. The Directors consider this to be an important indicator of how efficiently the Group is managing its administrative overhead base.
- **Underlying operating margin** – This is operating profit before net legacy building safety expense and exceptional items divided by total revenue. The Directors consider this to be an important indicator of the operating performance of the Group.
- **Net underlying finance expense** – This is the net finance expense before any directly attributable finance expense or finance income relating to the net legacy building safety expense and exceptional items. The Directors consider this to be an important measure when assessing whether the Group is using the most cost effective source of finance.
- **Net finance expense** – This is finance expenses less finance income. The Directors consider this to be an important measure when assessing whether the Group is using the most cost effective source of finance.
- **Underlying profit before taxation** – This is the profit before taxation before net legacy building safety expense and exceptional items. The Directors consider this to be an important indicator of the profitability of the Group before taxation.
- **Underlying profit for the year** – This is the profit for the year before net legacy building safety expense and exceptional items. The Directors consider this to be an important indicator of the profitability of the Group.
- **Underlying earnings per share** – This is calculated as underlying profit for the year divided by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled). This is calculated in note 5.
- **Underlying dividend cover** – This is calculated as underlying profit for the year per ordinary share divided by the dividend per ordinary share relating to that period. At the half year the dividend per ordinary share is the proposed interim ordinary dividend, and for the full year it is the interim dividend paid plus the proposed final dividend. The Directors consider this an important indicator of the proportion of underlying earnings paid to shareholders and reinvested in the business.
- **Dividend cover** – This is calculated as earnings per ordinary share for the period divided by the dividend per ordinary share relating to that period. At the half year the dividend per ordinary share is the proposed interim ordinary dividend, and for the full year it is the interim dividend paid plus the proposed final dividend. The Directors consider this an important indicator of the proportion of earnings paid to shareholders and reinvested in the business.
- **Capital invested in land, net of land creditors, and work-in-progress** – This is calculated as shown in the table below. The Directors consider this as an indicator of the net investment by the Group in the period to achieve future growth.

Per balance sheet	**2024 £m**	**2023 £m**	**Mvt £m**	2023 £m	2022 £m	Mvt £m
Land	**2,431.4**	**2,578.8**	**(147.4)**	2,578.8	2,786.4	(207.6)
Work-in-progress	**2,123.9**	**1,861.6**	**262.3**	1,861.6	1,524.8	336.8
Increase in capital invested in land and work-in-progress in the year			**114.9**			129.2
Land creditors	**(225.3)**	**(368.8)**	**143.5**	(368.8)	(393.4)	24.6
Increase in capital invested in land, net of land creditors, and work-in-progress in the year			**258.4**			153.8

Accounts

Notes to the Financial Statements continued

28. Alternative performance measures continued

- **Net asset value per ordinary share ('NAV')** – This is calculated as total net assets divided by the number of ordinary shares in issue at the end of each period (see note 18). The Directors consider this to be a proxy when reviewing whether value, on a share by share basis, has increased or decreased in the period.
- **Capital employed** – Capital employed is defined as the total of equity and net debt. Equity is not adjusted where the Group has net cash. The Directors consider this to be an important indicator of the operating efficiency and performance of the Group.
- **Underlying return on capital employed ('underlying RoCE')** – This is calculated as operating profit before net legacy building safety expense and exceptional items divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The calculation is shown in the table below. The Directors consider this to be an important indicator of whether the Group is achieving a sufficient return on its investments.

	2024 Capital employed £m	2024 Land creditors £m	2024 Capital employed including land creditors £m	2023 Capital employed £m	2023 Land creditors £m	2023 Capital employed including land creditors £m
Underlying operating profit	238.1		238.1	543.9		543.9
Capital employed/land creditors:						
Opening	3,461.6	368.8	3,830.4	3,367.8	393.4	3,761.2
Half year	3,434.2	238.5	3,672.7	3,481.4	372.4	3,853.8
Closing	3,475.9	225.3	3,701.2	3,461.6	368.8	3,830.4
Average	3,457.2	277.5	3,734.7	3,436.9	378.2	3,815.1
Underlying return on capital employed	6.9%		6.4%	15.8%		14.3%

- **Return on capital employed ('RoCE')** – This is calculated as operating profit divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The calculation is shown in the table below. The Directors consider this to be an important indicator of whether the Group is achieving a sufficient return on its investments.

