

Watkin Jones plc
Company number 9791105

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Creating the **future of living**

Annual report and financial statements 2025

Who we are

Watkin Jones is the UK's leading developer and manager of residential-for-rent assets, with a focus on the build to rent, student accommodation and single family homes sectors. We have strong relationships with the institutional investors who buy our schemes and a reputation for successful, on-time delivery of high-quality developments.

Our vertically integrated business model is a key strength and allows us to offer our institutional clients an end-to-end service, from sourcing sites in attractive urban locations to managing the finished development. We typically aim to forward sell our developments before we start construction, giving us a capital-light and cash-generative business. Our Accommodation Management division also generates invaluable insights from residents, helping us to evolve our designs to meet their changing expectations.

Our strategy aims to further diversify our revenue streams, for example through development partnerships with site owners and our Refresh offering, which refurbishes and repositions existing residential-for-rent assets for our institutional clients.

Our purpose

Our purpose is to create the future of living, regenerating urban areas by developing and building places that people will enjoy living in for years to come. We enhance residents' lives through the quality of our homes and excellent customer service, and play a meaningful part in helping to solve the UK's housing shortage.

Our approach to sustainability

Sustainability is inherent to our purpose, as we transform mainly urban brownfield sites into new homes and communities. Our sustainability strategy encompasses the people who work with us, the places we create and our impact on the planet.

Our Future People

Our Future Places

Our Future Planet

Read more on pages 43 to 55

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Our year in numbers

Resilient FY25 performance with a significant future pipeline of c.£2 billion opportunities

Revenue

£279.8 million

2024: £362.4m

Gross profit

£19.4 million

2024: £33.8m

Operating (loss)/profit

£(5.8) million

2024: £3.6m

Adjusted operating profit¹

£6.3 million

2024: £10.6m

Adjusted profit before tax¹

£5.6 million

2024: £9.2m

(Loss)/earnings per share¹

(3.3) pence

2024: 0.7p

Adjusted earnings/(loss) per share¹

2.3 pence

2024: 3.5p

Dividend per share

Nil

2024: Nil

Adjusted net cash¹

£70.5 million

2024: £83.4m

Return on capital employed¹

11.6%

2024: 14.8%

Net assets

£125.0 million

2024: £132.6m

1. Alternative performance measures (APMs) have been provided where appropriate to give a view of the Group's underlying financial performance. An explanation of the APMs used and their calculation is provided on page 28.

Strategic report

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Chair's statement

Alan Giddins
Chair

Dear shareholder

Three years ago, Watkin Jones core forward fund market was materially impacted by the uncertainty created by the September 2022 'Mini Budget'. Since then, the market has faced the challenges of higher gilt rates, increased input cost inflation and land prices which have stubbornly held up. Many businesses would not have been able to navigate their way through these challenges, and it is testament to the quality of the leadership and commitment of the employees of Watkin Jones that the business is now starting to emerge positively from this period of severe market turbulence.

At the start of his tenure Alex Pease, our CEO, set out an updated strategy for the Group. Over the last 12 months the Group has successfully delivered against this strategy. While forward fund transactions remain core to our business model, Watkin Jones has demonstrated its ability to flex the Group's traditional model to look at more innovative transaction structures with new funding partners. An excellent example of this is the 784-bed purpose built student accommodation scheme in Glasgow, which the Group announced in September 2025, in partnership with Maslow Capital. In addition to being responsible for the delivery of the scheme and ongoing management by Fresh, Watkin Jones has a 5% ownership in the joint venture equity, providing the Group with further upside potential from the scheme.

The Group has also continued to successfully deliver its in-build projects and progress its Development Partnership and Refresh propositions, where we are able to leverage our in-house construction capabilities. As these parts of the business continue to grow they will provide the Group with a more predictable income stream to underpin its earnings. A good example of this was our development partnership announced in January 2025 to deliver a 260-unit aparthotel in Southwark, London.

Finally, the Group continues to maintain a robust net cash position, with adjusted net cash of £70.5 million, providing the business with the flexibility to look at more innovative, value-creating structures, while also continuing to invest in the development of our business and people.

Financial performance

Revenue for the year was £279.8 million (FY24: £362.4 million) and adjusted operating profit was £6.3 million (FY24: £10.6 million), supported by the continued successful delivery of the Group's in-build projects.

At an operational level we completed four PBSA and BTR developments during the year, all of which finished on time or ahead of schedule.

Loss before tax for the year was £8.7 million (2024: loss of £0.3 million) as a result of fewer transactions and schemes in progress, and the effect of exceptional impairments to certain land and leased assets.

Building safety

Building safety remediation remains a key focus for the Board. It is also an area which is continuing to evolve in terms of government legislation. The Group has incurred £8.8 million in cash costs during the year, and recognised an additional £5.0 million liability for further works required, such that we have a net balance sheet provision of £46.4 million at 30 September 2025 (£48.0 million at 30 September 2024).

Over the last 12 months we, like the rest of the sector, have started to make progress in terms of looking at where we can make recoveries from third-party suppliers. Whilst it is early days, I have been impressed by the rigour with which we are undertaking this work.

Further detail in respect of our approach to building safety remediation is set out on page 71.

People

Watkin Jones has exceptional people. We have an excellent CEO, CFO and senior management team. But it is in our operations and on our construction sites that the heart of the business sits. As I go round our sites I come away incredibly impressed by the quality of the people we have working for the Group. When combined with the skills and commitment of our head office and investment teams, this is a powerful combination. The scoring we saw in our all-employee engagement survey this year with our net promoter score up +29 from 2024, and a 76% overall engagement level, is reflective of a very joined-up and committed organisation.

As Non-Executive Directors we also undertook a number of employee engagement meetings both in our main offices and out on site. These were excellent meetings, where we were able to listen to the perspectives of a range of employees. The key themes coming out from these meetings have been shared with senior management and are reflected in the updated people strategy signed off by the Board.

Board and Executive Committee

Last year I noted that we had seen considerable change at the executive management level within the Group. These changes are now fully bedded in. We have a very stable, strong executive leadership team, and the benefits of having that stability have been very evident over the last 12 months. I also believe that the Group benefits from a committed Board of non-executives. The last few years have required a huge amount of time and commitment from the Board. It has also required both executives and non-executives to work well together. I can think of very few examples in my career where this has been more evident than in Watkin Jones.

ESG

The prioritisation of health and safety, particularly on our construction sites, is non-negotiable. It is reported on by the CEO at each Board meeting, in addition to which the Board receives regular updates from the Group Head of Health and Safety. While the Group has an excellent health and safety record, the Board remains tireless in challenging management to think about new and different ways to ensure that all of our employees remain safe at all times.

The Board signed off on an updated sustainability strategy in October 2025, building on Future Foundations which was launched in November 2021. This is now being rolled out across the business. We report further on our sustainability targets on pages 44 to 45.

Dividend

The Board feels it remains appropriate to continue to prioritise the maintenance of a strong balance sheet as the Group emerges from a very challenging market. As such, the Board has decided not to propose paying a final dividend. In the expectation that the market does continue to recover as we are forecasting, the Board will look to re-instate a dividend.

Outlook

Watkin Jones is a high-quality business operating within the attractive residential-for-rent asset classes within real estate. I believe that we have a clear and well-articulated strategy, and an extremely strong and highly motivated senior management team. While we have started to see some evidence of improvement in the market, we are not yet out of the woods. What we have been able to demonstrate though is an ability to flex our traditional forward funding model to attract new partners and deliver major new development projects. It is this innovative, solution-led mindset which gives me confidence that Watkin Jones will continue to see a recovery in its financial performance.

Alan Giddins

Chair

16 December 2025

Business overview

Our businesses are highly complementary. This gives us a complete development, management and asset refresh solution for our institutional clients. Together, they position us to achieve our purpose of creating the future of living.

Build To Rent (BTR)

We completed our first purpose-built BTR development in 2017, leveraging our student accommodation capabilities into this growing sector. Since then, we have completed more than 3,400 apartments across 19 schemes.

[Read more on page 20](#)

Purpose Built Student Accommodation (PBSA)

We are the UK's leading PBSA developer, having delivered c.51,000 student beds across 152 schemes over the last 25 years. Our reputation for high quality and on-time delivery is particularly important in this sector, where developments must be ready for the start of the academic year.

[Read more on page 21](#)

Accommodation Management

Fresh is a market-leading independent manager of residential-for-rent assets across the UK and Ireland with 21,019 beds under management across 66 schemes. It creates communities for our residents, winning numerous awards for service quality and for supporting our residents' wellbeing.

[Read more on page 22](#)

Single Family Homes

We create developments of single family homes, for purchase by institutions and housing associations. Each development can incorporate multiple tenures, including a significant proportion of affordable housing.

[Read more on page 20](#)

Refresh

Our Refresh business gives our clients' existing residential-for-rent assets a new lease of life, leveraging our project management, construction and operational skills to refurbish, redevelop and reposition them.

[Read more on page 21](#)

Our markets

BTR and PBSA are two of the most attractive asset classes in UK real estate. In this section, we explain the trends that underpin our confidence in their long-term growth potential.

Build To Rent

The UK has growing unmet demand for housing

There is a long-standing imbalance of supply and demand for housing, with delivery of new homes consistently falling short of government goals. The government is determined to address this, targeting 370,000 new homes per year in England and 1.5 million in total by 2029, supported by planning reforms, local housing targets and the creation of new towns. However, only 196,500¹ new dwellings were added in England in 2024/25, showing the scale of uplift required over the remainder of this parliament.

The shortage of new housing means many people cannot afford to buy a home. Whilst rising earnings have improved affordability in recent years, the average house price in England was 7.7 times² average earnings for a full-time employee in 2024 (2023: 8.3 times), and just 9% of local authorities had homes bought for less than five times average earnings. This makes renting the default option for large numbers of people, with 4.7 million households, or 19% of the total³, living in the private rented sector in England.

Falling migration and some improvement in mortgage availability for first-time buyers have contributed to a limited increase in the stock of homes available for rent over the last 12 months, along with a moderation of rental growth after several years of rapid rises⁴. However, availability remains 10% below pre-pandemic levels. In part, this reflects increasing regulation and less-favourable tax treatment, which have led many buy-to-let landlords to sell up. Overall, this has contributed to a net loss of c.290,000⁵ rental homes, reflecting the continued challenge of rental supply. The Renters' Rights Bill may also lead to landlords leaving the market when it becomes law.

The Bill is in the final stages of parliamentary approval and will increase obligations on landlords and give tenants new rights and protections.

BTR provides better homes that suit modern lifestyles

Most private rented housing in England is ageing stock, with 31% having been built pre-1919 and 54% built pre-1965. Just 13% has been built since 2002⁶. As a result, private renters are the most likely group to live in a home that does not meet Decent Home Standards (21%), has a category 1 hazard (10%)⁶ or suffers from damp (9%)¹. Modern BTR developments, in contrast, offer high-quality and energy-efficient homes, with excellent internet connectivity, amenities such as gyms, cinema rooms and workspaces, and a ready-made community.

Many private sector tenants value the flexibility of renting. They are generally younger, with 66% of private renters having a head of the household aged 44 or under, compared with 26% for owner occupiers and 34% for social renters. They are also the most mobile group, with 20% having been in their current home for less than one year, compared with 6% of social renters and 4% of home owners³. BTR therefore suits their lifestyles.

Impact of BTR market conditions and our response

The market conditions described above mean that:

- rents have risen rapidly in recent years, with annual growth to January 2025 of c.11% in London and c.8.7% across the UK as a whole⁶; and occupancy of BTR schemes has been high, at an average of 97%⁷ across the UK.

The BTR sector is still in its early stages and makes up just 2% of total private rented homes in the UK, rising to 3.2% including BTR homes currently under construction⁸. This gives the sector substantial room to grow. BTR schemes will also have an important role in meeting the government's housing targets, by delivering new homes at scale. In total, Savills estimates more than 1 million new rental homes will be required by 2031⁹. However, new starts have been affected by viability challenges primarily related to continued high financing costs, with a 14% reduction into 2025, creating more opportunity for developments that do come to fruition⁹.

These dynamics all make BTR an attractive asset class for institutional investors. However, limited completed stock makes it difficult for many to achieve sufficient exposure to the sector. Among the top 50 investors in UK BTR assets, the average holding is around 1,700 units and only a handful own more than 5,000 units¹⁰.

We therefore continue to seek attractive locations for BTR developments, leveraging our development expertise and supply chain. To help address affordability, we bring forward schemes which include a substantial element of affordable housing. The proportion of renters with children (34% of private renters and 30% of social renters)³ also supports the development of single-family housing within our BTR offering.

Our development at Moss Nook, for example, demonstrates our ability to work in partnership with affordable housing providers to deliver high quality homes in partnership with key stakeholders.

1. Ministry of Housing, Communities and Local Government.

2. Office for National Statistics.

3. English Housing Survey 2023 to 2024.

4. Zoopla (September 2025).

5. A Housing Health and Safety Rating System category 1 hazard presents a serious and immediate risk to a person's health and safety.

6. Guild of Residential Landlords.

7. CBRE.

8. Savills.

9. British Property Federation.

10. Watkin Jones Annual Report 2024.

Our markets continued

Purpose Built Student Accommodation

Lower Parliament Street,
Nottingham

Demand for UK university places remains strong

The UK has one of the world's leading higher education sectors, with 12 of the top 100 universities globally and 25 of the top 200¹.

From a macro perspective, there are 2.4 million² full-time students in the UK and the number continues to grow. For the 2024 application cycle, UK universities received 752,000 applications for 565,000 places, showing demand well above supply³. This is supported by positive demographic trends, with the number of 18 year olds in the UK projected to increase by 25% between 2020 and 2030². The latest UCAS figures (to June 2025) show record numbers of applicants from UK 18 year olds (up 2.2% on the prior year), while demand from overseas students declined in 2023/24, UCAS application data points to recovery with more than 138,000 applications, up 2.2%, reflecting the UK's continued positioning as a global destination of choice.

Whilst in the short term, operators have reported some reduction in occupancy driven by the reduction in international students and a reallocation of demand to higher tariff institutions, the medium-term outlook remains positive.

This is driven by a substantive reduction in new supply, the favourability of the UK vs other international markets (with 17 UK universities ranked in the QS World University Rankings top 100⁸), alongside the UK's relative affordability vs other large English speaking HEI markets. In addition to this, our investment focus on locations serving high tariff universities in markets offering strong supply/demand fundamentals will underpin future performance.

There remains a shortage of quality student accommodation

As with general housing, there is a long-term demand-supply imbalance for PBSA. CBRE estimates there is unmet demand of around 600,000 beds across the UK, with the shortage particularly acute in the most popular cities⁴. London, for example, has around 400,000 students but only around 100,000 PBSA beds⁵. The 20 largest student cities in the UK have 1.3 million students but only 500,000 operational PBSA beds⁵. This shortfall may be exacerbated by the Renters' Rights Bill, if it leads to fewer house of multiple occupation being available for students. This imbalance is also expected to grow, with the predicted annual increase in the number of students exceeding the supply of new beds. Planning and viability challenges have restricted new starts in recent years, with forecast deliveries in 2025 around half the ten-year average at 15,000 beds⁶.

Whilst the wider macro conditions remain favourable, market selection remains key. Watkin Jones' Target Cities approach undertakes top down analysis to understand the demand drivers within each city, and allows us to formulate an investment strategy driven by the supply/demand drivers within each market. Currently 91% of our pipeline is targeted towards cities housing higher tariff universities⁷.

Much PBSA stock is outdated

Around one quarter of total PBSA is unrefurbished first-generation stock, which is less attractive to students. Newly built PBSA generally offers better amenities, resulting in higher rents and occupancy rates, while aligning with investor requirements for best-in-class products with strong ESG credentials, limited legacy issues, operational efficiencies and lower running costs.

Alongside new build development, our ability to execute refurbishments of first generation PBSA through Refresh, offers the ability to diversify our revenue streams by undertaking both defensive and accretive capital works for investors.

1. Times Higher Education World University Rankings 2025.

2. ONS.

3. UCAS.

4. CBRE.

5. ICEF.

6. Unite Group.

7. The Guardian University Guide.

8. QS World University Rankings.

Impact of PBSA market conditions and our response

Rental growth has moderated to c.2% for the 2025/26 academic year (2024/25: 8.2%) as the market adjusts following the post-Covid increase in student numbers¹.

We continue to see good prospects in the PBSA market, focusing on markets offering good supply/demand dynamics, and on higher tariff universities which are attractive to both domestic and international students, using student feedback via Fresh to keep our developments attractive to future occupants. We also see attractive opportunities to use our skills to refurbish existing assets (see page 21).

Market conditions in FY25

While the long-term market trends are favourable, the real estate sector remained challenging throughout FY25. Funding costs have stayed high and the slow pace of interest rate cuts has continued to weigh on investment market liquidity, affecting our ability to forward fund our developments. We have responded by flexing our transactional structures, agreeing a number of development partnerships and continuing to expand other revenue streams such as Refresh.

The residential to rent sector remains a key focus for investors and there is a substantial amount of domestic and international capital looking to gain access.

However, in current conditions, investors are favouring stabilised assets, reflecting their immediate income generation and the increased timescales for deploying capital into developments, arising from ongoing delays to planning consents and the new Gateways introduced by the Building Safety Act. BTR transaction volumes in 2025 to date stand at approximately £2.3 billion which is broadly the same level as investment volumes in 2024. Meanwhile, PBSA investment volumes have reached about £1.6 billion in the first half of 2025, with forecasts suggesting the second half of the year could bring an additional £2 billion worth of transactions¹.

The funding and viability challenges for developers are having a knock-on effect on the land market and we expect to see opportunities to secure attractive sites over the next 12 months, to replenish our development pipeline. Land prices are moderating and vendors are being more flexible, increasing our ability to secure land on conditional terms.

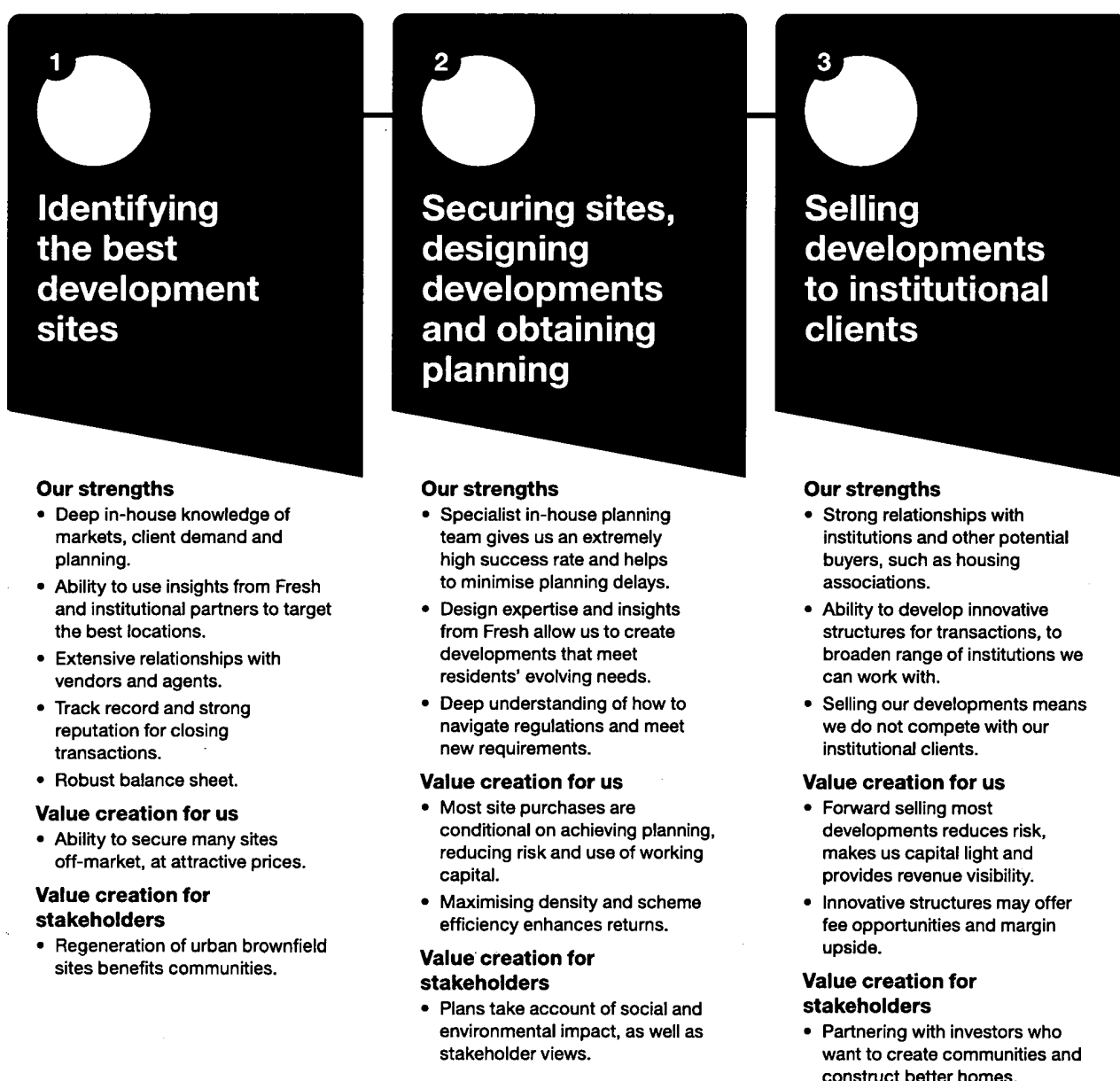
New PBSA beds added

Source: Cushman & Wakefield.