	2024 Capital employed £m	2024 Land creditors £m	2024 Capital employed including land creditors £m	2023 Capital employed £m	2023 Land creditors £m	2023 Capital employed including land creditors £m
Operating profit	212.8		212.8	505.3		505.3
Capital employed/land creditors:						
Opening	3,461.6	368.8	3,830.4	3,367.8	393.4	3,761.2
Half year	3,434.2	238.5	3,672.7	3,481.4	372.4	3,853.8
Closing	3,475.9	225.3	3,701.2	3,461.6	368.8	3,830.4
Average	3,457.2	277.5	3,734.7	3,436.9	378.2	3,815.1
Return on capital employed	6.2%		5.7%	14.7%		13.2%

- **Asset turn** – Asset turn is calculated as revenue divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The Directors consider this to be an important indicator of how efficiently the Group is using its assets to generate revenue.

28. Alternative performance measures continued

- **Underlying post tax return on equity** – This is calculated as profit for the year before net legacy building safety expense and exceptional items, divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2024 £m	2023 £m
Underlying profit for the year	**160.6**	402.2
Net assets:		
Opening	**3,461.6**	3,367.8
Half year	**3,434.2**	3,481.4
Closing	**3,465.4**	3,461.6
Average	**3,453.7**	3,436.9
Underlying post tax return on equity	**4.7%**	11.7%

- **Post tax return on equity** – This is calculated as profit for the year divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2024 £m	2023 £m
Profit for the year	**130.5**	365.0
Net assets:		
Opening	**3,461.6**	3,367.8
Half year	**3,434.2**	3,481.4
Closing	**3,465.4**	3,461.6
Average	**3,453.7**	3,436.9
Post tax return on equity	**3.8%**	10.6%

- **Total growth in value per ordinary share** – The Directors use this as a proxy for the increase in shareholder value since 31 July 2021. A period of 3 years is used to reflect medium-term growth.

Net asset value per ordinary share:		
At 31 July 2024	2,913p	
At 31 July 2021	2,664p	
Net asset value growth per ordinary share		249p
Dividend paid per ordinary share:		
Year ended 31 July 2024	111.0p	
Year ended 31 July 2023	140.0p	
Year ended 31 July 2022	127.5p	
Cumulative dividends paid per ordinary share		378.5p
Total growth in value per ordinary share		**627.5p**

Notes to the Financial Statements continued

28. Alternative performance measures continued

- **Annualised accounting return in NAV and dividends paid since 31 July 2021** – This is calculated as the annualised increase in net asset value per ordinary share plus cumulative ordinary dividends paid per ordinary share since 31 July 2021 (as detailed above) divided by the net asset value per ordinary share at 31 July 2021. The Directors use this as a proxy for the increase in shareholder value since 31 July 2021.

Net asset value growth per ordinary share	249p
Cumulative dividends paid per ordinary share	378.5p
Total growth in value per ordinary share	627.5p
Net asset value per ordinary share at 31 July 2021	2,664p
Total value per ordinary share	3,291.5p
Annualised accounting return = $\left(\frac{3{,}291.5}{2{,}664}\right)$ **^(1/3) –1**	**7.3%**

- **Annualised accounting return in NAV and dividends paid since 31 July 2014** – This is calculated as the annualised increase in net asset value per ordinary share plus cumulative ordinary dividends paid per ordinary share since 31 July 2014 divided by the net asset value per ordinary share at 31 July 2014. The Directors use this as a proxy for the increase in shareholder value since 31 July 2014.

Net asset value per ordinary share:		
At 31 July 2024	2,913p	
At 31 July 2014	1,118p	
Net asset value growth per ordinary share		1,795p
Dividend paid per ordinary share:		
Year ended 31 July 2024	111.0p	
Year ended 31 July 2023	140.0p	
Year ended 31 July 2022	127.5p	
Year ended 31 July 2021	85.0p	
Year ended 31 July 2020	100.0p	
Year ended 31 July 2019	145.4p	
Year ended 31 July 2018	132.5p	
Year ended 31 July 2017	111.5p	
Year ended 31 July 2016	86.0p	
Year ended 31 July 2015	61.0p	
Cumulative dividends paid per ordinary share		1,099.9p
Total growth in value per ordinary share		2,894.9p
Net asset value per ordinary share at 31 July 2014		1,118p
Total value per ordinary share		4,012.9p
Annualised accounting return = $\left(\frac{4{,}012.9}{1{,}118.0}\right)$ **^(1/10) –1**		**13.6%**

- **Underlying capital growth in the period** – This is calculated as capital growth in the period before net legacy building safety expense and exceptional items per share.

Capital growth in the period	153.0p
Net legacy building safety expense and exceptional items per share	25.3p
Underlying capital growth in the period	178.3p
Net asset value at 31 July 2023	2,871p
Underlying capital growth $\left(\frac{178.3p}{2{,}871p}\right)$	**6.2%**

28. Alternative performance measures continued

Capital growth in the period – This is calculated as the increase in NAV in the period combined with the ordinary dividend paid in the year.

Net asset value per ordinary share:		
At 31 July 2024	2,913p	
At 31 July 2023	2,871p	
Net asset value growth per ordinary share		42p
Dividend paid per ordinary share:		
Year ended 31 July 2024		111.0p
Capital growth in the period		**153.0p**

- **Net cash/(debt)** – This is the cash and cash equivalents less bank debt and fixed rate sterling USPP notes. Net cash/(debt) does not include lease liabilities, which are reported within trade and other payables on the balance sheet. The Directors consider this to be a good indicator of the financing position of the Group. This is reconciled in note 15.
- **Average net cash/(debt)** – This is calculated by averaging the net cash/(debt) position at 1 August and each month end during the year. The Directors consider this to be a good indicator of the financing position of the Group throughout the year.
- **Cash generated from operations before investment in land, net of land creditors, and work-in-progress** – This is calculated as shown in the table below. The Directors consider this as an indicator of whether the Group is generating cash before investing in land and work-in-progress to achieve future growth.

	2024 £m	2023 £m
Cash (utilised in)/from operations	**(20.2)**	372.9
Add: increase in capital invested in land, net of land creditors, and work-in-progress (as described above)	**258.4**	153.8
Cash generated from operations before investment in land, net of land creditors, and work-in-progress	**238.2**	526.7

- **Adjusted gearing** – This is calculated as the total of net cash/(debt) and land creditors divided by total equity. The Directors believe that land creditors are a source of long-term finance so this provides an alternative indicator of the financial stability of the Group.
- **Gearing** – This is calculated as net debt divided by total equity. The Directors consider this to be a good indicator of the financial stability of the Group.
- **Order book** – This is calculated as the total expected sales value of current reservations that have not legally completed. The Directors consider this to be an important indicator of the likely future operating performance of the Group.

29. Post balance sheet events

Post year end, the Group entered into both a lease agreement for an industrial unit where Bellway will set up its own timber frame manufacturing facility and placed an order for robotic equipment which has the capability to manufacture both open panel systems and pre-insulated closed panel timber frame systems. This has increased capital commitments by around £20m.

Five Year Record

	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Income statement					
Revenue	2,225.4	3,122.5	3,536.8	3,406.6	**2,380.2**
Operating profit	321.7[3]	531.5[3]	653.2[3]	543.9[3]	**238.1[3]**
Net finance expenses	(13.4)	(11.1)	(12.1)[3]	(9.9)[3]	**(9.7)[3]**
Share of results of joint ventures	1.0	10.4	9.3	(1.4)	**(2.3)**
Profit before taxation	309.3[3]	530.8[3]	650.4[3]	532.6[3]	**226.1[3]**
Income tax expense	(57.6)[3]	(98.1)[3]	(131.9)[3]	(130.4)[3]	**(65.5)[3]**
Profit for the year	251.7[3]	432.7[3]	518.5[3]	402.2[3]	**160.6[3]**
Balance sheet					
ASSETS					
Non-current assets	99.3	102.1	71.6	79.4	**88.6**
Current assets	3,984.3	4,574.7	4,913.5	5,034.7	**4,911.1**
LIABILITIES					
Non-current liabilities	(133.8)	(316.9)	(646.3)	(647.0)	**(600.8)**
Current liabilities	(955.8)	(1,072.1)	(971.0)	(1,005.5)	**(933.5)**
EQUITY					
Total equity	2,994.0	3,287.8	3,367.8	3,461.6	**3,465.4**
Statistics					
Number of homes sold	7,522	10,138	11,198	10,945	**7,654**
Average price of new homes	£293.1k	£306.5k	£314.4k	£310.3k	**£307.9k**
Underlying gross margin[2]	19.0%[3]	20.9%[3]	22.3%[3]	20.2%[3]	**16.0%[3]**
Gross margin	15.7%	19.2%	12.5%	19.0%	**15.2%**
Underlying operating margin[2]	14.5%[3]	17.0%[3]	18.5%[3]	16.0%[3]	**10.0%[3]**
Operating margin	11.2%	15.4%	8.7%	14.8%	**8.9%**
Basic earnings per ordinary share	156.6p	316.9p	196.9p	297.7p	**109.8p**
Total dividend per ordinary share	50.0p	117.5p	140.0p	140.0p	**54.0p**
Underlying return on capital employed[2]	10.8%[3]	16.9%[3]	19.4%[3]	15.8%[3]	**6.9%[3]**
Return on capital employed[2]	8.3%	15.2%	9.2%	14.7%	**6.2%**
Gearing[2]	–	–	–	–	**0.3%**
Net asset value per ordinary share[2]	2,427p	2,664p	2,727p	2,871p	**2,913p**
Land portfolio – plots with implementable DPP	28,289	30,933	32,344	32,229	**30,787**
Weighted average number of ordinary shares	123,205,211	123,306,035	123,227,544	122,593,350	**118,830,821**
Number of ordinary shares in issue at end of year	123,345,834	123,396,422	123,486,260	120,558,573	**118,980,237**