1. Knight Frank.

Our business model

We have a vertically integrated business model, with a unique range of capabilities. These cover the full lifecycle of a residential for rent development and allow us to provide a growing range of other services.



4

Constructing and delivering high-quality assets

Our strengths

- Ability to self-build schemes differentiates us from other developers.
- Expert in-house construction directors and project managers.
- Strong, long-term relationships with key suppliers, who understand our requirements and share our focus on health and safety and responsible business.

Value creation for us

- Earning margin that would otherwise be paid to third-party contractors.
- Continuous improvement and innovation increase operational efficiency and enhance margins.
- Enables us to adopt more agile and flexible structures and approaches to markets i.e. Development Partnerships and Refresh.

Value creation for stakeholders

- Focus on health and safety for employees and residents, quality of product for clients and reducing environmental impact.

5

Managing completed developments

Our strengths

- Need for scale, tailored systems and in-house expertise creates significant barriers to entry.
- Strong relationships with asset owners generate repeat business.
- Strong reputation with our customer base and high NPS scores drives lettings and asset performance.
- Development business provides a pipeline of opportunities for Refresh.

Value creation for us

- A high-margin, predictable income stream.
- Resident insights inform our developments.
- Source of new business for Refresh.

Value creation for stakeholders

- Focus on creating vibrant communities and supporting resident wellbeing.

How we leverage our capabilities to generate revenue

Different combinations of our capabilities allow us to meet the needs of specific opportunities. For example:

- Our Residential-for-rent developments utilise all our capabilities, allowing us to capture value at each stage of a project lifecycle. We can also apply these capabilities in attractive subsectors, such as co-living and single family housing, which naturally complement BTR and PBSA.
- We can agree development partnerships with landowners, which draw on specific development capabilities such as our expertise in design or planning, followed by construction of the asset.
- Accommodation Management allows us to offer clients an end-to-end service, while providing invaluable insights to our development business and sourcing opportunities for Refresh.
- Our Refresh offering uses capabilities such as design, project management, construction and end operation, along with our construction supply chain, to refurbish and reposition clients' assets.

We will continue to use this flexibility, including leveraging innovative funding and divestment structures, to develop new service offerings and further broaden our revenue base over time.

Chief Executive Officer's review

Alex Pease
Chief Executive Officer

The nature of the Watkin Jones operating model inevitably means that the economic challenges of the last few years and lack of investment liquidity can still be seen in this year's numbers as we deliver on transactions which we first evaluated three to four years ago. If I look at the business today however, the quality of our on-site delivery, the innovative structures seen in our more recent transactions, and the strength of our senior team, I believe Watkin Jones is well positioned to deliver on the strategy set out at the start of 2024, aimed at building a more diversified set of revenue streams alongside our core forward fund model. In particular, I remain confident in our end market sectors across the residential for rent spectrum with strong demand fundamentals and supply which has been severely inhibited in recent times. I am also confident in our ability to innovate, adapt and diversify as new market opportunities present themselves.

Performance

During FY25 we achieved practical completion on four projects, all of which finished on or ahead of schedule. Our strong construction delivery and effective management of build-cost inflation contributed to financial betterments in our projects and as such our gross margin performance. Our current in-build sites are all progressing materially to plan.

Notwithstanding the challenging market conditions, we were able to increase the number of transactions in the year to four (up from two in FY24) to include three development partnership transactions.

We were delighted to announce the sale of a new c.784-bed purpose built student accommodation scheme in Glasgow (the 'Ard') to a newly created joint venture owned 95% by Maslow Capital and 5% by the Group. This transaction represents a significant further step for the Group as we seek to diversify our business model and create innovative development funding structures.

Our Venti House development in Stratford represents significant progress in our strategy. This 397-bed purpose-built student accommodation scheme, delivered through a joint venture with Housing Growth Partnership, is progressing on schedule and within budget, with practical completion expected in June 2026. We have already launched lettings, opened the show flat, and secured strong early demand, including a nominations agreement in place for 51% of beds. Venti House reflects our commitment to delivering high-quality, well-connected accommodation that meets the evolving needs of students and partners alike.

Group revenue was £279.8 million (FY24: £362.4 million), down 22.8%. Gross profit was £19.4 million (FY24: £33.8 million), while adjusted operating profit was £6.3 million (FY24: £10.6 million), supported by our rigorous cost control.

BTR revenues were lower as we built out our forward sold developments, with three schemes reaching practical completion in the year. PBSA revenues were lower, with limited opportunity for land sales and one scheme completing in the year, but benefited from our commencement of the Ard scheme. Our Refresh business had a solid year (see below), and we returned to growth in Fresh, our accommodation management business. The Single Family Homes business benefited from the start of a new development partnership in St Helens.

Loss before tax for the year was £8.7 million (2024: loss of £0.3 million) as a result of fewer transactions and schemes in progress, and the effect of exceptional impairments to certain land and leased assets.

Managing our cash flow and maintaining our balance sheet strength are priorities for us. We remain well financed, with the Group having adjusted net cash of £70.5 million at the year end (30 September 2024: £83.4 million). Due to some delays in payments, a further c.£10 million arrived in our accounts on 1 October. Total cash and available facilities were £130.1 million (30 September 2024: £143.2 million).

Strategy

We made further good progress with our strategy, through which we are diversifying our sources of income in residential to rent, driving operational efficiency and ensuring we are a responsible business.

Diversifying our sources of income

Forward selling our own developments remains core to our business. At the same time, we are determined to further broaden our revenue base, reflecting our belief that we can monetise the business better and in more areas. This is giving us an increasingly granular and repeatable income stream that adds to our revenue visibility and gives us a higher level of coverage of our overhead cost base at the start of the year. In the year we were able to increase our revenues from our diversified income streams such that it amounted to c.30% of revenues up from c.20% in FY24.

Our vertically integrated platform, which encompasses investment, development, delivery and operation, is a significant advantage for us, particularly in challenging market environments.

We can add value at multiple stages, which enables us to make deals work by taking an appropriate blended margin, while controlling risk at each point in the project lifecycle.

Vertical integration also opens up diversification opportunities such as development partnerships and our Refresh business, where a construction capability is essential.

In FY25 we announced three development partnerships, to provide student accommodation, single family homes and an aparthotel, which combines the characteristics of apartments and co-living. These deals secured c.£100 million of revenue over the next three years and we have a significant pipeline of opportunities. The partnerships highlight our ability to work collaboratively with investors and be flexible in how we leverage our skills and experience across all our sub-sectors.

We are now looking at the potential for partnering with universities to support their student accommodation needs (see the CEO Q&A on pages 12 and 13 for more information).

Our Refresh business continues to gain traction with solid revenues in FY25 and a growing quality pipeline. It can provide the Group with favourable financial profiles, since it is typically quicker to progress these projects to a delivery and revenue generating phase than a typical development project. It also offers a wider range of project sizes, increasing granularity of earnings. By its nature, Refresh has strong sustainability credentials, as it reuses significant levels of materials and increases the lifespan of existing buildings. Our pipeline has increased to £94 million and we are seeing significant interest from potential clients requiring works to existing assets or new clients seeking to acquire 'value add' opportunities. We expect the conversion of opportunities into contracts to gain momentum as we build our track record and we were pleased to secure our first repeat business this year.

Our model also means we are well placed to provide other services to clients, including asset management. In addition to generating income in its own right, this could source new business for Fresh and Refresh. We continue to explore the opportunities here.

Driving operational efficiency

We have strengthened our senior leadership group, taking the opportunity to split our Group Delivery function between two new executive team members, Gwyn Pritchard and Michael Bunyan, who respectively head Construction and Project Services. We are seeing the benefits of the new structure, with both teams highly focused on driving improvements in their own areas, while ensuring strong co-ordination between them.

There are numerous examples of enhancements to our systems, processes and organisation in the year, including further improvements to our cost management and forecasting, supplier management and quality assurance. Importantly, we have developed a rigorous approach to meeting the new requirements of the Building Safety Act and its Gateway submissions, which we believe can offer us an advantage in the market.

Being a responsible business

Sustainability remains a high priority for us and we made further good progress with our strategy, which encompasses our people, the places we develop and our impact on the planet.

Our people are fundamental to our business and ensuring that they remain aligned and motivated is a key priority for me. I am extremely pleased that we have increased significantly our engagement levels and employee net promoter scores both year on year and over the last few years. This reflects our considerable effort to increase communication with colleagues about the strategy for the business, the progression of day to day operations, and their confidence that we will act on their feedback. In FY26 we are launching a new set of values, which authentically reflect who we are and the behaviours we want to reward, as well as increasing our focus on career paths, succession planning and training and development, to identify and bring through the talent we need.

We continue to reduce our environmental impact, including through the materials we choose and our growing use of Modern Methods of Construction, as well as diverting 99.74% of waste from landfill. As part of our commitment to the places we develop and the surrounding communities, we launched a Social Value Framework in the year. This builds on and formalises the wide range of work we already do, to maximise the benefits to each area. I would refer you to pages 43 to 45 for more details on sustainability in our business.

Outlook

We believe our sectors remain among the best in UK real estate. The operational markets for BTR and PBSA remain fundamentally undersupplied, with limited new stock coming through. Residential for rent assets also remain highly attractive to investors and we are seeing signs that global fundraising is starting to pick up, with the UK likely to be a net beneficiary of allocations when they come through.

One of the business's great strengths is its agility, adaptability and resilience. The vertically integrated platform provides a huge range of skill sets across the whole real estate development cycle. This allows us to pivot and innovate in our transaction structures and markets we target.

Over the last 18 months we have created a more stable platform for the business, through tight financial management, innovation in transactional structures, diversification in the markets where we operate and alignment and motivation of our people.

Going into FY26, we have c.£340 million of forward sold revenue and a total pipeline of £2 billion of development opportunities. The short-term outlook for the market remains uncertain but we are well placed to execute those opportunities when it does improve.

Alex Pease

Chief Executive Officer

16 December 2025

Q&A

with Alex Pease

Our Chief Executive Officer, Alex Pease, answers key questions about our business, strategy and markets.

Q What gives you confidence that Watkin Jones can take advantage when the market recovers?

A The strategy for the Group over the last two years has been about creating a more stable platform from which we can hopefully lever the business and take advantage when the market does recover. We have sought to maintain a firm financial base, managing costs and cash carefully. We have sought to diversify our revenue streams and innovate in our transaction models and we have really focused on our people, looking to communicate more, motivate and align them to the business strategy.

We have shown before that we can bounce back fast from market downturns. The business rebounded well coming out of the global financial crisis and we similarly got on the front foot very quickly post Covid. The business has not just waited for things to happen or markets to correct. We're diversifying the business and controlling what we can control – our operational performance, delivery, costs and cash. That gives us a runway so we can accelerate when conditions allow.

We still have some relatively unique characteristics as a business that have enabled us to outperform and generate positive margins. Our vertically integrated platform means we can add value at multiple stages of the development cycle, whether that's through our land buyers sourcing sites off-market, our excellent in-house planning team securing consents, or our in-house construction capability adding margin and controlling costs. We also add value and earnings post completion of the development with Fresh operating schemes and our asset management capabilities. This has meant that we've had perhaps more scope to absorb some of the impacts of inflation, yield shifts and other factors, which have diluted margins for everyone. Over the challenging last few years we have seen a number of competitors fall by the wayside, potentially this current reduced competition could therefore provide further opportunity for us.

Q How do you see the balance of the business changing over the next few years?

A We are going to continue to broaden the revenue base, and look to grow our diversification strategies. Whilst we believe that liquidity will return to our attractive end markets, our new models such as Refresh and our development partnerships will remain an important part of the mix once the market recovers.

These diversification activities can provide some more granular and less market reliant income opportunities, we can do this in adjacent and related markets where we already have significant skillsets. It's really important to have that firm base of lower-risk, resilient and repeatable income. That goes a long way to covering your overheads and gives you a platform for growing the Group overall.

This business is extremely agile due to our vertically integrated platform (discussed earlier) and we can use this to pivot to other residential markets and other models where we see opportunity. I would like to see us continuing to assess new areas where the business could grow in to.

Q You've had good success with development partnerships this year. What are the attractions of this model?

A My thesis is always that you're better off making money with and for partners and that the best response to difficult markets is to partner more.

Partnering is not new for us – we've taken a partnership approach to working with our institutional clients for many years.

Several factors make development partnerships attractive to us. Our partners are typically either; 1) landowners who want to develop residential for rent schemes but don't have the delivery capability, efficiency or risk appetite 2) Investors seeking enhanced returns targeting more development led projects but again lacking the expertise to deliver.

Development is increasingly complex. Planning delays and the new Gateways introduced by the Building Safety Act are slowing capital deployment, and the front-loading of costs is creating a barrier for smaller developers. Our expertise across all aspects of development, construction and operation means we can address these challenges for our partners, through an all inclusive service. Every project will call for a different blend of our skills.

Some may need us to secure detailed planning, for example, while others may require value engineering and our expertise in navigating through building regulations. In each case, the partnership gives us greater responsibilities than a pure contractor or developer would have.

The benefits for our business are threefold; 1) It provides a quicker route to revenue and margin generation as typically we will not need to acquire the site or get planning permission, 2) It is very capital light, allowing us to generate sensible returns with limited capital outlay, 3) It is de-risked from an investment perspective – the investor or landowner is funding from day 1.

Next steps for us include targeting how we can work more with both Housing Associations and Universities who we believe have significant demand and requirements, and also to continue to stitch our Refresh model further into these potential partnerships.

Q **Market conditions have slowed new supply in BTR more than in PBSA. How do you see the relative merits of these sectors going forward?**

A BTR has suffered comparatively more than PBSA from market viability challenges. That's partly because student accommodation is; 1) a higher density product generating more 'revenue per acre' than BTR, 2) It trades off a slightly softer yield than BTR providing slightly more insulation against high interest rates, 3) The PBSA sector also has a longer track record than BTR, which helps investor confidence. Even so, these viability challenges will gradually dissipate and there is huge potential in BTR. It is clearly established that we have a significant shortfall of housing in the UK and residential for rent is equally undersupplied. There is huge demand for rental product and this drives considerable investor interest in the sector. I think that BTR has the capacity and supply demand dynamics to significantly exceed the PBSA market over time.

We continue to have confidence in the market fundamentals and strengths of both PBSA and BTR developments. The benefit of our business is that we have multiple strings to our bow and we can choose the most viable scheme, whichever sub-sector it's in. That includes targeting other types of residential for rent to include Co-living (a sub-set of BTR), Single Family Homes for rent and other 'Living' sectors.

Case study

Diversifying our business model and creating innovative funding structures

In September 2025, we were pleased to announce a significant transaction and joint venture with a new institutional partner, Maslow Capital. The joint venture, which is 95% owned by Maslow Capital and 5% by the Group, has acquired our PBSA scheme in Glasgow, known as the Ard. Set for delivery by the start of the 2028/29 academic year, the Ard will provide 784 beds in one of the UK's prime cities for student living. The central location makes Glasgow's main universities highly accessible.

Under the agreement, we will deliver the development through to completion, after which Fresh will manage the scheme. The gross development value is projected to be c.£182 million at completion, generating around £115 million of secured revenue for us over the next three years.

The transaction shares many of the favourable characteristics of a traditional forward sale, contributing immediately to our revenue and profit on signing and delivering an initial cash receipt of £16 million. Unlike a forward sale, where the scheme's revenue is fixed, the Group has the potential to earn further revenue proportionate to any returns in excess of agreed hurdle rates when the joint venture sells the completed property. Any such sale is not expected to take place before Q4 2028.

Maslow Capital is an excellent partner for us, as a pan-European provider of real estate finance. Its expertise closely matches our own with its chosen sectors including PBSA, the private rented sector and residential and mixed-use developments.

The transaction is further evidence of our ability to broaden our portfolio of funding partners, despite the continued volatility in our markets. We see the partnership as a great endorsement of our track record and extensive experience in residential development and construction.

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Our strategy

Our strategy aims to deliver sustainable growth from a broader range of income streams, while increasing our operational effectiveness and ensuring we are a responsible business.

1 Diversifying our sources of income

Strategic focus

- Continuing to secure new opportunities for our PBSA, BTR and single family housing development businesses and our accommodation management services.
- Further diversifying our income streams by leveraging our market leadership in residential to rent and our unique strengths as a vertically integrated developer and construction business, including:
 - agreeing new development partnerships across our residential to rent subsectors;
 - continuing to grow our Refresh offering; and
 - considering new services that draw on our broad expertise in investment, development, delivery and operations.

Our progress in FY25

- Successful year of delivery, reaching practical completion on four schemes, in line with or ahead of programme and budget.
- Received planning on three sites, with the potential for c.1,400 beds, and secured three sites with the potential for c.1,100 beds.
- Added c.2,400 units under management to the Fresh portfolio.
- Signed three development partnerships to deliver PBSA beds, affordable homes and an aparthotel, reflecting the breadth of our capabilities across our subsectors.
- Generated Refresh revenues of £10.0 million and identified a pipeline of c.£94 million.
- Began to investigate the potential for additional services, such as an asset management offering.

Priorities for FY26

- Complete forward sales and continue to explore innovative transaction structures.
- Continue to add to our BTR and PBSA pipelines, taking a highly disciplined approach to site acquisitions.
- Continue to explore development and land partnership models with existing and new capital partners.
- Win further projects for Refresh.
- Progress the identification of new offerings.

Link to risk

- Market
- Finance
- Property

2 Driving operational excellence

Strategic focus

- Optimising our business structure, to empower our teams and support cross-functional working.
- Investing in our systems, processes and technology, to further increase productivity and reduce risk.
- Continuing to optimise cost and quality, for example by enhancing our supply chain management and introducing modern methods of construction (MMC).

Our progress in FY25

- Introduced the new Delivery function structure, increasing co-ordination between teams and capturing of lessons learned.
- Developed processes to meet new Building Safety Act requirements, including Gateway submissions.
- Enhanced speed and accuracy of cost management, including rigorous focus on build-cost inflation.
- Further improvements to supplier management, including enhanced due diligence and obtaining supplier feedback.
- Increased senior resource in Quality Assurance, along with further enhancements to quality management.
- Continued to increase use of modern methods of construction (see pages 53 and 54).
- Wide range of continuous improvement activities across all stages of development and construction.

Priorities for FY26

- Continue to refine structure of the Delivery function, to achieve further efficiencies and improve gross margin.
- Improve recovery of costs related to defects.
- Enhance feedback from clients through surveys.
- Deliver further improvements in quality.
- Continue to increase use of MMC.

Link to risk

- Building Safety, Quality and Delivery
- People
- Cyber

3 Ensuring we are a responsible business

Strategic focus

- Being a company that is great to work for, celebrates diversity and inclusion, and prioritises health and wellbeing.
- Enhancing resident and client satisfaction, by delivering the highest-quality buildings and services.
- Minimising our environmental footprint by reducing carbon emissions and waste.

Our progress in FY25

- Maintained our excellent health and safety record, with an incident rate at 3.8% of the industry average.
- Achieved employee engagement score of 76% (FY24: 72%) and employee net promoter score of +29 (FY24: +8).
- Fresh net promoter scores remain strongly favourable at +35 for residents (FY24: +36) and +37 for clients (FY24: +62).
- Diverted 99.74% of waste from landfill.
- Reduced Scope 1, 2 and 3 carbon emissions by 37% on a market basis.
- Launched new Social Value Framework, which formalises our commitment to local communities.

Priorities for FY26

- Continue to refine and improve our health and safety performance.
- Maintain focus on employee engagement, communication, reward and recognition, learning and development, and diversity and inclusion.
- Continue to innovate to improve the environmental credentials of our developments.
- Continue to reduce waste production as measured by increasing our percentage diverted from landfill.

Link to risk

- Health and safety
- People
- Property

Key performance indicators

We have a range of key performance indicators to measure our progress towards achieving long-term, sustainable value growth for shareholders.

Financial KPIs:

Gross margin (%)

FY25	6.9%
FY24	9.3%

Purpose

Measures our ability to maintain and improve the quality of our earnings over time, by selecting the right development projects and continually improving our operational effectiveness.

Definition

Gross profit as a percentage of revenue.

Performance

Gross margin reduced during the period, principally as a result of the exceptional impairments to one land asset (£6.1 million) and one right-of-use asset (£1.0 million).

Excluding these charges, gross margin remained broadly flat at 9.5%, benefiting from the on-time completion of several schemes during the year and the commencement of our Glasgow PBSA scheme.

Basic EPS (adjusted) (pence)

FY25	2.3p
FY24	3.5p

Purpose

Measures our ability to deliver profitable growth and underpins our progressive dividend policy.

Definition

Profit from continuing operations attributable to ordinary shareholders, excluding exceptional items, divided by the weighted average number of shares in issue in the year.

Performance

Adjusted basic earnings per share fell slightly as a result of the reduction in revenues, offset by continued firm cost control and our Glasgow PBSA disposal.

Return on capital employed (ROCE) (%)

FY25	11.6%
FY24	14.8%

Purpose

Demonstrates how efficiently our working capital-light, forward sales model utilises the capital employed in the business, which in turn underpins our strong financial position.

Definition

Operating profit before exceptional items, divided by average capital employed, being net assets excluding intangible assets, lease assets and liabilities, and net cash.

Performance

Our ROCE performance weakened to 11.6%, reflecting the reduced revenues in the year and continued investment in both our pipeline and at our live developments in Crewe and Belfast, offset by the sale of our Glasgow PBSA asset.

Non-financial KPIs:**Total development pipeline (£m)**

FY25	2,024
FY24	1,955

Purpose

Shows our ability to build a strong pipeline for future development.

Definition

The total anticipated revenue to be delivered from development sites and Refresh contracts which are either secured or in legals.

Performance

The Group continued to identify opportunities to develop the secured BTR pipeline, with planning achieved on one site and three new sites secured to deliver a further c.1,300 units.

Our PBSA pipeline has also benefited from planning being achieved on two sites delivering c.1,100 beds.

The impact of these additional units is offset by the successful project completions achieved in the current year.

Student beds and BTR units under management

FY25	21,019
FY24	18,656

Purpose

Shows our ability to expand our high-margin Accommodation Management business, which provides an ongoing regular income and cash flow.

Definition

The number of student beds and build to rent units that Fresh is contracted to manage on behalf of our institutional clients.

Performance

Fresh continued to enhance its offering in a challenging market. We continue to invest in our origination capabilities, and our clients remain firmly supportive of our collaborative and end-to-end service approach, which has resulted in a net increase of c.2,400 units under management and mobilisation in the year, including a portfolio of c.1,300 in the Republic of Ireland.

Operational review



Build To Rent

BTR apartments by estimated year of practical completion

	Total pipeline	FY26	FY27	FY28	FY29	FY30+
Forward sold	1,686	1,426	260	—	—	—
Forward sales in the market	695	70	—	—	625	—
Sites secured subject to planning	1,053	—	—	—	—	1,053
Total secured pipeline	3,434	1,496	260	—	625	1,053

Total revenues for the year were £180.0 million (FY24: £211.3 million), down 14.8%. Revenues were generated by the build-out of our forward sold developments and the initial contribution from our development partnership for a 260-unit aparthotel in Southwark, which we agreed in January 2025. During the financial year, we reached practical completion on our 214-unit scheme in Leatherhead, the Sherlock Street development in Birmingham with nearly 600 homes, and the 316-apartment Signal Box Yard scheme in Bath. We have four further BTR schemes on site, in addition to the Southwark development partnership, which are on track for their respective completions.

We were pleased to receive planning consent for our first co-living project in Leeds, which will see us convert a vacant office block in the city centre into 230 homes. Three further sites have been secured in the year, subject to planning, which will offer c.1,100 further homes.

The table above shows the current secured development pipeline for BTR. This has an estimated future revenue value to us of £0.6 billion (FY24: £0.5 billion), of which £94 million is currently forward sold (FY24: £232 million).

Gross profit for the year was £16.0 million (FY24: £18.0 million), down 11.1%. The gross margin was 8.8% (FY24: 8.5%), with the projects completed in the year being delivered ahead of both programme and budget.



Single Family Homes

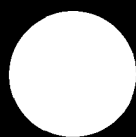
This business is a natural complement to our BTR developments, with its focus on developing single family homes for rent across a range of tenures, typically including a substantial affordable homes element.

Revenue in the year benefited from the start of the development partnership we announced in December 2024, to develop and deliver 295 homes for Torus, the largest affordable housing provider in North West England. The transaction is expected to generate revenue of around £48 million for us over approximately 40 months and has the potential to create further value for us in the future.

In addition, the business completed its affordable element of our development in Crewe, along with five private sales in the year (FY24: 20 sales), with the reduction reflecting the successful completion of our Preston development in FY24.

Revenue for the year was £13.7 million (FY24: £12.9 million) at £0.8 million gross loss (FY24: £0.2 million loss).

Operational review



Student Accommodation

	PBSA beds by estimated year of practical completion					
	Total pipeline	FY26	FY27	FY28	FY29	FY30+
Forward sold	1,869	397	204	1,268	—	—
Forward sales in the market	3,425	—	—	322	1,811	1,292
Sites secured subject to planning	—	—	—	—	—	—
Total secured pipeline	5,294	397	204	1,590	1,811	1,292

Revenue from PBSA was £67.7 million (FY24: £117.6 million), down 42.4%. Revenue included the sale of the Ard development in Glasgow to a new joint venture (see page 14). Revenue in the prior year included the sale of the Gas Lane scheme in Bristol. Gross profit was £4.4 million (FY24: £13.6 million). Excluding the exceptional impairment of one right-of-use asset of £1.0 million, gross profit was £5.4 million, resulting in a gross margin of 8.0% (FY24: 11.6%) as a result of a higher mix of development management schemes compared to the prior year.

In FY25, we completed one scheme as planned, with our Bristol project reaching practical completion. We had a further three projects in build at the year end. In August 2025, we announced that we had signed a development partnership to deliver c.200 PBSA units in Bristol. We expect this to generate more than £28 million in revenue for us over the development period, with construction scheduled to complete ahead of the 2027/28 academic year.

Our Glasgow scheme with Maslow, discussed further in our case study on page 14, also commenced on site during the year. This deal secures c.£115 million of revenue for the Group over three years.

We continued to replenish our development pipeline during FY25, obtaining planning on two sites with capacity for c.1,100 beds, including a 322-bed project in Bristol's Temple Quarter. The secured development pipeline for PBSA is shown in the table above. The pipeline has an estimated future revenue value to us of £0.8 billion (FY24: £0.8 billion), of which £200 million is currently forward sold (FY24: £60 million).



Refresh

Refresh had an encouraging year, generating total revenues of £10.0 million (FY24: £10.9 million), with gross profit of £1.5 million (FY24: £1.5 million) at an improved margin of 15.0% (FY24: 13.8%). The business completed five projects in the year, with two on site at the year end. We were pleased to secure our first repeat business for clients during FY25.

We have a significant potential pipeline, with c.£94 million of opportunities currently being tracked. There are strong prospects in PBSA, where much of the stock is outdated. Transactions are an important catalyst for refurbishment works and much of the PBSA transaction volume in 2025 has been on stock older than five years.

Investors recognise our ability to reposition assets for them, potentially increasing revenues and capital values, and repurposing of stock is emerging as a key target for capital. In addition to PBSA, we are engaging with new markets such as hospitality.

Operational review



Accommodation Management

Key statistics

Student beds and BTR apartments under management

21,019

FY25

18,656

FY24

Student net promoter score

+35

FY25

+36

FY24

Revenues in Fresh increased by 3% to £8.4 million (FY24: £8.1 million), reflecting an increase in student bed numbers, acquired through in-year takeovers. The business secured 3,781 beds across 13 schemes during the year, which was a strong performance. Notably, this included a 1,347-bed portfolio in the Republic of Ireland, which strengthens our position in this market. This growth was partially offset by the loss of 1,404 beds across five schemes, with four of these schemes being sold, resulting in the service transferring in-house or to other providers. In addition to the student schemes won in the year, Fresh secured a co-living scheme which is due to mobilise in 2026. In total, at the end of FY25 Fresh had 21,019 units under management across 66 schemes (FY24: 18,656 units across 58 schemes).

We have a track record of excellent service and we maintained our student net promoter score in the Global Student Living Index (GSLI) with a score of +35 (FY24: +36), well above the benchmark of +20 for other large private operators. We saw improved scores for participating schemes, with ten properties obtaining a Platinum rating (FY24: seven), 20 achieving Gold (FY24: 16) and 14 attaining Silver (FY24: 13). More than 3,700 of our residents took part in the survey. During the year, Fresh was nominated for several awards and was the winner of the 'Best Individual Property' award for The Waterways scheme at the Global Student Living Awards.

We continued to develop our client reporting portal during the year and launched it in December 2025. It will enable clients to access data on their assets' financial, operational and ESG performance in near real time, assisting their onward reporting. We also upgraded our Yardi property management platform, to provide more functionality and refresh the property listings on our websites. The business is adopting AI tools to improve efficiency and the customer experience, for example to transform marketing content into social media formats. We have a roadmap for other AI tools we intend to introduce through 2026.

**The Waterways,
Nottingham**

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Financial review

Successful sale of our Glasgow scheme, cost control and broadening our offering contribute to solid performance in FY25.

	Adjusted results ¹		Statutory results	
	FY25 £m	FY24 £m	FY25 £m	FY24 £m
Revenue	279.8	362.4	279.8	362.4
Gross profit	26.5	33.8	19.4	33.8
Operating profit/(loss)	6.3	10.6	(5.8)	3.6
Profit/(loss) before tax	5.6	9.2	(8.7)	(0.3)

1. A reconciliation between adjusted and statutory results is on page 29 reflecting the impact of exceptional items in the year.

Simon Jones
Chief Financial Officer

Revenue

Group revenue for the year was £279.8 million (FY24: £362.4 million), down 22.8%. Revenue was primarily generated by our in-built developments, with the reduction from previous years reflecting fewer transactions and schemes in progress given the challenging market backdrop, as well as the accounting treatment of the transaction of our Glasgow development, which was executed as a disposal of subsidiary rather than traditional land sale. Revenue did, however, benefit from a number of development management opportunities secured in year which, whilst not contributing a significant day-one value akin to a land sale, enhance the Group's strong secured pipeline.

On a segmental basis, revenue in the year was as follows:

	FY25 £m	FY24 £m
Build To Rent	180.0	211.3
Student Accommodation	67.7	117.6
Affordable-led Homes	13.7	12.9
Accommodation Management	8.3	8.1
Refresh	10.0	10.9
Corporate	0.1	1.6
Group revenue	279.8	362.4

Information on divisional revenue performance can be found in the operational review on pages 20 to 23.

Gross profit

Gross profit for the year was £19.4 million (FY24: £33.8 million), a decrease of 42.6%, impacted by exceptional impairments to land (£6.1 million within the Corporate segment) and right-of-use assets (£1.0 million within the Student Accommodation segment), and the impact of reduced revenues. Excluding these exceptional impairments, gross profit was £26.5 million (FY24: £33.8 million) and gross margins remained broadly flat at 9.5% (FY24: 9.3%).

On a segmental basis, gross profit in the year was as follows:

	FY25 £m	FY24 £m
Build To Rent	16.0	18.0
Student Accommodation	4.4	13.6
Affordable-led Homes	(0.8)	(0.2)
Accommodation Management	4.6	4.4
Refresh	1.5	1.5
Corporate	(6.3)	(3.5)
Gross profit	19.4	33.8

Revenue by operating segment

Build To Rent			£180.0m	£211.3m
Student Accommodation	£67.7m		£117.6m	
Affordable-led Homes	£13.7m			
	£12.9m			
Accommodation Management	£8.3m			
	£8.1m			
Refresh	£10.0m			
	£10.9m			

Gross profit by operating segment

Build To Rent			£16.0m	£18.0m
Student Accommodation	£4.4m		£13.6m	
Affordable-led Homes	£(0.8m)			
	£(0.2m)			
Accommodation Management	£4.6m			
	£4.4m			
Refresh	£1.5m			
	£1.5m			

See the operational review on pages 20 to 23 for more information on divisional gross profits. Corporate is primarily central costs such as plant, insurance and legal expenses that are not allocated to a business unit.

Financial review continued

Operating profit

Operating loss for the year was £5.8 million (FY24: profit of £3.6 million). After adding back the £7.1 million of exceptional impairments within gross margin noted above and the £5.0 million increase to the building safety provision described below, adjusted operating profit for the year was £6.3 million (FY24: £10.6 million), benefiting from the £8.2 million profit on divestment of the Glasgow PBSA scheme.

Administration expenses, excluding the impact of exceptional items, reduced to £28.3 million (FY24: £29.5 million), demonstrating a focus on cost control in the face of continued inflation in services costs and wages.

Finance costs

Finance costs for the year were £4.3 million (FY24: £4.9 million). These costs included:

- the finance cost of capitalised leases under IFRS 16, which totalled £1.5 million (FY24: £1.7 million);
- an exceptional charge of £2.2 million (FY24: £2.5 million) for the unwind of the discount of the building safety provision (see below); and
- fees associated with the availability of our revolving credit facility (RCF).

Loss before tax

Loss before tax for the year was £8.7 million (FY24: loss before tax of £0.3 million). Adjusted profit before tax, which excludes the impact of the exceptional items, was £5.6 million (FY24: £9.2 million).

Taxation

The corporation tax credit was £0.3 million (FY24: credit of £2.2 million). The effective tax credit rate was less than the standard UK corporation tax rate of 25% for the year, primarily as a result of the derecognition of certain deferred tax assets, offset by tax reliefs utilised on disposal of a subsidiary. Cash tax in respect of FY25 was minimal, as a result of utilising brought forward tax losses.

Information on our tax strategy can be found in the Investor section of our website, watkinjonesplc.com.

Earnings per share

Basic loss per share from continuing operations for the year was 3.3 pence (FY24: 0.7 pence earnings per share). Adjusted basic earnings per share, which excludes the impact of exceptional items, was 2.3 pence (FY24: 3.5 pence).

Dividends

The Board has continued to prioritise the Group's financial flexibility during the current period of market disruption and has therefore not declared any dividends in respect of FY25. The Board will keep this under review.

At 30 September 2025, the Company had distributable reserves of £42.3 million available to pay dividends.

EBITDA

EBITDA, which is calculated as set out on page 29, was £8.5 million (FY24: £11.2 million). Adjusted EBITDA, which excludes the impact of the building safety provision charge, was £13.5 million (FY24: £18.2 million), with an adjusted EBITDA margin of 4.8% (FY24: 5.0%).

Return on capital employed

The return on capital employed (ROCE) for the year, calculated as set out on page 29, reduced to 11.6% (FY24: 14.8%) as a result of the reduced profit in the year.

Impairments

The Group recorded an impairment charge of £6.1 million in relation to one land asset which has experienced adverse market conditions specific to that location and circumstances.

It also recorded a £1.0 million impairment charge against its Europa leasehold asset as a result of reduced occupancy in the 2025/26 academic year.

Further detail is provided in note 8 to the financial statements.

Building safety

We continue to focus on delivering our building safety rectification obligations and completed works on a further six buildings in FY25, with a cash outflow of £8.8 million in line with our expectations. Following the conclusion of investigations undertaken, necessary remedial works were identified at further properties, and the scope of works at a number of properties already under remediation has been revised.

An additional net provision of £5.0 million (30 September 2024: £7.0 million) has therefore been made during the year, for which further information is provided in note 4 to the financial statements.

As for many other participants in our industry, the properties in scope of the government's guidance and legislation continue to evolve, as do the range and cost of works. We are monitoring this as building investigations and discussions with building owners continue. The provision recognised represents our best estimate of the amounts required to remediate those properties where we expect remediation works to be required. However, as disclosed in note 4 to the financial statements, there are a number of properties for which the Group's liability remains uncertain and, as such, we consider these to be contingent liabilities until such time as there is greater clarity on the Group's obligations or the extent, if any, of remedial works required.

As shown in the table below, at the year end our net provision reduced to £46.4 million (FY24: £48.0 million), after offsetting a £10.3 million reimbursement asset (FY24: £7.6 million) representing agreed customer contributions to the remediation works.

Our current expectation is for a cash outflow of c.£20 million in FY26 with the balance between FY27 and FY29. Given these costs will be incurred in future years, the provision is discounted to its present value. As the discount unwinds over time, the change in the present value is recognised as an exceptional finance cost, as described above.

Building safety provision and reimbursement asset

	Provision £m	Asset £m	Total £m
At 1 October 2024	55.6	(7.6)	48.0
Arising during the year	8.7	(3.7)	5.0
Utilised in the year	(10.2)	1.4	(8.8)
Unwind of discount rate	2.6	(0.4)	2.2
At 30 September 2025	56.7	(10.3)	46.4

Statement of financial position

At 30 September 2025, non-current assets amounted to £69.6 million (FY24: £69.0 million), with the most significant item being the carrying value of the leased student accommodation investment properties amounting to £15.7 million (FY24: £20.8 million), which has reduced with depreciation and the exceptional impairment charge.

The deferred tax asset, predominantly relating to carried forward tax losses from the years ended 30 September 2023 and 2024, amounted to £15.1 million (FY24: £15.1 million) and is expected to be fully utilised in the short to medium term.

Right-of-use assets relating to office and car leases amounted to £4.6 million (FY24: £5.7 million). Intangible assets relating to Fresh amounted to £10.5 million (FY24: £11.0 million) and were reduced by the amortisation charge of £0.5 million in the year.

The movement in the building safety provision and associated reimbursement assets is described above.

Inventory and work in progress was £86.9 million (FY24: £94.3 million), with the decrease reflecting the exceptional land asset impairment of £6.1 million and the forward sale during the year of our Glasgow PBSA development, offset by continued investment in our pipeline.

Contract assets decreased in the year to £29.1 million (FY24: £36.5 million) reflecting the final payment balances which are received on completion of developments during the year, particularly from a number of BTR and PBSA developments which were close to completion at the prior year end. Contract liabilities increased by £0.7 million during the year to £4.0 million, reflecting timing of invoicing.

Interest-bearing loans and borrowings reduced to £9.9 million at 30 September 2025 (FY24: £13.6 million) (see 'Bank facilities' on page 28) reflecting the repayment of borrowings in respect of our Glasgow development.

Lease liabilities were reduced to £33.7 million (FY24: £40.8 million), reflecting capital repayments made in the year offset by indexed rent increases on our student leased investment properties.

At the year end, we had a cash balance of £80.4 million and loans of £9.9 million, resulting in an adjusted net cash position (excluding lease liabilities) of £70.5 million. At 30 September 2024, we had a cash balance of £97.0 million and loans of £13.6 million, resulting in an adjusted net cash position of £83.4 million. Including the impact of lease liabilities, net cash was £36.8 million (FY24: £42.6 million).

Cash flow

In a typical year, the Group's cash balance peaks around the year end, as we receive the final payments on student accommodation developments completing ahead of the new academic year, as well as initial proceeds from the latest forward sales.

The Group is then a net user of cash until the following year end, as a result of outflows such as tax and dividend payments (when paid), overhead costs and land purchases.

However, as in the prior year, we expect our cash flow profile in FY26 will be more evenly spread than in previous years. This reflects the anticipated physical completions of some of our BTR developments in FY26, which will result in the Group receiving these final payments throughout the year.

The cash balance at the year end is still important for funding our day-to-day cash requirements and for putting the Group in a strong position when bidding for new sites.

The Group's net cash outflow from operating activities for the year was £14.1 million (FY24: inflow of £30.2 million), as a result of continued investment in our pipeline and timing of receipts, with £10.3 million of income from the forward sale of our Glasgow development being collected just after year end. Proceeds from the sale of our Glasgow subsidiary are included in investing rather than operating cash flows.

Net finance costs paid totalled £1.0 million (FY24: £1.2 million), including the finance charges on the capitalised lease liabilities of £1.5 million (FY24: £1.7 million). No dividends were paid in the year (FY24: £nil).