Notes:
2 Alternative performance measures (note 28)
3 Stated before net legacy building safety expense and exceptional items.
* All attributable to equity holders of the parent.

Other Information

Glossary

Affordable Housing
Social rented and intermediate housing provided to specified eligible households whose needs are not met by the market, at a cost low enough for them to afford, determined with regard to local incomes and local house prices. It is generally provided by councils and not-for-profit organisations such as housing associations.

Average Selling Price
Calculated by dividing the total housing revenue by the number of homes sold.

Biodiversity Net Gain ('BNG')
Is an approach to development and land management, that aims to leave the natural environment in a measurably better state than it was beforehand.

Brownfield
Land which has been previously used for other purposes.

Cancellation Rate
The rate at which customers withdraw from a house purchase after paying the reservation fee, but before contracts are exchanged, usually due to difficulties in obtaining mortgage finance. Reservation fees are refunded in accordance with the Consumer Code for Home Builders.

Community Infrastructure Levy (CIL)
The CIL is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area.

DEFRA
Department for Environment, Food and Rural Affairs.

Earnings per Share (EPS)
Profit attributable to ordinary equity shareholders divided by the weighted average number of ordinary shares in issue during the financial year, excluding the weighted average number of ordinary shares held by the Company or the Trust, which are treated as cancelled.

Energy Savings Opportunity Scheme (ESOS)
The ESOS is a mandatory energy assessment scheme for large organisations in the UK.

Executive Board
The Executive Board is made up of the Executive Directors of Bellway p.l.c.

Greenhouse Gas (GHG)
GHGs are gases that contribute to the greenhouse effect by absorbing infrared radiation. Carbon dioxide and chlorofluorocarbons are examples of greenhouse gases.

Home Builders' Federation (HBF)
The HBF is an industry body representing the homebuilding industry in England and Wales. It represents member interests on a national and Regional level to create the best possible environment in which to deliver new homes.

Land Bank
The land bank is comprised of three tiers: i) owned or unconditionally contracted land with an implementable detailed planning permission ('DPP'); ii) medium-term 'pipeline' land owned or controlled by the Group, pending an implementable DPP; iii) strategic long-term plots which are typically held under option or through a promotion agreement.

Legacy Building Safety Improvements Provision
Included within this provision, there are two components (i) SRT and associated review, and (ii) Structural defects provision.

MHCLG
Ministry of Housing, Communities and Local Government.

Mortgage Market Review (MMR)
The MMR was a comprehensive review of the mortgage market which introduced reforms to deliver a mortgage market that is sustainable and works better for consumers.

National Planning Policy Framework (NPPF)
The NPPF sets out the government's planning policies for England and how these are expected to be applied.

It provides a framework within which local people and their accountable councils can produce their own distinctive local and neighbourhood plans, which reflect the needs and priorities of their communities.

National House Building Council (NHBC)
The NHBC is the leading warranty insurance provider and body responsible for setting standards of construction for UK housebuilding for new and newly converted homes.

Net Legacy Building Safety Expense
This contains the income statement movements in relation to the legacy building safety improvements provision and any associated reimbursement assets.

New Homes Bonus (NHB)
The NHB was introduced in 2011 by the coalition government with the aim of encouraging local authorities in England to grant planning permissions for the building of new houses

in return for additional revenue. Under the scheme, the government has been matching the council tax raised on each new home built in England.

New Homes Ombudsman Service (NHOS)
Has been introduced with the aim to provide dispute resolution for, and determine complaints by, buyers of new build homes.

New Homes Quality Board (NHQB)
An independent not-for-profit body which was established for the purpose of developing a new framework to oversee reforms in the build quality of new homes and the customer service provided by developers.

New Homes Quality Code (NHQC)
An industry code of practice that lays out a mandatory set of requirements which must be adopted and observed by all registered developers.

Pipeline
Plots which are either owned or contracted by the Group, pending an implementable detailed planning permission, with development generally expected to commence within the next three years.