Exceptional costs

	Notes to financial statements	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Recognised in cost of sales			
Impairment of land asset	8,21	6,100	—
Impairment of right-of-use asset	8,17	1,010	—
Total exceptional items recognised in cost of sales		7,110	—
Recognised in administrative expenses			
Building Safety provision	8,27	5,000	7,001
Total exceptional items recognised in administrative expenses		5,000	7,001
Recognised in finance costs			
Unwind of discount rate on Building Safety provision	8,27	2,181	2,517
Total exceptional items recognised in finance costs		2,181	2,517
Total exceptional costs		14,291	9,518

Financial review continued

Cash and net debt

	FY25 £m	FY24 £m
Operating profit before exceptional items	6.3	10.6
Loss on disposal of fixed assets	—	0.1
Depreciation and amortisation	7.2	6.9
Profit on disposal of subsidiary	(8.2)	(6.3)
(Increase)/decrease in working capital	(18.3)	16.2
Finance costs paid	(1.0)	(1.2)
Tax (paid)/received	(0.1)	3.9
Net cash flow from operating activities	(14.1)	30.2
Purchase of fixed assets	(0.1)	(0.1)
Cash flow from joint venture interests including Stratford disposal	8.9	16.9
Payment of lease liabilities	(7.9)	(7.3)
Repayment of borrowings	(3.4)	(15.1)
(Decrease)/increase in cash	(16.6)	24.6
Cash at beginning of year	97.0	72.4
Cash at end of year	80.4	97.0
Less: borrowings	(9.9)	(13.6)
Net cash before deducting lease liabilities	70.5	83.4
Less: lease liabilities	(33.7)	(40.8)
Net cash	36.8	42.6

Total cash and available facilities

	FY25 £m	FY24 £m
Cash and cash equivalents	80.4	97.0
Revolving credit facility (RCF)	50.0	50.0
Drawn balance on RCF	(10.4)	(13.8)
£10 million accordion facility	10.0	—
Overdraft	—	10.0
Total cash and available facilities	130.0	143.2

Bank facilities

The Group holds an RCF with HSBC, which was amended and extended during the year, to a value of £50.0 million with an additional £10.0 million accordion which we can use to fund land acquisitions and development work. The RCF had £10.4 million drawn against it at the year end (30 September 2024: £13.8 million), and runs to 15 November 2027.

Total cash and available facilities at 30 September 2025 therefore stood at £130.0 million (30 September 2024: £143.2 million).

Going concern

We have undertaken a thorough review of the Group's ability to continue to trade as a going concern for the period to 31 January 2027. The basis of the review and an analysis of the downside risks is set out in the section on 'Risk management and principal risks' on pages 41 and 42.

Alternative performance measures (APMs)

We use APMs as part of our financial reporting, alongside statutory reporting measures. These APMs are provided for the following reasons:

1. to present users of the annual report with a clear view of what we consider to be the results of our underlying operations, enabling consistent comparisons over time and making it easier for users of the report to identify trends;
2. to provide additional information to users of the annual report about our financial performance or position;
3. to show the performance measures used by the Board in determining dividend payments; and
4. to show the performance measures that are linked to remuneration for the Executive Directors.

The following APMs appear in this annual report

			Reconciliation	
	Reason for use		FY25 £'000	FY24 £'000
Adjusted operating (loss)/profit	1	Operating (loss)/profit	(5,761)	3,566
		Add: exceptional items in operating (loss)/profit	12,110	7,001
		Adjusted operating profit	6,349	10,567
Adjusted profit/(loss) before tax	1,4	Loss before tax	(8,680)	(307)
		Add: exceptional items	14,291	9,518
		Adjusted profit before tax	5,611	9,211
Adjusted basic earnings/(losses) per share	1,3,4	(Loss)/profit after tax	(8,406)	1,895
		Add: exceptional items	14,291	9,518
		Less: tax on exceptional items	—	(2,380)
		Adjusted profit/(loss) after tax	5,885	9,033
		Weighted average number of shares	256,564,829	256,564,829
		Adjusted basic earnings/(losses) per share	2.3 pence	3.5 pence
EBITDA	1	Operating (loss)/profit	(5,761)	3,566
		Add: share of loss in joint ventures	—	(8)
		Add: impairment of pipeline assets	276	769
		Add: exceptional impairment of land assets	6,100	—
		Add: exceptional impairment of right-of-use assets	1,010	—
		Add: depreciation	6,346	6,346
		Add: amortisation	559	559
		EBITDA	8,530	11,232
Adjusted EBITDA	1	EBITDA	8,530	11,232
		Add: exceptional items in administrative expenses	5,000	7,001
		Adjusted EBITDA	13,530	18,233
Adjusted net cash	2	Net cash	36,834	42,602
		Add: lease liabilities	33,631	40,769
		Adjusted net cash	70,465	83,371
Return on capital employed	1,2	Adjusted operating profit	6,349	10,567
		Net assets at 30 September	124,994	132,590
		Less: adjusted net cash	(70,465)	(83,371)
		Less: intangible assets	(10,487)	(11,047)
		Less: investment property (leased)	(15,681)	(20,751)
		Less: right-of-use assets	(4,585)	(5,747)
		Add: lease liabilities	33,631	40,769
		Adjusted net assets at 30 September	57,407	52,443
		Adjusted net assets at 1 October	52,443	90,177
		Average adjusted net assets	54,925	71,310
		Return on capital employed	11.6%	14.8%

Simon Jones
Chief Financial Officer
16 December 2025

Risk management and principal risks

The effective management of risk is essential to the successful delivery of our strategy.

Risk management process

The Board has established a formal risk management process, under which it identifies, evaluates and monitors the principal risks facing the Group and the effectiveness of the controls and procedures in place to mitigate against them. This includes:

- the Board's approval of a detailed corporate risk register, which identifies the principal risks and is prepared and kept under review by the Risk Committee, which meets regularly as a sub-committee of the Executive Committee;
- the review of assurance and information about the management of those risks, including specific reviews carried out by independent advisers at the request of the Audit Committee; and
- an assessment of the Group's appetite for particular categories of risk, as a basis against which to assess whether the principal risks are being mitigated to an acceptable level.

The Audit Committee reviews the risk register annually. The review includes:

- any substantial changes to the principal risks, including new or emerging risks;
- material changes to the control framework;
- changes in risk scores;
- changes in risk appetite; and
- progress with any additional mitigating actions which have been agreed.

The Audit Committee also provides appropriate challenge to the effectiveness of mitigating controls, including management's review and testing of these mitigating controls for selected risks as part of the annual internal audit plan.

During FY25, the Board and Audit Committees met regularly to review the Group's strategic risk register and consider the new risk assessments prepared by the Risk Committee for FY25. This includes considering any emerging risks notified by the Functional Business Units via the Executive Risk Committee.

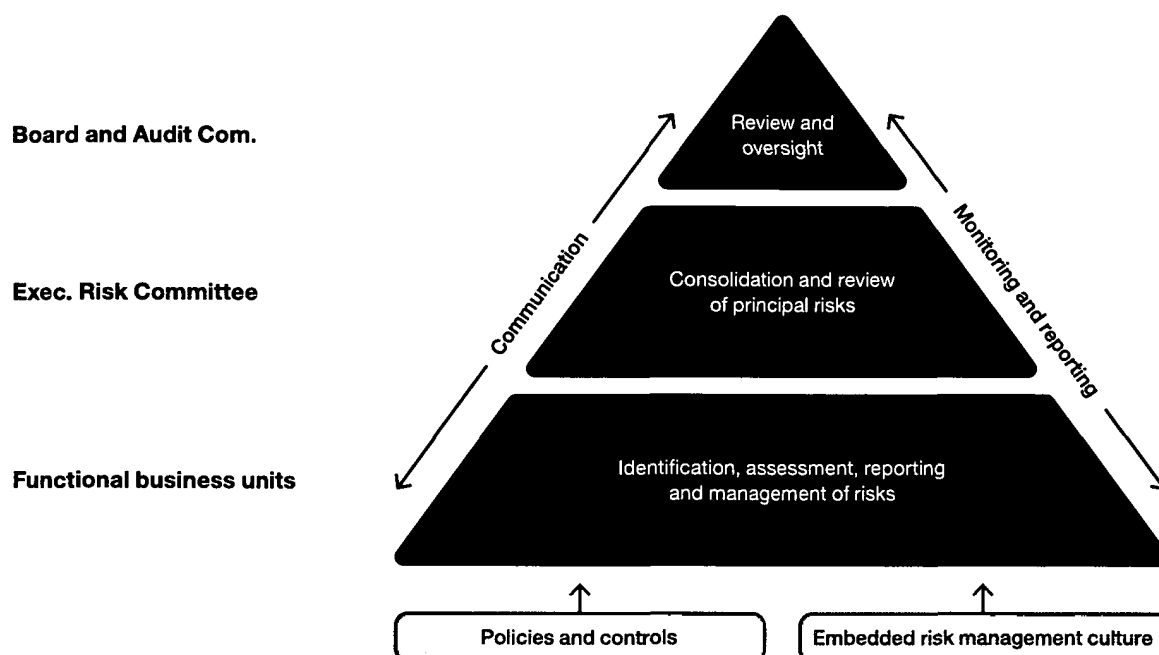
The Board and Audit Committee acknowledged the work done in progressing the Group's corporate risk management, and approved the risk appetites and current assessments for each of the Group's principal risks.

Principal risks

A principal risk is a risk that is considered material to the delivery of the Group's strategy or its performance, position or future prospects.

The Board, through the Audit Committee, has undertaken a robust review of the principal risks facing the Group in 2025, resulting in a more focused approach to documenting and assessing these risks. This update is discussed in more detail on the following pages.

The principal risks which the Board considers are relevant to the Group are summarised by risk category and considered more fully on pages 33 to 40.



Risk categories and risk appetite

The Board allocates its principal risks to categories and considers the level of risk it is willing to accept for each category, to achieve the Group's business objectives.

We have no appetite for risk in relation to health and safety matters, so this has been allocated our lowest level of risk appetite.

While we also have minimal risk appetite in relation to our other risks, the appetite for these risks is slightly higher in acknowledgement of the high levels of inherent risk in these areas.

The Group's risk categories, risk appetites and principal risks are set out in this section, along with the Board's assessment of the effectiveness of the controls and procedures in place to mitigate against them.

Heat map

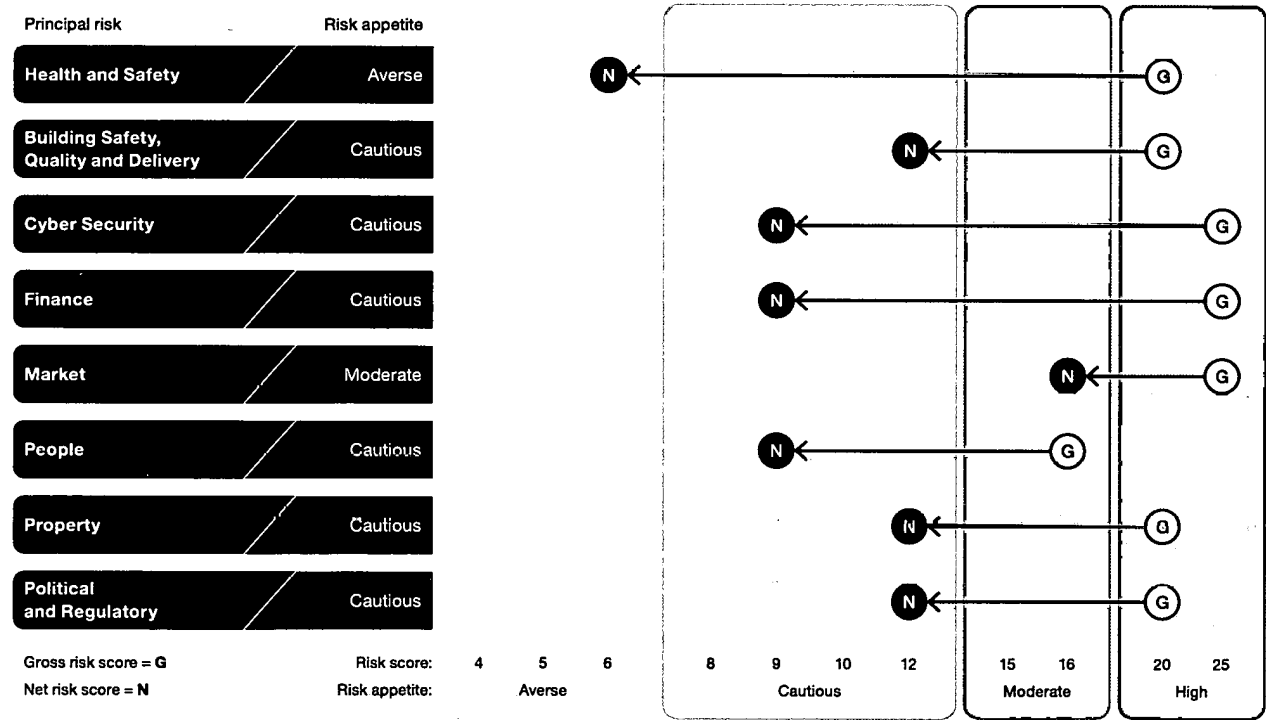
The heat map summarises our exposure to our principal risks by considering the likelihood of a risk event occurring and its potential impact on the Group in the medium term. It shows the gross and net risk assessment, which are determined before and after mitigating factors and controls are taken into account.

The heat map also shows the Board's risk appetite for each risk category, with the aim that after taking into account mitigating factors and controls, the net risk is reduced to a level that sits within or below the Board's appetite for risk.

The principal risks and risk appetite have been assessed using the following scoring matrix. Using this matrix, the gross and net risk assessment score for a principal risk is the product of the assessed likelihood and impact scores.

Likelihood	Score	Impact	Score
Highly probable	5	Extreme	5
Probable	4	Major	4
Possible	3	Moderate	3
Unlikely	2	Minor	2
Remote	1	Insignificant	1

Risk heat map



Risk management and principal risks continued

Changes in year

The Group actively monitors emerging risks and changes to the profile of existing principal risks. Whilst no significant emerging risks have been identified during the period, the Group has revised its principal risk register to allow a more focused approach to assessing, documenting and responding to these risks.

This has resulted in a reduced number of targeted principal risks with a more granular assessment of threats, mitigations and responsive controls than previously considered by the Risk Committee.

The Risk Committee considered whether Climate Change represented a principal risk to the Group. It was determined that Climate-related risks are present throughout the Group's operations, and as such were better considered as threats within other principal risks where relevant.

A description of each principal risk is included within the appropriate section on pages 33 to 40.

The risk profile for certain of these principal risks has evolved during the year:

Building Safety, Quality and Delivery

In response to the substantial regulatory changes affecting the Group, including the introduction of the Building Safety Act 2022 (BSA) and evolution of related secondary legislation, the Group maintains a number of key mitigating controls, including a proactive programme of fire safety remediation for historic projects and a working group to co-ordinate the Group's training, compliance and response to the BSA's requirements.

The Board notes the challenges that certain of the Group's peers are reporting with delays to programmes as a result of the BSA Gateway process, and is closely monitoring the response of both the government and the wider industry to these challenges. As these delays are resolved, there is a further potential risk of supply chain bottlenecks, which the Group is actively mitigating through early procurement and engagement with our subcontractors.

Whilst the Board continues to keep this risk under close review, the gross and net risk is considered to be consistent across the year.

Cyber Security

The frequency and sophistication of cyber attacks against all organisations has increased in recent years, with several high-profile instances of ransomware and phishing attacks.

Such attacks can have significant consequences on both operations and finances, and therefore the gross risk is considered to be more severe than in previous years. However, the Group maintains robust controls, mitigations and response plans in the event of an attack, including a dedicated security operations centre to respond to cyber threats, which the Board considers reduces the net risk to a tolerable level.

Finance

Despite recent reductions in interest rates and some encouraging early signs of recovery in the market, we have not yet seen a full return of customer appetite for forward sales for existing developments. As in the prior year, we consider that our existing mitigations, including diversification of our sales strategy to include joint ventures, development partnerships and Refresh works, and the Group's cash reserves and revolving credit facility discussed in the going concern review on pages 41 and 42, are sufficiently robust to maintain the net risk at a tolerable level.

Political and Regulatory

The Group has been subject to several recent changes to legislation, regulation and direct Government intervention across a wide range of areas, including the BSA, planning reforms, the Renters Rights Act and evolving tax legislation. Our market is also increasingly influenced by geopolitical uncertainty as a result of tariffs, persistent inflation and interest rates, as well as broader social considerations including immigration and overseas student numbers. As a result, the Board considers this to represent an increasing gross and net risk in comparison to the prior year.

Key

Identify potential developments

Increase

Site procurement and planning

Decrease

Transaction and funding

No change

Construction and delivery

Accommodation management

Health and SafetyRisk appetite: **Averse** Change: [Link to business model](#)

Major health and safety failing could lead to fatality, major injury, prosecution, fines, civil action, increased insurance costs or ability to obtain insurance, and loss of reputation and confidence.

Threat/trigger event

- Collapse or failure of lifting equipment.
- Major fire on site during construction.
- Falls from height of person or materials.
- Person struck by moving plant or vehicle.
- Collapse of excavation or temporary work structure.
- Unauthorised access to high-risk areas of site.
- Electrocution risk from live electrical installations on site.
- Acts of violence.
- Significant infection outbreak.
- Contamination on site, leading to handling and use of substances hazardous to health, including asbestos.
- Employee mental health concerns, including stress.
- Severe/adverse weather conditions, including those arising as a result of climate change.

Potential impact

- Loss of life/major injuries.
- Long-term debilitating health problems and death of individuals.
- Damage to property and infrastructure.
- HSE investigation leading to prosecution, significant fines or possible imprisonment for individuals.
- Civil legal action leading to financial damages and increased insurance costs.
- Loss of reputation and negative media coverage.
- Project delays and associated financial penalties under contract.

Monitoring

- Regular audits and inspections are carried out on all work activities, which are 'RAG' (Red, Amber, Green) rated to identify risk areas and take appropriate action.
- Red/Amber card system in place to identify and deal with those breaching procedures, including re-induction or removal from the site.
- Regular reviews of procedures and processes to ensure compliance with industry best practice, including feedback from the Building Safety Regulator, with findings shared throughout the Company.
- Monthly monitoring of working days lost due to employee stress.
- Exit interviews with staff leaving the business contain specific health and safety related questions to capture any allegations of non-compliance.
- Monitoring of weather conditions on site, ensuring scheduled work is appropriate for prevailing conditions.
- Trained mental health first-aiders available to provide assistance to staff; wellbeing and Employee Assistance Programmes in place.

Mitigation

- Health & Safety Policy regularly reviewed, including by senior leadership, to ensure it remains suitable and sufficient.
- Documented Health & Safety Procedures which are regularly reviewed.
- Risk assessments and method statements produced to identify hazards, risks and mitigation to reduce the risks to acceptable levels, and regularly reviewed.
- Results of risk assessments and method statements are communicated to the workforce.
- Regular information and advice provided to the workforce on hazards and risks and the measures to follow to prevent incidents.
- Workforce competency regularly assessed, including those of contractors as part of the pre-qualification questionnaire (PQQ) process.
- Staff training programmes in place for health and safety training, and training regularly refreshed.
- Updates from the Building Safety Regulator shared throughout the Company.
- Hygiene and cleaning regimes initiated throughout the workplace.

Responsive controls

- Comms plan in place in case of loss of life/serious injury as per the business continuity plan.
- Formal accident/incident reporting procedures in place to ensure rapid response and mitigation.
- Recognition of staff to reward best practices, fast response to issues.
- Post-incident and post-completion reviews (PCRs) carried out, acting on lessons learned to update procedures, training etc.

Key risk indicators: Programme delays requiring significant build acceleration, significant change to existing legislation and any new legislation, and increase in severe adverse weather events.

Opportunities: Good health and safety performance leads to a trusted reputation amongst investors, reduced insurance premiums, improved working environment, improved productivity and wellbeing.

Critical escalation factor: Major incident/accident or consistent Red score during audits and inspections.

Risk management and principal risks continued

Building Safety, Quality and Delivery

Risk appetite: Cautious Change: Link to business model:

Construction projects are delivered non-compliant, late or behind budget, resulting in significant financial costs and reputational damage.

Threat/trigger event

- Reduced availability of supply chain following regulatory/planning bottleneck, including supply chain failure.
- Reduced availability and cost certainty of materials due to bottleneck release or economic factors.
- Skills gaps within construction teams.
- Retention risk to experienced team members.
- Misalignment of construction documentation and development agreements.

Potential impact

- Delays to completion and associated financial penalties being levied.
- Project costs overrun exposure, impacting financial returns.
- Damage to reputation and client dissatisfaction.
- ESG targets not being met.

Monitoring

- Supply chain engagement sessions to understand availability, pipeline capacity and risk.
- Appropriate governance procedures and due diligence through senior management meetings which including the appropriate Project Services and Finance colleagues.
- KPIs for measuring progress and reporting, with updated cost-value reconciliation templates in use for financial monitoring.
- Supply chain reliance review and action plan.

Mitigation

- Resource competence, capacity and capability (internal team and our supply chain).
- Establishing suitable project budget and programme from the outset through proper technical due diligence and project objective known.
- Robust financial checks during PQQ process on subcontractors including ISO 14001 certification.
- PCR to ensure continuous improvement, including lessons learned from the last PCR.
- Further and continued reviews within the 'Delivering Excellence through Continuous Improvement' programme.
- Proactive programme of fire safety remediation of historic projects.
- Value-engineering capability coupled with in-house contractor expertise and early procurement strategies ensures inflation control.

Responsive controls

- Robust monitoring and record of the 'as built' works:
 - Quality assurance (QA) items recorded in cloud-based software including product certification, fire door sign-off and snagging lists.
- Use of certified installers allowing tracking and remediation of defects throughout the project.
- Continue regular subcontractor management and auditing, with all key suppliers to be ISO 14001 (Environmental) certified by 2024/25.
- Independent customer care and QA team for the rectification of any defects.

Key

Identify potential developments	Site procurement and planning	Transaction and funding	Construction and delivery	Accommodation management
Increase	Decrease	No change		

Poorly built buildings/workmanship can lead to a loss of life or serious injury, inoperable building, extensive rectification works.

Threat/trigger event	Potential impact	Monitoring (with oversight to Board level where appropriate)	Responsive controls
- Poor-quality workmanship resulting in safety-critical defects, in particular fire safety related defects (e.g. cladding, firestopping and fire doors) including completed buildings. - Inappropriate design, or inappropriate material selection. - Subcontractors, suppliers or staff lacking competency and understanding of new regulations. - New regulations or legislation emerging that would impact build programmes, design or obligations. - Failure to comply with existing legislation/ planning and ESG targets. - Budgetary pressures or unrealistic build programme resulting in increase in defects. - Supply chain failure causing delays, increased defects or increased costs. - Limited Building Safety Regulator resource causing delays to approvals.	- Non-compliance with statutory requirements, including the Building Safety Act 2022, leading to: - Potential for significant injury or loss of life. - Damage to reputation. - Significant financial penalties and remediation costs. - Criminal prosecution. - Delay to start on site and/or completion. - Non-compliance with build contracts due to quality-related defects, leading to: - Damage to reputation and client dissatisfaction. - Delays to completion, and associated damages being levied. - Increased costs for remediation. - Decrease in asset values.	- Full and proper governance and due diligence, including the appointment of independent specialist advisers where appropriate. - Maintaining KPIs for measuring progress and reporting. - Supply chain reliance review and action plan. - Active completion reviews to ensure continuous improvement, including lessons learned from the last PCRs. - Robust QA inspection carried out independent of the delivery teams on site. - Robust monitoring and record of the 'as built' works: i.e. Fieldview and certified installers.	- Continue regular subcontractor management and auditing, with all key suppliers to be ISO 14001 (Environmental) certified by 2024/25. - Post-completion reviews to ensure continuous improvement, including lessons learned.
		Mitigation - Through review by our in-house planning and delivery expertise plus understanding of Building Standards and Regulations (the Building Safety Act and fire legislations) including navigating Gateways. - Resource competence, capacity and capability (internal team and our supply chain). - Establishing an appropriate project budget and programme from the outset through proper technical due diligence and project objective understanding. - Robust financial checks, PQQ and due diligence on subcontractors including ISO 14001 certification. A robust monitoring and record of the build works (Fieldview). - Further and continued reviews within the 'Delivering Excellence through Continuous Improvement' programme. - Proactive programme of fire safety remediation of historic projects. - Positive health and safety culture being engendered into our supply chain. - Use of AI in monitoring near misses.	

Key risk indicators: QA and Health and Safety scores; build programme RAG status; variance to budgeted financials.

Opportunities: Diversity of supply chain on Refresh leading to commercial and programme betterment. Enhanced safety and quality performance can lead to increased market offering.

Critical escalation factor: Building Safety Regulator Gateway approvals materially affects existing programme and forecast dates.

Risk management and principal risks continued

Cyber Security

Risk appetite: Cautious Change: [Link to business model:](#)

Cyber security incident causing business disruption.

Threat/trigger event

- Failure of critical business software.
- Failure of critical business hardware.
- Phishing.
- Data breach.
- Malware/ransomware.
- Insider threats.

Potential impact

- Delays in payments.
- Delays in project timelines.
- Financial penalties.
- Loss of reputation.
- Loss of personal data incurring ICO penalties.
- Loss of business-sensitive information to competitor via insider threat or phishing attempt.

Monitoring

- Managed security operations centre monitoring for threats on a 24/7 basis.
- System monitoring of servers and systems.
- Dedicated software installed on computers to detect and prevent threats.

Mitigation

- Market-leading firewall technology.
- Email security platform detects and prevents email-based attacks.
- Multi-factor authentication.
- Phishing training and awareness.
- Data loss prevention.
- System backups and system replication.
- Data encryption.

Responsive controls

- Multiple backup points and replication of system to enable efficient recovery.
- Detailed scenario plans in place for cyber attack and data breaches with rapid response frameworks, which have been tested within the period.
- Separate hosting of critical system to reduce risk of a widespread loss of systems with backup and disaster recovery arrangements.

Key risk indicators: Increase in reported cyber attacks in the UK; new threats and vulnerabilities; increased security alerts from systems.

Opportunities: New technologies to further mitigate risk, staff training on cyber risks, 'Red' tests – scenario testing of IT staff.

Critical escalation factor: UK-wide outage of key supplier or large cloud vendor outages affecting systems and services.

Finance

Risk appetite: Cautious Change: [Link to business model:](#)

Lack of liquidity could inhibit the Group's growth strategy or in more extreme circumstances lead to severe financial distress and insolvency.

Threat/trigger event

- Major disruption to, or sustained closure of, the forward funding market.
- Continued high interest rates reducing available funding for developments.
- Adverse counterparty credit risk.
- Over-gearing leading to financial distress.
- Failure to maintain adequate debt facilities and covenant compliance to support long-term growth plans.
- Short-term liquidity shortfall due to high value of the Group's transactions.
- Significant acceleration of remedial works to legacy projects required by changes to laws or regulations.

Potential impact

- Inability to sell developments on a forward funded basis.
- Inability to meet short-term commitments.
- Insufficient land acquired to meet the Group's growth plan.

Monitoring

- Cash flow forecasting with site acquisitions typically structured on a subject to planning basis, providing good visibility of future commitments, see going concern assessment on page 41.
- Market assessments and stress testing in liquidity forecasts to help ensure adequate contingencies are maintained.
- Counterparty risk appraised before entering into sale agreements with clients, which are typically blue-chip institutions.

Mitigation

- Capital-light development model helps to significantly reduce cash requirements, with financing provided by its clients rather than using its own balance sheet.
- Existing forward sold pipeline combined with debt facilities provides insulation from short-term market disruption.
- Alternative funding and partnership structures explored with potential partners, including joint venture arrangements, to increase routes to market.
- The Group maintains strong relationships with its lenders, our £50 million RCF has been extended to November 2027 and there is significant headroom against its covenants.

Responsive controls

- Periodic review of non-core operational assets to determine whether divestment to release funds is appropriate.
- Maintenance of undrawn debt facilities for development and land acquisition purposes, including accordion facility of £10 million.

Key risk indicators: Inflation rates; interest rates; forecast cash balances covenant headroom.

Opportunities: Strong balance sheet allows for fast investment to respond to attractive market conditions.

Critical escalation factor: Identification of 'Black Swan' event causing a sharp economic deterioration and sustained closure of forward funding market.

Key

Identify potential developments

Increase

Site procurement and planning

Decrease

Transaction and funding

No change

Construction and delivery

Accommodation management

MarketRisk appetite: **Moderate** Change: [Link to business model](#)

Input cost inflation reduces the Group's ability to achieve the business plan through reduced margins or failure to fund developments.

Threat/trigger event

- Unanticipated input cost inflation leading to higher material and/or labour costs for construction and operations.
- Unanticipated utility cost inflation leading to higher operational costs.

Potential impact

- Reduced margins on in-build projects.
- Reduced viability of pipeline projects with reduced margins.
- Reduction in net operating income for on-balance sheet assets.
- Business plan is not achieved through reduced margins or failure to fund developments for acceptable returns.

Monitoring

- Close monitoring of development costs to ensure projects remain profitable.
- Quarterly inflation committee to review inflation forecast and ensure this is incorporated into models and monthly reporting.
- Live feedback on tender pricing to triangulate with expectations on inflation.
- Senior leadership kept abreast of changes in supply chain, delaying procurement in a deflationary environment.

Mitigation

- Inflation assumptions included within all appraisals. Rapid procurement to derisk inflation profile.
- Land contracts allow contract frustration where possible if costs escalate.
- Value engineering exercises to reduce overall build costs.
- In-house construction expertise, with strong supply chain relationships which are proactively managed.
- Continued product innovation to provide cost effective alternatives to funder throughout build process.
- Capture value growth in asset price if rental inflation is concurrent with cost inflation.

Responsive controls

- Active monitoring of deals to ensure inflation is kept within expected bounds.
- Formalised escalation factors through existing construction reporting frameworks.
- Delivering Excellence through Continuous Improvement programme to identify further areas for improvement to governance and procurement process.

Macroeconomic factors influencing market liquidity which impact the Group's ability to achieve the business plan.

Threat/trigger event

- Outward movement in investment yields leading to reduced asset valuation and lower net receipts.
- 'Black Swan' event causing a sharp economic deterioration, with associated disruption to the forward funding market and reduction in available capital.
- Changes in demographics, legislation or geopolitical impacts cause a reduction in demand for a specific asset class (e.g. PBSA).

Potential impact

- Business plan not achieved through reduced margins or failure to fund developments at acceptable returns.
- Obligations on the Group to acquire land at higher than viable levels.
- Stranded assets which we are unable to fund.
- Business plan is not achieved due to lower than forecasted net receipts because of policy changes impacting investor appetite in target markets.

Monitoring

- Close focus on market signals (interest rates, gilt yields, swap rates) to identify any likely movement in liquidity.
- Identify locations with strong demand, performing due diligence to select key micro-locations within target cities.
- Awareness of changes to political landscape through news, industry publications, industry events and Communications team.
- Monthly review of underwrites through monthly project review process to determine if any adverse movements are reflected in Group forecasts.
- Close dialogue with Fresh on occupational changes/trends.

Mitigation

- Sensitivity and downside scenarios included as standard in forecasting.
- Negotiation of subject to funding clauses where possible.
- Equity/debt requirements of funders considered at bid stage.
- Dedicated Investment team offering accountability and focus across both acquisition and funding.
- Focus on high-quality markets with high barriers to entry helping to preserve liquidity.
- Diversification across sectors and strategies (Refresh, Development Partnerships) to provide greater revenue mitigation.

Responsive controls

- Renegotiation of land contracts or utilisation of viability clauses to limit impact.
- Consideration of alternative uses in the event of challenges over viability.
- Lobbying of government bodies through organisations such as the BPF or SPF to mitigate the impacts of new legislation and ensure policymakers are aware of the market impacts.
- Consideration of build to hold strategies or recapitalisation of pipeline via JV or preferred equity strategies.
- Robust balance sheet and liquidity position gives flexibility to look through short-term disruption.

Key risk indicators: Movement in key economic indicators (yields, inflation, interest rates); student recruitment metrics; introduction of legislation likely to impact underlying markets.

Opportunities: Early exits ahead of a suspected market downturn or acceleration on pipeline growth if improving market conditions expected; early tenders for main subcontract packages to ensure cost certainty.

Critical escalation factor: Significant movement in key economic indicators; significant new legislative changes proposed.

Risk management and principal risks continued

People

Risk appetite: Cautious Change: Link to business model:

The Group cannot attract, recruit, motivate and retain employees, rendering it unable to deliver its strategic objectives.

Threat/trigger event

- Uncompetitive remuneration packages.
- Absence of career opportunities, progression.
- Lack of awareness of the importance of employee wellbeing.
- Failure to improve diversity and inclusion in under-represented groups.
- Employment law changes including financial changes to living wage having a significant financial burden.
- Changes in employment law in relation to dismissals during probation.
- A misaligned employee culture, including impact of hybrid working.

Potential impact

- Loss of key personnel critical to business operations or inability to attract new talent hinders our ability to deliver on our business strategy.
- Productivity impacted by high levels of absence due to mental/physical wellbeing.
- Increased turnover and retention issues losing skills, knowledge and experience.
- Capacity shortage limits our ability to tender for new business.
- Lack of diversity stifles creativity and innovation, compared to competitors who use diversity to their advantage.
- Inability to recruit certain roles due to changes to living wage.

Monitoring

- Benchmarking remuneration packages for recruitment.
- Monitor absences linked to stress; use of wellbeing hubs materials, applications and training to identify any patterns or trends.
- Leverage internal Talent team to review recruitment data in terms diversity and inclusion of under-represented groups.
- Engagement of colleagues through annual employee surveys/colleague groups and townhalls and the collation of ongoing feedback.

Mitigation

- Three-year People strategy with clear KPIs for success.
- Improved performance management processes and systems. By strengthening our review processes, including during probation, we will reduce risk. Also, the improvements in the performance management process will strengthen our development plans, providing clarity, and prioritise talent investment and succession planning.
- Remuneration framework to ensure our packages remain competitive, alongside employee recognition awards.
- Promotion of mental/physical wellbeing through internal communications and employee wellbeing hubs and training.
- Equity, Diversity and Inclusion (EDI) Charter, policies and actions, and ongoing commitment to EDI.
- Strategic workforce planning, identifying skills and knowledge needed for future business strategies.

Responsive controls

- Use of external contractors or consultants to cover prolonged periods of absence.
- Use of counter-offers or use of succession planning to cover responsibilities should key staff leave.
- Identification of those who could be a flight risk, put in place additional short-term and long-term incentive plans.

Key risk indicators: Turnover and absence figures; number of quality candidates for vacancies; engagement survey measures and employee net promoter scores.

Opportunities: Engaged employees leads to improved productivity and profitability.

Critical escalation factor: Sustained trend in high turnover or sickness absence having a direct impact on our ability to deliver core services or pipeline activity.

Key

Identify potential developments
Increase

Site procurement and planning
Decrease

Transaction and funding
No change

Construction and delivery

Accommodation management

Property

Risk appetite: Cautious Change: Link to business model:

Inadequate supply of available land or delays in the planning process inhibits the Group's ability to deliver its growth strategy.

Threat/trigger event

- Delayed planning approvals impacting supply of consented sites.
- Legislative changes impacting land viability.
- Falling land values precluding vendors from selling today.
- More viable alternative uses, or uses able to compete more effectively with BTR/PBSA.
- Reduction in land availability due to adverse climate impacts or environmental restrictions.

Potential impact

- Business plan is not achieved through reduction in number of sites acquired.
- Reduced margins from more costly land acquisitions or delays to planning permissions.
- Land acquired in secondary locations or with significant technical and environmental challenges.

Monitoring

- Teams monitoring and analysing regulatory changes to feed into target markets and underwriting.
- Credible market presence due to track record of bringing land through planning and competitive pricing.
- Vertically integrated structure allows competitive underwrite, including detailed operational cost and lettings guidance from Fresh.

Mitigation

- Specialising in multiple sub-markets of residential for rent (BTR, PBSA, Co-Living, Single Family Homes) allows the Group to better maximise the value of a site, and increase the quantum of viable sites.
- The Group has an established off-market land sourcing capability through a dedicated network of site finders.
- Having an internal costing and build team allows the Group to price build costs and manage inflationary pressures more competitively than most of its competitors, allowing for more competitive bids in the land acquisition process.
- The sectors that we operate in retain significant supply/demand imbalances.
- Diversification of strategies into Refresh (refurbishment) and also Development Partnerships (partnering with existing landowners).

Responsive controls

- Utilisation of development partnerships to acquire sites with consent – ongoing.
- Further development of site-finding network.
- Working with partners to acquire sites unconsented – ongoing.
- Increased dialogue/ comms with national agents on our strategic objectives.
- Specification changes to incorporate potential regulatory changes ahead of time.
- Robust investment appraisal methodology and governance structure.
- Further sector diversification (hotels, data centres etc.) as sectors evolve.

Increased competition could increase land prices or build costs, or reduce demand for the Group's schemes.

Threat/trigger event

- Increased competition for sites from direct competitors or a competing use class.
- Increased competition leading to gazumping or sites being lost between heads-of-terms and exchange.
- Protracted acquisition process resulting in reduced transaction volume.
- Increased number of planning applications in one area leading to refusals regardless of merit.
- Attractive market conditions leads to significant new capital invested in new entrant.

Potential impact

- Business plan is not achieved through reduction in number of sites acquired.
- Reduced margins from more costly acquisitions and delays to planning permissions.

Monitoring

- Review of pipeline on a regular basis, and early escalation if drop off in new opportunities with optionality in product and use type increasing range of sites reviewed.

Mitigation

- The Group's track record, plc status, enhanced communication strategy and robust balance sheet provides confidence of successful deal completion.
- Integrated supply chain and contracting expertise offering ability to target both target both high and non-high rise buildings and control costs and non-HRBs and control costs.
- Target cities by applying Fresh's unique expertise to understand supply/demand drivers and product requirements.
- Specialist acquisition teams covering wide geographical area, sector coverage and underwrite capacity, underpinned by the Group's integrated structure.
- Deals sourced both on and off market, allowing for direct approaches to vendors with a variety of deal structures possible including options, unconditional purchase, subject-to-planning arrangements and development management wraps.
- Offer letters and marketing material highlight the Group's track record and ability to perform and transact.
- Barriers to entry for new participants through client expectations and expertise required to complete deals.

Responsive controls

- Investment team creates close relationship and dialogue with vendor and agents where appropriate.
- Specialist in-house Planning team and promotion of high-quality design and sustainability standards.
- Tracking and monitoring of reasons why acquisitions may have fallen through.
- Increase quantity of off-market deals to reduce market competition.
- Increase land network of site finders.
- Capital structure provides flexibility to progress selected developments on a turnkey basis to increase sales value.

Key risk indicators: Land pipeline; legislative changes impacting land viability; length of time required to obtain planning; win-ratio for new opportunities vs competitors.

Opportunities: Utilising our competitive advantages to acquire sites where others can't. Decreasing land values offering buying opportunities.

Critical escalation factor: Material decrease in pipeline opportunities.

Risk management and principal risks continued

Political and Regulatory

Risk appetite: Cautious Change: Link to business model:

Failure to respond to changes in legislation, regulation or political environment, impacting the Group's ability to deliver its growth strategy, or resulting in financial and reputational damage.

Threat/trigger event • Failure to comply with relevant legislation. • Failure to implement or properly assess regulatory changes. • Lack of, or inadequate, policies and procedures. • Poor management practices that accept non-compliance. • Lack of awareness of forthcoming legislation. • Failure to engage with government or industry bodies to influence law or regulation change. • Legal procedures commenced by relevant body/affected party. • Delays to programme due to Gateway requirements.	Potential impact • Criminal proceedings, financial penalties for non-compliance. • Damage to the Group's reputation. • Increased costs to meet/comply with regulation. • Inability to implement strategy to unfavourable/restrictive environment, such as a loss of appetite in BTR schemes due to the passing of the Renters' Reform Bill or in PBSA schemes due to a restrictive immigration policy impacting international student numbers. • Loss of new project or revenue opportunity. • Loss of ability to influence policy and decision making.	Monitoring • Top-down approach to risk, with PLC Board and Executive Committee actively engaged. • Committee groups with business-wide representation created to address significant legislative changes, e.g. Building Safety Act and impact of the associated Gateways. • Regular consultation with government agencies directly and industry bodies/groups to help influence, monitor, understand and plan for proposed regulatory change. Mitigation • Compliance is a high priority, as evidenced by matters considered by the Board and Executive Committee. • Knowledgeable and expert staff in place across a range of legal areas that affect the business (e.g. planning, construction, corporate, HR etc.). • Comprehensive set of policies is well embedded in the business, including policies for external sub-contractors and suppliers as well as internal Watkin Jones policies and bespoke policies for Fresh, to help ensure compliance with the relevant legislation. • Compliance training regime for all new employees, with mandatory regular refresher training. • Immigration risk is mitigated in part by the locations we develop in via our target cities strategy.	Responsive controls • Immediate escalation of potential breaches and/or whistleblowing complaints. • Internal and external legal involvement. • Swift update to policy, internal controls and operations ensuring improvement and compliance.
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Key risk indicators: Increased government intervention or activity in the sector; whistleblowing.	Opportunities: Comprehensive understanding of legislation and regulation change allows for increased revenue opportunity e.g. Refresh.	Critical escalation factor: Government intervention within sector that threatens Group operations, substantial legislation or regulatory breach.
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Going concern

The Directors have undertaken a thorough review of the Group's ability to continue to trade as a going concern for the period to 31 January 2027 (the 'forecast period'). This review has been undertaken taking into consideration the following matters.

Liquidity

At 30 September 2025, the Group had a robust liquidity position, with cash and available headroom in its banking facilities totalling £130.1 million, as set out below.

	£m
Cash balances	80.4
RCF headroom	39.7
Accordion facility	10.0
Total cash and available facilities	130.1

Strong liquidity has been maintained through the first quarter of the year ending 30 September 2026, providing the Group with a good level of cash and available banking facilities for the year ahead.