Planning Permission
Usually granted by the local planning authority, this permission allows a plot of land to be built on, change its use or for an existing building to be redeveloped or altered.

Permission is either 'outline' when detailed plans are still to be approved, or 'detailed' when detailed plans have been approved.

Residential Property Developer Tax (RPDT)
RPDT is a tax, introduced in April 2022, which is charged at a rate of 4% on certain profits of companies carrying out residential property development.

REGO
Renewable Energy Guarantees of Origin.

RIDDOR
RIDDOR refers to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. The regulations require an employer to report any absence by an employee of seven days or more caused by an accident at work to the Health and Safety Executive.

Science Based Target initiative (SBTi)
Science-based targets provide companies and financial institutions with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

Section 75 and Section 106 Planning Agreements
These are legally binding agreements or planning obligations entered into between a landowner and a local planning authority, under Section 75 of the Town and Country

Planning (Scotland) Act 1997 or Section 106 of the Town and Country Planning Act 1990. These agreements are a way of delivering or addressing matters that are necessary to make a development acceptable in planning terms. They are increasingly used to support the provision of services and infrastructure, such as highways, recreational facilities, education, health and affordable housing. Self-Remediation Terms (SRT).

Is a commitment to remediate buildings over 11 metres in height with identified life critical fire safety issues, which were constructed in England and Wales since 5 April 1992.

Self-Remediation Terms (SRT)
Is a commitment to remediate buildings over 11 metres in height with identified life control fire safety issues, which were constructed in England since 5 April 1992.

Site/Phase
A site is a concise area of land on which homes are being constructed. Larger sites may be divided into a number of phases which are developed at different times.

Social Housing
Housing that is let at low rents and on a secure basis to people in housing need. It is generally provided by councils and not-for-profit organisations such as housing associations.

Strategic Land Holdings
These are plots which are typically held under option or through a promotion agreement.

Sustainability Accounting Standards Board (SASB)
SASB have developed a set of industry standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry to report against.

Task Force on Climate Related Financial Disclosures (TCFD)
TCFD was created by the Financial Stability Board to develop consistent climate-related financial risk disclosures.

Total Shareholder Return (TSR)
The total return of a stock to an investor, or the capital gain plus dividends.

The 5% Club
Members of The 5% Club aspire to achieve 5% of their workforce in 'earn and learn' positions (including apprentices, sponsored students and graduates on formalised training schemes) within 5 years of joining.

Underlying
Throughout the Annual Report and Accounts, underlying refers to any statutory performance measure or alternative performance measure which is before net legacy building safety expenses and exceptional items. The Group believes that underlying metrics are useful for investors as these measures are closely monitored by the Directors in assessing Bellway's operating performance, thereby allowing investors to understand and evaluate performance on the same basis as management.

See also Alternative Performance Measures section on pages 217 to 221.

United Nations Sustainable Development Goals (SDGs)
The SDGs are a collection of 17 interlinked global goals designed to be a 'shared blueprint for peace and prosperity for people and the plant, now and into the future'.

Advisers and Company Secretary

Company Secretary and Registered Office

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HSBC Holdings plc
Lloyds Banking Group plc
National Westminster Bank plc
Santander UK plc
Svenska Handelsbanken AB

Auditor

Ernst & Young LLP

Solicitor

Slaughter and May

Shareholder Analysis and Financial Calendar

Shareholders by size of holding at 31 July 2024	Holdings		Shares	
	Number	%	Holding	%
0 – 2,000	1,487	68	779,970	1
2,001 – 10,000	324	15	1,428,247	1
10,001 – 50,000	155	7	3,798,476	3
50,001 and over	225	10	112,973,544	95
Total	2,191	100	118,980,237	100

Shareholders by type at 31 July 2024	Holdings		Shares	
	Number	%	Holding	%
Private shareholders	1,508	69	2,698,462	2
Investment trusts	8	<1	641	<1
Deceased accounts	22	1	49,061	<1
Nominee companies	569	26	100,417,465	84
Limited companies	36	2	125,993	<1
Bank and bank nominees	20	1	14,382,333	12
Other institutions	28	1	1,306,282	1
Total	2,191	100	118,980,237	100

Financial Calendar

Final 2023/24 dividend – ex-dividend date	28 November 2024
Final 2023/24 dividend – record date	29 November 2024
AGM	12 December 2024
DRIP election date for final 2023/24 dividend	13 December 2024
Final 2023/24 dividend – payment date	08 January 2025
Trading update	12 February 2025
Announcement of 2024/25 interim results	25 March 2025

Notes

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Bellway p.l.c. are committed to caring for the environment and looking for sustainable ways to minimise our impact on it.

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