All financial covenants under this facility were met at 30 September 2025 and are forecast to be met throughout the period to 31 January 2027.

Business model

Our business model is capital light. By forward selling or acting as development partners for the majority of our build to rent, purpose built student accommodation and Refresh developments, we receive payment before we incur any significant development cash outflows.

By controlling our pipeline we are able to ensure that we only commit expenditure to projects that are either development partnerships, are forward sold or on which we are undertaking a modest level of enabling works.

In certain circumstances we may decide to continue construction activities beyond the initial enabling phase, without a forward sale agreement in place, but we take this decision based on our available liquidity and can suspend the works should it prove necessary. This greatly limits our exposure to development expenditure which is not covered by cash income.

Sites are normally secured on a subject to satisfactory planning basis, which gives us time to manage the cash requirements and to market them. We also take a cautious approach to managing our land acquisition programme to ensure that we have sufficient liquidity available to complete the acquisition of the sites without any new forward sales being secured.

The Fresh business receives a regular contractual monthly fee income from its multiple clients and the short to medium-term risk to its revenue stream is low.

Our Refresh business involves little initial investment or rolling working capital, with works completed generally certified and invoiced on a monthly basis.

For our Affordable Homes business, which is currently relatively small and only has a few sites in build, we manage our development expenditure so that, other than for infrastructure works, we only commit expenditure where it is supported by a forward sales position.

We also receive rental income from tenants on our leased PBSA assets.

Our business model and approach to cash management therefore provides a high degree of resilience.

Counterparty risk

The Group's clients are predominantly blue-chip institutional funds, and the risk of default is low. The funds for a forward sold development are normally specifically allocated by the client or backed by committed debt funding.

For forward sold developments, our cash income remains ahead of our development expenditure through the life of the development, such that if we were exposed to a client payment default, we could suspend the works, thereby limiting any cash exposure.

Fresh has many clients and these are mostly institutional funds with low default risk.

Risk management and principal risks continued

Going concern continued

Base case cash forecast

We have prepared a base case cash forecast for the forecast period, based on our current business plan and trading assumptions for the year. This is well supported by our forward sold pipeline of three PBSA developments and four BTR developments for delivery during the period FY26 to FY28, as well as the reserved/exchanged and forward sales for our Affordable Homes business and the contracted income for Fresh and Refresh.

Our current secured cash flow, derived from our forward sold developments and other contracted income, net of overheads and tax, results in a modest cash utilisation over the forecast period, with the result that our liquidity position is maintained.

As part of this, the Board has also assessed the appropriateness of the phasing of payments for building safety remediation from the building safety provision together with the overall level of the provision.

In addition to the secured cash flow, the base case forecast assumes a number of new transactions securing future revenues and further house sales which, if achieved, will result in a further strengthening of our liquidity position.

Risk analysis

In addition to the base case forecast, we have considered the possibility of continued disruption to the market given the market turbulence seen in the UK over recent years. This is our most significant risk as it would greatly limit our ability to achieve any further disposals.

We have run a reasonable downside model scenario, such that forward sales and new site acquisitions are delayed by up to six months, to assess the possible impact of the above risks. Whilst there remains a more medium-term risk regarding the likelihood that existing challenges in the macro-environment will continue, together with the uncertainties of the BSA legislation, the level of estimated cash spend required in the coming year, and the possibility of further liabilities materialising, the cash forecast prepared under this scenario illustrates that adequate liquidity is maintained through the forecast period and the financial covenants under the RCF would still be met.

The minimum total cash and available facilities balance under this scenario was £93.6 million (£103.6 million including our accordion facility).

We consider the likelihood of events occurring which would exhaust the total cash and available facilities balances remaining to be remote. However, should such events occur, management would be able to implement reductions in discretionary expenditure and consider the sale of the Group's land sites currently held on balance sheet at a reduced price if necessary to enable a quick sale, to ensure that the Group's liquidity was maintained.

Conclusion

Based on the thorough review and robust downside forecasting undertaken, and having not identified any material uncertainties that may cast any significant doubt, the Board is satisfied that the Group will be able to continue to trade for the period to 31 January 2027 and has therefore adopted the going concern basis in preparing the financial statements.

This strategic report, comprising pages 1 to 67, has been approved by the Board and signed on its behalf:



Alex Pease

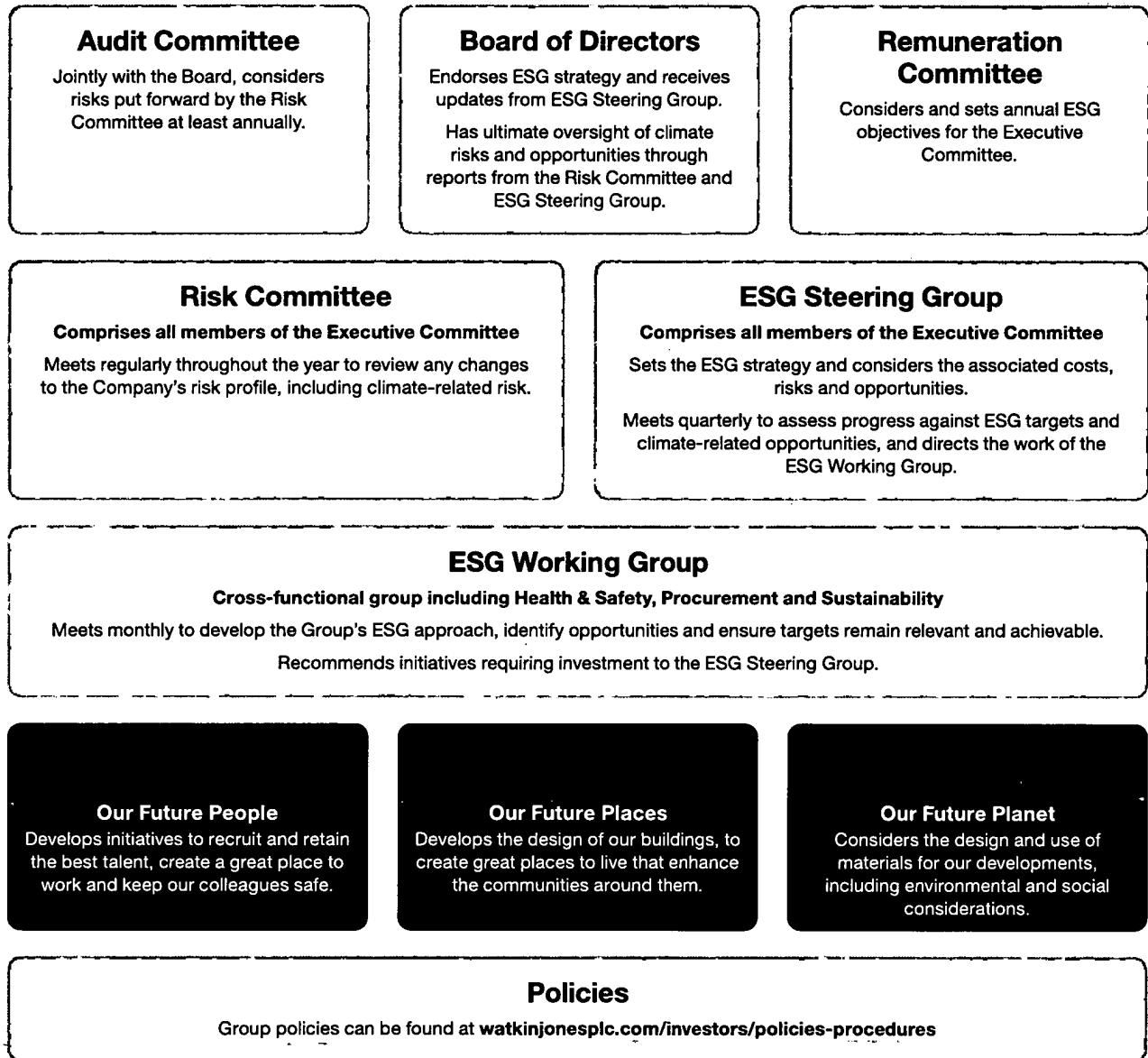
Chief Executive Officer

16 December 2025

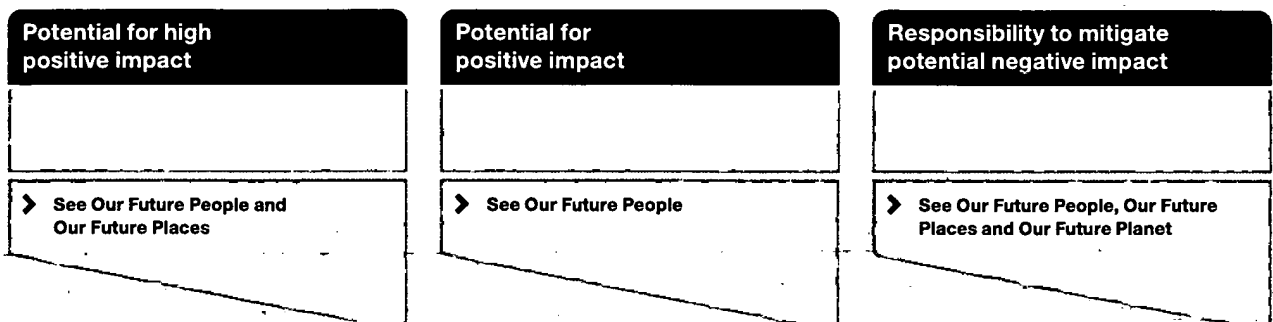
Sustainability

Our sustainability governance framework

Our approach to sustainability is underpinned by a robust governance framework, which ensures effective oversight of our strategy and its implementation, supported by policies and procedures embedded throughout the Group.



UN Sustainable Development Goals framework:



Sustainability continued

Our Future Foundations sustainability strategy

We have clear and measurable sustainability objectives aligned to our core business strategy, recognising that our long-term business success and sustainability are interdependent. We track these goals with performance indicators and regularly assess our progress.

Commitment	Key activities
Our Future People Create a great place to work, which celebrates diversity and inclusion, prioritises everyone's health and wellbeing and allows us to make a positive difference to the Group and society.	• Launch of our new values framework. • Launch new three-year people strategy. • Continue to engage with colleagues to shape our business. • Continue to invest in wellbeing, learning and recognition.
Commitment	Key activities
Our Future Places Enhance customer experience and client satisfaction, by delivering buildings and services that meet their needs and are of the highest quality.	• Focus on the use and layout of shared amenity space to enhance residents' experience. • Reduce carbon emissions (see below). • Maintain and improve strong net promoter scores. • Enhanced mechanical and electrical strategy focusing on thermal comfort and efficiency. • Utilising key insights from Fresh to improve our specification and ultimately residents' experience.
Commitment	Key activities
Our Future Planet Minimise our environmental footprint and reduce carbon emissions by focusing on our supply chain, making our workplaces and developments more energy and water efficient, reducing waste and being innovative.	• Reduce Scope 1 and 2 emissions by: • Implementing company car policy. • Reviewing energy procurement. • Implementing our innovative power and plant strategy including use of HVO fuel, battery hybrid technology and energy recovery systems for our tower cranes. • Reduce Scope 3 emissions by: • Installing solar panels where suitable. • Strengthening partnerships with key suppliers. • Running environmental campaigns to raise awareness among Fresh residents. • Updating our building specifications to reflect our commitment to sustainable materials. • Improve waste and water performance by: • Increasing diversion of waste from landfill. • Reducing water consumption on sites. • Enhancing waste management plans and partnerships with key supply chain, to recycle specialist materials.

Future Foundations – strategy

2025 sees the completion of the majority of our incumbent targets across Future People, Places and Planet. FY26 will see the launch of our ambitious new targets for the next five years and beyond, designed to build upon our significant achievements to date. These targets will see the launch of our new Social Value Strategy, reduction in the embodied carbon of our product, as well as uplifting our targets in relation to BREEAM, the Considerate Constructors Scheme and biodiversity.

FY25 performance and highlights

- Engagement score: 76% (FY24: 72%).
- Voluntary turnover: 28% (FY24: 24%).
- Gender diversity: 45% female (FY24: 46% female).
- BAME (Black, Asian and Minority Ethnic): 9.78%.
- Achieved Disability Confident Employer status, recognising our ongoing commitment to being an inclusive employer.
- Health and safety incident rate at 3.8% of the national construction industry average at 94/100,000 employees (FY24: 321/100,000 employees and 13.4% of the average).

FY26 targets (unless specified)

- Employee engagement score: **75%**¹.
- Voluntary turnover: **below 20%**.
- Increase in under-represented groups: **to better reflect national profile**.
- Inclusivity approach: **supported by recognised accreditations**.
- Health and safety incident rate: **less than 5% of the national construction industry average**.

FY25 performance and highlights

- Fresh student net promoter score (NPS) of +35 (FY24: +36).
- Fresh client NPS of +37 (FY24: +62).
- 100% of schemes submitted for planning were designed to BREEAM Excellent standard for PBSA or HQM 4* for BTR.
- Average Considerate Constructors Scheme (CCS) score across all sites was 42 (Excellent) and ahead of target.

FY26 targets (unless specified)

- Fresh NPS (student): **to maintain current high levels**.
- Fresh NPS (client): **to maintain current high levels**.
- Design quality of student developments (BREEAM rating): **100% Excellent**.
- Design quality of BTR developments (HQM): **4* by 2030**.
- Wired score: **Silver**.
- Considerate Constructors Scheme: **Very Good for all sites**.

FY25 performance and highlights

- Scope 1 greenhouse gas emissions is down by 45% on prior year.
- 37% decrease in total Scope 1,2 and 3 emissions on a market basis and a reduction of 34% on a location basis, both against prior year.
- Sustainable heating solutions deployed in all schemes.
- 99.74% waste diverted from landfill (FY24: 99.15%) with a reduction in waste produced by our construction sites year on year from 0.03 tonnes/m² to 0.01 tonnes/m².
- Water consumption reduced slightly year on year from 0.028 l/m² to 0.023 l/m².
- Car fleet remains fully electric or hybrid, ahead of the 2026 target.

FY26 targets (unless specified)

- Carbon reduction: **net zero Scope 1 and 2 carbon emissions by 2035**.
- **Meaningful reduction of Scope 3 emissions by 2030**.
- ISO 14001 accreditation in supply chain: **100% of main suppliers and subcontractors**¹.
- Car fleet: **full electric vehicle fleet by 2026**¹.
- Sustainable heating systems: **in all development designs by 2023**¹.
- Waste diversion from landfill (waste from construction sites diverted from landfill for reuse or recycling): **over 97.5%**¹.

¹ Target updated during the year, to reflect early achievement of original target or where previous target no longer aligns to our approach. Further, targets for FY26 have been set and rebalanced across the business to align with our strategic priorities.

Sustainability continued

Our Future People

2025 performance

4.4

learning days per
colleague achieved

Zero

non-compliance events

28%

voluntary employee
turnover

28

promotions

70%

reduction in RIDDOR
incident rate

45%

female colleagues

+29

Employee Net
Promoter Score

We continued to deliver against our priorities during the year, in order to enhance the way we manage and engage colleagues.

Engaging with colleagues

We believe that engaging colleagues is the key to our success. We focused on ensuring that there is a clarity and consistency in our messages and that there are multiple opportunities for their ideas and suggestions to be captured. We have regular group and divisional 'townhalls' as well as face-to-face engagement sessions with our Non-Executive Directors, we also have colleague forum groups for both Watkin Jones and Fresh.

Each year we carry out an externally facilitated engagement survey. Our engagement survey covers six areas: Health & Wellbeing, Inspiring Workplace, Leadership & Inspiration, Meaningful Work, Motivating Managers and Realising Potential. The key metrics in relation to engagement have seen an increase across all elements, this demonstrates that colleagues feel more engaged in the work they do. Why these metrics are important:

- Response rate. Having a high response rate gives accuracy and credibility of the data gathered and reflects the views of majority of colleagues. This has seen a 7% percentage point increase this year up from 76% in 2024 to 83% in 2025.
- Average score. Using the average score provides a benchmark for engagement. It provides a 'snapshot' of how colleagues feel collectively when answering questions. The average score for the 2025 survey was 7.9 and a score above 7.0 being rated as positive.

- Overall engagement score. This gives us a holistic view of the colleague experience. It consolidates feedback from across the survey from the six areas listed above. For 2025, the overall engagement score was 76%, an increase on the 72% of 2024.
- Finally, Employee Net Promoter score. This provides a simple yet powerful indicator of loyalty and advocacy. Our employee net promoter score (eNPS) increased from +8 in 2024 to +29 in 2025. The eNPS is a measure of how likely a colleague is to recommend Watkin Jones as a good company to work for. We benchmark across the sectors we operate in, our results demonstrate that in relation to the data above we are performing better than industry average on net promoter. This positive endorsement demonstrates that many of our colleagues believe that we are a great place to work.

As in previous years, we held sessions for each division and team to go through their results and their engagement drivers, as well as areas for improvement. Managers could also see the results for their area, to help them improve their own management practice. These actions supported local ownership of results and drove our improvement priorities.

Health and safety

Health and safety continues to be an absolute priority for us and our track record remains strong.

Gender diversity

At the year end, our gender diversity was as shown in the table below:

	2025		2024	
	Men	Women	Men	Women
Board	4	2	4	2
Senior management	40	5	38	7
Other employees	288	270	283	266
Total	332	277	325	275

We have a Group-wide health and safety policy, which provides a comprehensive description of responsibilities from Board level to the people working on sites. It also details the arrangements which form our robust ISO 45001 certified health and safety management system.

Our annual incident rate was 94 per 100,000 employees (FY24: 321). This is a very good performance at 3.8% of the industry average. It represents a 70% reduction in RIDDOR reportable accidents from FY24. In FY25 we have maintained within 4% of our low accident incident rate for minor non-reportable incidents when compared with FY24.

In addition to our comprehensive business-as-usual training, we introduced courses to cater for new standards and requirements on site. We look to continuously improve our performance and highlight monthly focus areas where we have identified the need for people to remain diligent.

For information on our approach to fire safety and the Building Safety Act, see page 52.

Learning and development

During FY25, we continued to deliver targeted training to our colleagues, with c.4.4 days of training per colleague delivered, just short of our target of 4.5 days by FY25.

This reflects our continuous efforts in promoting apprenticeship programmes. While these have traditionally been seen as learning paths for young people, we have also taken the opportunity to upskill current colleagues. In FY25, the subjects being studied ranged from construction site management to accounting. Our apprenticeships also include leadership and management.

This builds on our people's technical and professional skills by allowing them to learn about best practice and potentially obtain a qualification. In FY25 we launched a Level 7 Women in Leadership programme, equivalent to a Masters, to increase the profile and talent investment for women in leadership positions.

Most of our vocational learners are engaged in construction-related qualifications but we have also enrolled colleagues in professional membership pathways, such as the Royal Institute of Chartered Surveyors and the Chartered Management Institute.

We continued to run a wide range of operational and specialist training across the Group. In particular, given the significance in the sector, given the Building Safety Act we have introduced a new online learning tool to capture evidence of skills compliance. In FY25, we launched a High Performing Leaders programme, investing in skills knowledge and experience development of leaders.

Recruitment and retention

The market for talent remains competitive, reflecting continued skills shortages in construction and competition with hospitality businesses in Fresh. Nevertheless, we continue to attract the talent we need and have leveraged our in-house capabilities to further reduce the reliance on recruitment agencies. Our in-house Talent team have been recognised for the innovation in new starter onboarding, winning an industry award.

Voluntary turnover in the year was 28%, with 18% in Fresh and 10% in Watkin Jones. Whilst we have not achieved our ambitious FY25 target of 20%, we continue to focus on efforts to attract, develop and retain talent across our organisation.

In our recent annual engagement survey, colleagues scored 'pride and advocacy for the Group' high. We make efforts to listen to employees' suggestions for making the Group a more enjoyable and satisfying place to work and this is key to further reducing turnover. We also look to retain talented people by promoting from within and we were pleased to promote 28 colleagues in the financial year.

Equity, diversity and inclusion (EDI)

Fostering a diverse and inclusive workplace requires us to have accurate data on our workforce. We have therefore begun to collect EDI-related statistics.

We continue to improve our HR policies and recruitment processes. We have seen a slight decrease in our BAME (Black, Asian and Minority Ethnic) percentage; of those who have provided their data so far, 9.78% identify as BAME (FY24: 10%).

We continued to promote diversity in FY25, for example by celebrating International Women's Day, Pride Month, World Mental Health Day and Dyslexia Awareness Week. We continue our commitment to educational awareness and understanding in relation to neurodiversity. This access to information on neurodiversity has also helped many colleagues to support their family members.

The Group gender balance is 45% female and 55% male. The split reflects the number of women in Fresh, including in senior roles. We continue to work to improve the gender balance in Watkin Jones. At the year end, our gender diversity was as shown in the table above.

Sustainability continued

Our Future People continued

Wellbeing and mental health

Our education and support for understanding mental health and resilience has been a particular success. Our wellbeing hub continues to gain traction with many colleagues accessing the support. The four areas of focus are:

- workplace wellness, engagement and connectedness;
- physical wellbeing, and healthy bodies for a healthy business;
- community and social wellbeing, including building a strong community; and
- emotional and mental wellbeing, promoting a positive and supportive environment.

Each of these areas is supported by a busy calendar of events, covering topics such as physical, mental and financial health. There were also many other informal events to help create a welcoming, friendly workplace, as well as 'lunch and learn' sessions, where our people could hear from external providers and experts on wellbeing subjects. Our colleague forums help shape the agenda as they gather areas of particular interest and topics that resonate with colleagues in their business areas. We promote health checks and access to advice and a range of medical services through our healthcare cash plan provisions.

To enhance wellbeing even further, we launched a new online application called 'OpenUp'. This dedicated wellbeing 'app' is open to all colleagues and their families, and it is accessible 24/7 with access to trained specialists/counsellors to support in a variety of subjects within hours of registering a request, with no prior need for manager or HR approval.

It also provides self-guide tools in multiple languages. Since its launch our people have accessed the services provided, with direct access to psychologists and training and support in mindfulness, finance, working effectiveness and lifestyle.

In FY25, we became corporate charity partners with Mind, a leading mental health charity. It reflects our long-term commitment to supporting wellbeing, both within our business and across the communities we work in. This partnership helps us:

- Promote open conversations about mental health.
- Offer meaningful ways for colleagues to give back.
- Embed purpose into how we work every day.
- Build stronger links with our local communities.

Reward and recognition

We continued to focus on reward and recognition in FY25. From a pay perspective, we continue to benchmark our roles to ensure they remain competitive and fair. Following a review against the market, we also updated our bonus frameworks with further work planned into FY26.

In FY25 we also improved further colleague savings through our online savings platform via Perkbox. This application provides thousands of savings from well-known brands in food, fashion and travel as well as cashback and gift options. The Watkin Jones Employee Sharesave scheme, which is now in its third year, has proven to be a popular opportunity for colleagues to invest in the Groups future.

Our quarterly recognition awards remains popular. In FY25 we had c.200 colleagues who were nominated against the three categories of colleague of the quarter, team of the quarter and leadership excellence. In addition, we hosted our annual 'Star Awards' which is growing each year in popularity, celebrating colleagues who through their efforts have made lasting impressions on our business.

Tai Afon, Cardiff

Our people policies

In FY25 we have updated many of our people policies in line with legislation changes including equality and diversity, employee privacy and dignity at work.

Colleagues can report policy compliance issues to their line manager or their HR business partner. If the issue remains unresolved, we have a formal grievance procedure and policy, as well as an external whistleblowing service, which allows colleagues to raise concerns anonymously and confidentially.

We did not identify any material non-compliance with our people policies during the year.

Human rights

We have policies covering human rights in our business and supply chain. These include policies on equal opportunities, equality and diversity, anti-slavery and human trafficking.

In addition, in FY25, we have undertaken a detailed education and training programme for all our colleagues on the prevention of sexual harassment in the workplace. This consisted of online training, provision of a new policy and procedures, and a manager's toolkit.

Our Compliance Officer has primary responsibility for overseeing the anti-slavery and human trafficking policy. This involves monitoring its use and effectiveness, dealing with any queries, and auditing internal control systems to ensure they are effective. We provide all new and existing colleagues training to understand their rights and responsibilities under our human rights related policies. Anyone with concerns about slavery or human trafficking must raise them through their line manager, our Compliance Officer or through our whistleblowing procedures.

We are not aware of any material breaches of our human rights policies during the year.

Anti-bribery and corruption (ABC)

We have a detailed ABC policy, which is designed to give colleagues and third parties working for us sufficient knowledge to detect and prevent bribery and corruption. The policy is supported by practical examples of how to apply the rules and guidance on where to seek advice.

Directors, managers and supervisors are personally responsible for monitoring compliance in respect of all business matters they manage or supervise and by everyone involved in those matters, including agents, joint ventures and contractors working for us.

Code of Conduct

In the year, we launched our Group Code of Conduct. This Code set out the standards we expect all colleagues to follow. It details the obligations and responsibilities of our people and how we can all contribute to the reputational success of the Group.

Whistleblowing

Watkin Jones is committed to maintaining the highest standards of integrity and accountability. We have a comprehensive whistleblowing policy and process in place, enabling employees and third parties to raise concerns confidentially and without fear of reprisal. In addition to being able to raise matters with senior management, a dedicated whistleblowing hotline is available to support this commitment and ensure appropriate action is taken.

The Audit Committee receives an update on all whistleblowing submissions. We are not aware of any breaches of our policies during the year.

Sustainability continued

Our Future Places

Sherlock Quarter, Birmingham

2025 performance

+35

resident net promoter score

+37

client net promoter score

Award wins

Winner of 'Best Student Experience' award at the Property Week Annual Student Accommodation Awards

We aim to deliver and operate the highest-quality buildings, which meet residents' and clients' evolving needs while benefiting our communities.

The quality of our buildings and our customer service for residents are regularly recognised by industry awards. Achievements for Fresh during FY25 included:

Certifications – rated Platinum as an Operator for the second year running, as well as:

- 10 x Platinum certified properties from the Global Student Living Index.
- 20 x Gold certified properties from the Global Student Living Index.
- 14 x Silver certified properties from the Global Student Living Index.

Awards achieved – finalists at Home View Awards in February 2025 for:

- Top rated Co-Living Community for The Gorge scheme in Exeter.
- Top rated Small Rental Community for The Gorge scheme in Exeter.

Winner – StudentCrowd Student Voice Awards for:

- Ty Nant, best property in Swansea.
- Benson Yard, second best property in Liverpool.
- Calico, third best property in Liverpool.

Delivering a great resident experience

We look to deliver a consistently great experience for residents. For students, being away from home can be stressful, so supporting their mental health and wellbeing is a key focus.

Our support includes our Be wellbeing and lifestyle programme, which helps residents to settle in, make new friends and enjoy their time with us. In Fresh's BTR properties, the Belong programme provides clubs, socials and other events attuned to residents' interests and lifestyles.

The success of these programmes has helped Fresh to achieve very high net promoter scores from residents and win further national awards for its service quality.

Excellent internet connectivity is important for residents' lifestyles, including working from home. We were pleased to achieve WiredScore Portfolio accreditation, which acknowledges our best-in-class delivery of digital infrastructure. Watkin Jones is one of only a few developers and landlords to receive this award.

Maintaining a strong reputation with our clients is vital. We therefore set high standards in our Facilities Management Agreement and engage with clients to tailor our service for their needs, including ways to make properties more efficient and environmentally friendly. In our client survey, we achieved an NPS of +37 (FY24: +62).

Designing for sustainable performance

Our clients are increasingly focused on the sustainability of properties, so they remain fit for purpose for the long term.

The Building Research Establishment's Environmental Assessment Method (BREEAM) and the Home Quality Mark (HQM) assess a building's environmental performance and how it contributes to residents' wellbeing. Our commitment to sustainability throughout the design process, from concept to delivery, ensured that we have been able to continue to deliver in advance of our internal targets again this year, with all new developments achieving at least BREEAM Excellent or HQM 4*, with some of our future schemes targeting BREEAM Outstanding – underlining our commitment to continuous improvement.

During the year we have refreshed our Design Guides across our PBSA, Co-Living and BTR products, enshrining the latest innovations, sustainable products and practices as we seek to reduce the embodied carbon in our product, which will be a focus in the coming years.

Innovation and continuous improvement

We embrace innovative approaches and technologies that can enhance our sustainability efforts. Some of our initiatives include:

- We have reviewed the products that are included within our designs, using our strategic relationships with key manufacturers to ensure we specify the latest products with the latest technology and that sees a reduction in embodied carbon. This approved product list is now issued as part of our competitive tender process.
- Where possible, we are encouraging our partners to produce Environmental Product Declarations (EPDs).
- After completing a strategic review of MMC opportunities within our product, we have created a roadmap that builds upon our traditional use of prefabricated bathroom pods. Our internal product development team has designed a bespoke kitchen pod in partnership with one of our key supply partners. This product has been successfully trialled in studio kitchens in our Grove Crescent scheme and contains all required electrical components, appliances and finishes – effectively replacing the requirement for traditional kitchen installation works. This product increases efficiency, significantly reduces waste on site and provides a significant reduction in carbon when compared to traditional kitchen installation. In the coming year, this product will be further developed for all PBSA kitchens.

- Last year, we successfully trialled the use of hydrotreated vegetable oil (HVO) fuel on two of our sites with a view to using it more widely to replace diesel. HVO fuel is made from 100% renewable and traceable raw materials such as waste cooking oil, residues and oily wastewater. It can reduce carbon emissions by 90% against traditional diesel.
- Following this successful trial, we are utilising this type of fuel on more of our sites.
- In addition to this we have conducted a strategic review of alternative power solutions with a view to reducing our carbon emissions further. In partnership with one of our strategic partners, we have successfully trialled hybrid generator and battery storage systems which dramatically reduce the amount of fuel used and the necessary running time. We have already seen significant reductions in carbon on two of our sites (45 tonnes of carbon over two months) and these solutions are being implemented on future sites.
- Furthermore, we are exploring the next stage of this strategy for our scheme in Glasgow (the 'Ard'), which incorporates hybrid battery technology as well as a battery-driven power solution for our two tower cranes – underlining our commitment to continuous improvement and taking the next step.
- We are able to utilise our internal technical expertise in conjunction with carefully selected professional consultants to design bespoke M&E and heating solutions that are more appropriate to the specific requirements of our schemes – in some cases this is an air source heat pump (either centralised or decentralised), in other cases this will be agreement with the local authority to connect to district heating networks – but is always sustainable and not reliant on fossil fuels.

The Four Pillars of People

To ensure we continually improve and take advantage of opportunities and innovation, we have formed an ESG Working Group with representation from across the business. This group is reviewing all aspects of our products and services, as well as ensuring teams take a consistent approach and consider sustainability in everything we do. One current project involves improving the sustainability of the cabins we provide for our people on site, for example by adding photovoltaic panels, harvesting rainwater or providing electric vehicle charging.

More broadly, we are considering the principles of the circular economy, where materials are recovered, reused or recycled rather than being disposed of. This can take the form of reusing materials already present on our sites or assessing how the materials we purchase could be reused in future, so we can favour those with potential for circularity.

Benefiting our communities

Social value

This year we have launched our new Social Value Framework, which formalises our commitment to supporting and enhancing local communities. This builds upon the work already undertaken by our teams and subcontractors to offer work placements, work experience or technical support for local projects.

Watkin Jones has long been committed to social value, including ensuring that the local economy is boosted by our prioritisation of local goods and labour.

This framework guides our business from site acquisition through construction to management practices and has clear regard to maximising social value impact. The framework will guide development-specific initiatives to offer more to communities locally, thereby maximising benefits to the area. Each of our new developments will have a bespoke social value plan which will form an important part of decision making in both design, procurement and construction practices.

Sustainability continued

Our Future Places continued

Benefiting our communities continued

Social value continued

This year, we have also supported local communities via partnership with the popular TV show 'DIY SOS', supplying building materials and labour to projects in Lewisham (close to our Grove Crescent site) and The Joshua Tree Hospice (near our Chester Head Office) – these projects aired in November 2025, the latter of which being the Children in Need Special. Gary Denham, Michael Bunyan and Gwyn Pritchard are pictured at the Lewisham project shown below.

We design our schemes to benefit the communities around our sites and minimise disruption. This includes ensuring that local products and labour are used where appropriate to provide economic and social benefit to the surrounding area. We work with local charities and educational institutions to create a tailored social value plan.

BTR developments provide high-quality new homes, which help to relieve pressure on local housing. PBSA developments are also a good way of making homes previously occupied by students available for families. In addition, when obtaining planning consent for our developments, we often undertake improvements in the local area. This can range from providing affordable homes to contributions towards new schools and infrastructure.

To minimise disruption, we register our sites with the Considerate Constructors Scheme, which rates sites on criteria such as respecting the community, protecting the environment and worker safety.

Again this year, we surpassed our internal target of achieving a 'Very Good' rating by averaging 'Excellent' across FY25.

Ensuring building safety

The safety of the buildings we develop is paramount. Our developments comply with building and fire regulations, and we have rigorous fire safety management and maintenance regimes. We use consultants to conduct fire safety assessments and employ accredited subcontractors to undertake independent surveys of the work. We also have significant quality assurance teams to create an additional level of scrutiny and ensure consistency in our builds.

As regulations and guidance evolve, we proactively address issues. In 2023, we signed up to the government's Responsible Actors Scheme, which requires developers to address life-critical fire safety defects in these buildings. In 2024, we signed up to the Welsh Government's Developers Pact, which has the same aims.

The Learning & Development team has continued to work with our operational teams to ensure we are prepared for the Building Safety Act's requirements relating to competency and training.

This includes developing our capability in setting out, monitoring and assessing professional competence, and introducing an application which contains a full competence framework and a platform for recording working objectives, performance reviews and learning and development plans.

We have updated our internal policies and procedures in order to ensure compliance with the Building Safety Act and further harness our supplier partnerships at early design stages.

Managing our supply chain

Our supply chain is crucial to delivering our schemes. This enables us to engage more effectively and develop long-term partnerships with subcontractors and manufacturers, allowing us to ensure quality of our product as well as sustainable procurement practices.

New contractors go through a rigorous prequalification process, including considering their quality, sustainability and financial performance. We then encourage continuous improvement by using a bespoke system to record and communicate defects directly to suppliers. This improves efficiency and ensures accountability.

We have implemented a new Supplier Management System, designed to further enhance our supplier due diligence, compliance monitoring and supplier performance management.

We want our subcontractors and suppliers to join us on our sustainability journey and we have recently issued our new sustainability policy as part of our competitive tender process whilst actively seeking carbon reduction opportunities.

We are increasingly focused on transparency in our supply chain, to ensure that sustainable practices are upheld throughout. We regularly audit key suppliers and engage with them to understand where they are sourcing their products and review the supporting certifications. In addition, we have introduced a code of conduct for suppliers, to formalise the standards we expect from them.

Our Future Planet

The Brook, Bath

2025 performance

37%

decrease in Scope 1, 2
and 3 emissions on a
market basis year on year

99.74%

waste diverted from landfill

Improving our environmental performance is important to our long-term success.

The environmental impacts of our corporate, development and management activities mainly occur through waste disposal, water and energy use, and carbon emissions. Our development activities can also impact local habitats.

Our institutional clients are increasingly focused on their environmental responsibilities and their assets' operational running costs, and want energy efficient buildings that will remain fit for purpose for the long term. Their growing focus on sustainability helps to underpin demand for our products, as they replace older and less sustainable buildings.

Refresh

We have leveraged our experience in construction building safety and design to offer a refurbishment solution for asset owners. Our Refresh initiative will create more energy efficient, better quality and safer buildings which meet residents' needs.

Our approach combines thoughtful design, smart technology, sustainability measures and operational efficiencies – delivering enhanced value and a better resident experience. Powered by insights from our in-house management partner, Fresh, we use real-time data to inform every transformation and ensure long-term performance.

We take a holistic approach that brings together:

- **Design-led enhancements:** Durable, high-quality upgrades to interiors, amenities and communal areas to improve experience and reduce maintenance costs.
- **Sustainability and compliance:** Improvements that meet or exceed current standards, including energy and water efficiency, green certifications and façade remediation.
- **Operational efficiency:** Long-term cost reduction through smart materials, lifecycle planning and maintenance optimisation.
- Together with Fresh, we turn insight into action – ensuring every decision delivers measurable value for both residents and investors.

See page 21 for more information on Refresh.

Improving performance through design

Where possible, we use options such as combined heating and power supplies, solar photovoltaic cells, air source heat pumps and other sustainable heating solutions to keep energy use as low as possible. Our 2025 specification update has implemented key additional elements of MMC, enshrining our newly developed kitchen pods into our specification, driving down our Scope 3 emissions and improving the efficiency of our build processes.

Sustainability continued

Our Future Planet continued

Waste

We monitor waste management on site and carry out checks on our own and our contractors' waste carriers and environmental permits. We recycle timber on site and segregate and divert timber waste for recycling away from landfill sites. We only use sustainable sources for our timber.

In addition, we focus on ways to reduce waste production in the first place. For example, increased use of off-site assembly and other MMC will help to reduce waste production on site.

Our target was to increase the amount of waste diverted from landfill to 95% by FY25. Having already exceeded this, we increased our FY25 target to 98.5% and finished the year at 99.74% waste diverted from landfill (FY24: 99.15%) with a fractional increase in overall waste produced by our construction sites year on year from 0.03 tonnes/m² to 0.05 tonnes/m². This has been driven by increased focus on waste management plans and agreements with key supply chain partners for specialist recycling of materials, including plasterboard.

Water

We monitor our water use so we can address any increase. We use water-efficient components in our offices and temporary facilities on sites and use water recycling technology where possible.

Our buildings are designed in accordance with BREEAM Wat 01. Bathroom pods are fitted with dual flush toilet cisterns, aerated basin taps and eco showerheads which are all fully compliant with BREEAM water-saving design standards. We also install leak detection systems and surface water attenuation (a sustainable drainage system) on some of our projects.

Biodiversity

The majority of our developments are on brownfield sites, which reduces their potential impact on biodiversity. However, we still commission ecological appraisals of our development sites, to ensure we do not negatively affect existing habitats, and produce an environmental impact report for each project, detailing specific measures to be taken to protect the surrounding environment. Across the last three years we have ensured all of our schemes have positive biodiversity impact – an average increase of 127% over this period.

Our environmental policies

Our environmental policy statement sets out our commitment to protecting the environment, preventing pollution, and monitoring and reducing the impact of our operations on the environment and local communities. The policy requires us to work with our clients to promote best-practice environmental management techniques, and with our suppliers to ensure strong environmental supply chain management and to promote sustainable sourcing of products and materials.

We also have a separate policy covering our approach to waste management. This details our process for minimising waste production and requires us to use registered and approved contractors for waste management services.

We ensure compliance with our environmental policies by:

- implementing environmental management systems, in accordance with our ISO 14001 accreditation;
- developing objectives, supported by detailed targets, to manage potentially significant environmental aspects;
- developing meaningful key performance indicators to measure resource use, waste and emissions, and to promote environmental best practice; and
- providing training to staff and subcontractors.

As an ISO 14001 accredited company, our environmental policy and waste monitoring procedures are well established, and we are regularly audited by the British Standards Institution to ensure we comply. In addition, biodiversity will also form a crucial part of our new Future Foundations strategy.

Carbon emissions

To reduce carbon emissions we have:

- worked with our plant provision partner to specify more efficient tools and plant for our sites;
- trialled HVO fuel, reducing reliance on fossil fuels;
- installed EV charging for employees at our Chester and Bangor offices to support our car fleet, which is now exclusively EV or PHEV;
- connected earlier in build stage to the national grid to reduce fossil fuel usage;
- introduced REGO-backed electricity contracts across our construction sites and the Fresh estate;
- rolled out energy-saving initiatives across Fresh including LED lighting and heating control installations; and
- deployed market-leading alternative power solutions including battery hybrid generators and energy recovery systems for crane power – significantly reducing reliance on fossil fuels.

These activities are partly attributable, alongside the impact of lower construction activity, for a 37% decrease in total Scope 1, 2 and 3 emissions on a market basis, and a 35% decrease on a location basis.

Waste diversion from landfill

Ty Nant, Swansea

Streamlined Energy and Carbon Reporting

Energy consumption - all within UK

		2024/25	2023/24	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural gas (kWh)	378,991	632,969	(40%)
	Direct transport company cars (kWh)	1,484,848	1,320,086	12%
	White diesel (kWh)	704,282	2,609,261	73%
	Red diesel (kWh)	—	—	—
	HVO (kWh)	103,133	122,201	(16%)
	Total Scope 1 energy (kWh) excl. refrigerants	2,671,254	4,684,517	(43%)
Scope 2: Electricity purchased	Total electricity (kWh)	4,227,595	5,022,473	(16%)
Scope 3: Indirect transport	Employee-owned vehicles (kWh)	427,292	422,304	1%
Total Scope 1, 2 and energy consumption (kWh)		7,326,141	10,129,294	(28%)

		2024/25	2023/24	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural gas (tCO ₂ e)	69	116	(41%)
	Direct transport company cars (tCO ₂ e)	332	294	13%
	White diesel (tCO ₂ e)	172	624	(72%)
	Red diesel (tCO ₂ e)	—	—	—
	HVO (tCO ₂ e)	—	—	—
	Total Scope 1 – tCO ₂ e	573	1,034	(45%)
Scope 2: Electricity purchased, and heat and steam generated	Location based (LB) (tCO ₂ e)	748	1,040	(28%)
	Market based (MB) (tCO ₂ e)	103	101	2%
Scope 3: Indirect transport	Employee-owned vehicles (tCO ₂ e)	100	98	2%
Location based	Total Scope 1, 2 and 3 emissions (tCO ₂ e)	1,421	2,172	(35%)
Market based	Total Scope 1, 2 and 3 emissions (tCO ₂ e)	776	1,234	(37%)
Intensity metric assessment		2024/25	2023/24	Variance
Intensity ratio	Total Scope 1-3 (LB) (tCO ₂ e/turnover £m)	5.1	6.0	(15%)

Non-financial and sustainability information statement

The table below sets out the information required to be disclosed under sections 414CA and 414CB Companies Act 2006 and where it can be found in this annual report.

Reporting requirement	Policies and standards	Relevant information necessary to understand our business and its impact	Page
Environmental matters	• Environmental policy statement¹ • Waste management policy¹ • ISO 14001 accreditation	• Sustainability report • Carbon emissions • Waste diversion from landfill • Section 172 statement	Pages 43 to 55 and 70 to 71
Employees	• Health and safety policy¹ • Equity, diversity and inclusion policy • Whistleblowing policy¹ • Dignity at work policy • Family friendly policy • Agile working policy • Employee handbook	• Sustainability report • Section 172 statement	Pages 43 to 55 and 70 to 71
Social matters	• Corporate social responsibility policy • Health and safety policy¹	• Sustainability report • Section 172 statement	Pages 43 to 55 and 70 to 71
Human rights	• Anti-slavery and human trafficking policy¹ • Code of conduct • Anti-bribery and corruption policy¹ • Equity, diversity and inclusion policy	• Sustainability report	Pages 43 to 55
Anti-corruption and anti-bribery matters	• Anti-bribery and corruption policy¹ • Gifts and hospitality policy	• Sustainability report	Pages 43 to 55
Principal risks and impact on business activity	N/A	• Principal risks and uncertainties	Pages 30 to 42
Description of business model	N/A	• Our business model	Pages 8 and 9
Non-financial key performance indicators	N/A	• Key performance indicators • Sustainability report • Section 172 statement	Pages 18 and 19, 43 to 55 and 70 to 71

1. Our latest policies are available at [watkinjonesplc.com/investors/policies-procedures](https://www.watkinjonesplc.com/investors/policies-procedures).

We recognise the global climate emergency and the risks and opportunities posed by climate change to the Group's business model and strategy.

In this report, we disclose how we manage our climate-related financial risks and opportunities and what impact these risks and opportunities could have on the Company. This follows the implementation of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD). The CFD contains eight disclosure requirements related to governance, strategy, risk management, and metrics and targets.

The climate-related disclosures set out below are consistent with the disclosures required by the CFD, although we aim to refine our CFD report over time.

We recognise that climate change poses a growing challenge for our business. We take seriously our role in tackling climate change, noting that while our ultimate purpose of providing residential housing fulfils a social need, construction activities and energy inefficient buildings can have a significant impact on the environment.

We are currently reviewing our potential submission of our science-based targets to ensure they are aligned to our unique position in the market. We are using the baseline data achieved as our planned submission to deliver against our carbon reduction roadmap, in line with our wider targets.

We review our risk management and principal business risks, including those related to climate change, on an annual basis as described on pages 30 to 32.

01. Governance

Describe the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.

At an operational level, the ESG Working Group identifies climate-related opportunities to improve the Group's operations. The ESG Working Group is cross-functional and includes attendees from Group Procurement, Health & Safety, Building Specification and Design, Sustainability and Fresh. It generally meets monthly to review progress.

The ESG Working Group's activities are directed and overseen by the ESG Steering Group, which comprises all members of the Executive Committee. The ESG Steering Group meets quarterly.

The Risk Committee, which comprises all members of the Executive Committee, is responsible for identifying and considering climate-related risks.

The Risk Committee oversees the Company's risk management process and puts forward the Company's principal risks, including climate-related risks as appropriate, for review by the Audit Committee and subsequently for approval by the Board. The Risk Committee meets regularly throughout the year.

The Board has ultimate oversight of climate-related risks and opportunities through reports from both the Risk Committee and the ESG Steering Group. The Board receives a specific update on ESG matters at least every six months, which details the output from the ESG Steering Group. As stated above, it also considers and approves the climate-related risks put forward by the Risk Committee at least annually.

Our sustainability governance framework is set out on page 43.

Non-financial and sustainability information statement continued

02. Strategy

Describe:

i) the principal climate-related risks and opportunities arising in connection with the operations of the Company and the time periods by reference to which those risks and opportunities are assessed; and

ii) the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company and analyse the resilience of the business model and strategy, taking into consideration different climate-related scenarios.

Our review of risks and opportunities

We reviewed our climate-related risks and opportunities during the year. As part of our review, we considered the transitional and physical risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies. Physical risks arise from the physical aspects of climate change. These can be acute, such as extreme weather events, or chronic, reflecting long-term shifts in climate patterns.

Transition risks are those which arise from the transition to a lower-carbon economy, such as policy changes or the costs of transitioning to lower-emission equipment. Opportunities relate to benefits arising from new policies or operational efficiencies, capitalising on the low-carbon market and technological drivers.

Time horizons

We considered climate-related risks and opportunities over the short, medium and long term, which we defined as follows:

- Short term: present day to 2027
- Medium term: from 2028 to 2033
- Long term: from 2034 to 2050

We selected these time horizons as they allow for slowly emerging climate-related risks to be captured. The timeframes for the short and medium terms were chosen to align with our project lifecycles, from site identification to end of construction, allowing for the prioritisation of risks and opportunities to be included within operational and financial planning.

The long-term timeframe allows for longer-term planning of key climate-related risks.

Climate scenario analysis

To further understand and explore how potential climate risks and opportunities could evolve and impact our business over the medium to longer term, we then undertook a climate scenario analysis, considering three scenarios. Climate scenarios provide a plausible forward-looking view of how different types of climate-related risks and opportunities may impact the Group under different levels of global warming and states of transition to a low-carbon world. Using climate-related scenarios developed by the Network for Greening the Financial System (NGFS), we considered the resilience of our business model and strategy by stress-testing key climate-related risks and opportunities.

Scenario	Description	Impact on business model and strategy	Assumption
Net Zero 2050	Sudden shift towards a low-carbon economy that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO ₂ emissions around 2050.	Physical risks are relatively low, but transition risks are high.	Ambitious climate policies are introduced immediately. Net CO ₂ emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century.
Delayed Transition (2°C)	Global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited.	Transition and physical risks are higher than the Net Zero 2050 scenario.	New climate policies are introduced in 2030. The availability of carbon dioxide removal technologies is low, pushing carbon prices higher than in the Net Zero 2050 scenario. Emissions decline after 2030 to ensure a 67% chance of limiting global warming to below 2°C.
Current Policies (3°C)	This tests our resilience in a world with high warming and physical change, as current measures are insufficient. The scenario assumes that only currently implemented policies are preserved.	High physical risks and low transitional risks.	We continue on our current path to a hothouse world, without any significant mitigation. Emissions grow until 2080, leading to about 3°C of warming and severe physical risks. This includes irreversible changes such as rising sea levels.

Climate-related risks

The most relevant climate-related risks identified are summarised below.

Risk type	Risk	Potential impact	Most impactful time horizon/climate scenario	Mitigation/response
Physical – chronic	Reduction in land availability for future development due to climate change impacts, e.g. rising sea levels and flooding.	Higher land prices due to increased competition for land, in particular greenfield sites.	Current Policies scenario Land availability is likely to be reduced most in the medium to long term by more extreme flooding and competition for greenfield sites.	- Stringent review by Investment Committee of environmental risks and mitigations. - Our developments are generally in city centres rather than greenfield sites.
Physical – acute	Extreme weather events may disrupt our supply chain, meaning we are unable to source raw materials.	- Reduced revenue, increased costs and financial penalties as a result of project delays. - Increased cost of raw materials. - Reputational damage.	Current Policies scenario Without significant climate action, extreme weather events become increasingly frequent and severe in the medium to long term, which means supply chain disruption is more likely.	- We have assessed and rationalised our supplier base to reduce our exposure to single points of failure and ensure that we have appropriate coverage in all areas, with a view to building long-term partnerships with preferred suppliers. This should reduce the risk of disruption in our supply chain and enable us to achieve cost and efficiency savings. - Our supply chain is predominantly domestic, with limited reliance on non-UK manufacturing. We are also able to ringfence stock due to our partnership arrangements. - Our internal delivery model means we can flex programmes in response to certain delays, without penalty. - We have direct relationships with secondary suppliers with which we project demand and share a pipeline – this reduces reliance on subcontractor buying power. - We collaborate with our supply chain and forecast demand based upon our known pipeline – this enables stock and labour to be secured.
Physical – acute	Extreme weather events such as flooding or heatwaves may damage our sites, prevent site access, disrupt or delay construction, and/or disrupt energy and fuel supply.	- Reduced revenue, increased costs and financial penalties as a result of project delays. - Increased costs of keeping sites safe. - Site insurance premiums are increased. - Reduced availability of insurance on assets in higher-risk locations. - Reputational damage.	Current Policies scenario Without significant climate action, extreme weather events become increasingly frequent and severe in the medium to long term, which means increased disruption to our construction operations.	- Development is based solely in the UK. - Our developments have a level of contingency in place to cover (amongst other things) weather-related delays, most commonly for weather-sensitive works such as working at height.

Non-financial and sustainability information statement continued

Climate-related risks continued

Risk type	Risk	Potential impact	Most impactful time horizon/climate scenario	Mitigation/response
Transition – policy	Reduction in land availability for future development due to factors such as: - Governmental policies. - Environmental restrictions.	- Higher land prices due to increased competition for land, in particular greenfield sites. - Higher cost of complying with environmental and planning regulations.	Net Zero 2050 scenario Stringent government policy to protect greenfield sites reduces land available for construction in the long term.	- Development is generally on brownfield sites which are less likely to be subject to development restrictions. - Stringent review by Investment Committee of environmental, political and planning risks and mitigations. - Development of more efficient specification will help unlock developments that may otherwise be cost prohibitive. - Reduction of preliminary costs by innovative power solutions keeps us competitive.
Transition – policy	Introduction of stricter UK environmental laws, regulations and reporting standards.	- Increased costs of raw materials, as suppliers pass on costs of compliance. - Increased costs of resourcing, to ensure compliance with a range of new requirements. - Regulatory fines for non-compliance. - Reputational impact of non-compliance.	Delayed Transition scenario In the long term, this could see increased and urgent demand from government, regulators and investors to better understand the Company's risk exposure and mitigation plans.	- We closely monitor the implementation of relevant policies or regulations, to identify potential impacts. - Direct relationships with suppliers ensure we are able to discuss impacts early, including product substitutions where relevant. - Advance purchasing is used where commercially appropriate. - Major material prices are often fixed for the duration of specific developments, due to the supply commitment with particular manufacturers and distributors.
Transition – policy	Increasing introduction of carbon pricing mechanisms.	- Increased costs of raw materials, as suppliers pass on costs. - Reduced margin if these costs cannot be passed on.	Net Zero 2050 scenario This assumes that carbon pricing mechanisms expand to further jurisdictions and become mandatory in the medium to long term.	- We constantly monitor the cost of raw materials and have a committee that meets quarterly to assess allowances for build cost inflation. We would expand this focus to carbon pricing where appropriate. - The rationalisation of our supplier base to shift to long-term partnerships with preferred suppliers should enable us to leverage our relationships to achieve cost efficiencies. Our direct relationships continue to outperform the market which will mitigate any cost uplift. This rationalisation also includes the products themselves.

Risk type	Risk	Potential impact	Most impactful time horizon/climate scenario	Mitigation/response
Transition – technology	Transition to lower-emission equipment and fuels leads to a supply/demand imbalance, with lower availability of equipment as the pace of research and development into lower-emission equipment and fuels does not match the high rate of adoption.	- Increased cost of hiring or purchasing equipment. - Project delays due to lack of available lower-emission equipment. - Failure to meet pledges or targets, as higher-emission kit has to be used to complete projects.	Delayed Transition and Current Policies scenarios The impact is moderate across all time horizons. In the short to medium term, upfront costs of transitioning to lower-carbon alternatives may be higher and a lack of investment in low-carbon technology hinders a reduction in green premiums.	- All plant and machinery used in our developments is outsourced to ensure the use of newer, more environmentally friendly cranes, general plant and tools without capital investment. We also look to use electric tools where possible, which are quieter and more energy efficient. - We also removed traditional petrol and diesel-powered vehicles from our company car policy as far as possible, in favour of hybrid and electric vehicles. - We have now adopted the use of hydrotreated vegetable oil fuel following the previous trial. The provision of HVO is at a fixed cost for extended periods due to our relationships with supplier partners. - Our adoption of hybrid/battery technology in generators reduces the reliance on HVO or diesel. - We have a direct relationship with our fuel supplier, to monitor availability and cost.
Transition	Continued reliance on fossil fuels/non-renewable energy could lead to energy price volatility and power outages.	- Increased costs due to global energy prices increasing. - Disruption of business operations due to power outages or lack of supply security.	Current Policies scenario Without government legislation to phase out fossil fuels or decarbonise the energy grid, global supply of gas, oil and coal will likely struggle to keep up with demand in the long term as availability decreases, pushing the cost of fossil fuels up.	- As outlined above, we have moved towards using newer, more environmentally friendly plant, machinery and tools where possible. This means the plant we use is much newer and more efficient. We regularly review with our supplier partners the appropriateness of tools that either harness solar power or run on electricity. - We also removed traditional petrol and diesel-powered vehicles from our company car policy as far as possible, in favour of hybrid and electric vehicles. - As stated above, we trialled the use of hydrotreated vegetable oil fuel on one of our sites and have adopted battery technology that reduces the reliance on HVO or diesel.

Non-financial and sustainability information statement continued

Resilience of our business model and strategy under these climate scenarios

The risk analysis shows that the risks identified are more likely to present themselves in the medium to long term. This indicates that our business model is resilient in the short term but less resilient in the medium to long term, unless we pursue mitigating actions such as those set out on the previous pages. While the need to decarbonise the economy under the Net Zero 2050 and Delayed Transition scenarios may expose us to a high risk of transition costs, increased energy and carbon pricing and additional compliance requirements, the Current Policies scenario could lead to longer-term risk around extreme weather events, disrupting the supply of raw materials as well as causing project delays and site damage. We will continue to monitor the potential impacts of climate change on our strategy and further develop mitigating actions where appropriate.

While we forward sell our developments rather than hold them as asset owners, our clients are extremely focused on the energy efficiency of those buildings. As such, our building specification includes items such as air source heat pumps, measures to save water, and solar PV panels where appropriate. Our sustainability report outlines the targets we set with regard to the environmental quality of our developments.

Climate-related opportunities

Opportunity type	Opportunity	Potential benefit	Time horizon/ climate scenario	Response
Transition – policy	Invest in the use of recycled inputs.	- Reduces reliance on virgin raw materials. - Reduced energy consumption. - Increased competitive advantage. - Positive reputational impact.	The opportunity is greatest in the Net Zero 2050 scenario in the medium to long term, as government regulation increases the construction industry's demand for recycled raw materials, resulting in increased supply.	- As part of our aim to reduce Scope 3 emissions, we are working with our subcontractors to create a more sustainable concrete mix. This will include the utilisation of waste by-products. - Our new window specification uses at least 75% post-consumer scrap in its production and is 100% recyclable at demolition stage, creating a circular economy. - Following the successful trial of our internally developed kitchen pods, we are rolling these out more extensively – these pods reduce waste on site.
Transition – policy	Enrolment in energy efficiency programmes.	- Cost reduction. - Improved efficiency of equipment and assets. - Positive reputational impact.	The opportunity is greatest in the Net Zero 2050 scenario in the medium to long term, as stringent government regulation will increase the construction industry's demand for recycled raw materials, resulting in increased supply.	- We have produced an end-of-life report, outlining materials that can be reused post demolition. - Our increased level of partnerships has allowed us to further control materials and specify those that can be easily recycled. - We have worked with our professional consultants to ensure our buildings are more efficient and use less energy in their operation. - Through our Refresh initiative, we are actively delivering initiatives to reduce the carbon footprint of buildings. - In our refreshed targets we will be committing to net zero emissions for Scopes 1, 2 and 3.

Opportunity type	Opportunity	Potential benefit	Time horizon/ climate scenario	Response
Transition – technology	Working with suppliers with more efficient processes could decrease consumption within our operations, potentially achieving cost savings and efficiencies.	• Cost reduction. • Improved efficiency of equipment and assets. • Increased competitive advantage.	The opportunity is greatest in the Net Zero 2050 scenario in the medium to long term, as regulation and demand drive suppliers to identify efficiencies and opportunities that are passed on. The greater the drive for action across business and across society, the greater the opportunity for efficiencies to benefit Watkin Jones.	• Several initiatives are underway to decrease consumption and waste, including the use of modular kitchens in addition to bathrooms. • Our mechanical and electrical (M&E) specification uses no natural gas and relies on air source heat pumps. • We have an internal target of BREEAM Excellent on all developments, with gap analysis underway to ascertain the possibility of BREEAM Outstanding in the medium term. • We have increased our diversion to landfill target to 97.5% with work underway to ascertain how we can get to 100%. We are trialling building management technologies designed to help future operators ensure no unnecessary heating of buildings. Our M&E specification, when combined with solar photovoltaic and ancillary products, makes our developments inherently more efficient going forward. • Our Refresh programme is designed to help increase the efficiency of existing assets, whether built by Watkin Jones or third parties. This includes elements such as LED lighting, heating controls and water consumption. • Our transformation programme 'Delivering Excellence through Continuous Improvement' is actively finding efficiencies in process, technology usage and business analytics. • We have introduced a new supplier management module to help improve compliance and supplier performance. • We continue to use our scale to drive economies through fixed costs and ancillary benefits.

Non-financial and sustainability information statement continued

03. Risk management

Describe how the Company identifies, assesses and manages climate-related risks and opportunities

Climate-related risks are embedded within our integrated Group risk management framework and any risks identified are subject to the same process and managed in line with all other risks.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the Company

The Risk Committee conducts deep dives of each principal risk throughout the year. It conducts a formal assessment of the key risks annually. Climate-related risks are discussed as part of that process and informally through the ESG Steering Group.

The output of climate-related risk assessments is considered by the Board during its review of the Company's principal risks.

The Board approves a detailed corporate risk register, which identifies the principal risks, reviews assurance about the management of those risks, and assesses the Group's risk appetite for particular categories of risk, to assess whether the principal risks are being mitigated to an acceptable level.

The Group's strategic risk register is then reviewed at a joint meeting of the Board and Audit Committee for each of the Group's principal risks.

While elements of climate-related risks are present in our principal risks, climate change itself is not currently considered to be a principal risk.

Our risk management framework and processes are set out in more detail on pages 30 to 42.

04. Metrics and targets

Describe:

- i) the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and
- ii) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities.

Our current KPIs and targets are set out on pages 18 and 19. These relate to carbon reduction (measurement of Scope 1 and Scope 2 emissions), design quality of our developments and waste diversion from landfill. Our streamlined energy and carbon disclosures are set out on page 55.

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Our stakeholders

We maintain constructive dialogue with our stakeholders, to help us build trust and allow us to make informed decisions.

Employees	Key stakeholder issues • Health, safety and wellbeing • Communication and engagement • Learning and development • Diversity and inclusion • Recognition and reward	Why we engage Having highly engaged and motivated colleagues is central to delivering a pipeline of high-quality developments safely and on time, and to providing the high standards of customer service our residents expect from Fresh. We do this by ensuring compliance on health, safety and wellbeing, investing in learning and development with annual plans. We recognise contribution through pay and reward reviews and quarterly recognition and capturing colleagues' views through our annual engagement survey.
Institutional clients	Key stakeholder issues • Health, safety and wellbeing • Building Quality • On-time delivery • Track record • Value for money • Sustainability	Why we engage We need to understand the types of development and locations that are attractive to clients, so we can develop assets that meet their investment criteria. Engagement also helps us to create innovative transaction structures where necessary, so we can broaden the range of institutions able to acquire our schemes. Institutions are also clients for Fresh, so we need to keep them informed about how their buildings are performing and ensure we understand what they require from an accommodation manager, so we can retain their business and win new contracts.
Residents	Key stakeholder issues • Value for money • Wellbeing • Internet Services • Building Quality • ESG credentials	Why we engage Understanding our residents' needs helps us to provide great customer service. It also forms the basis of our design and innovation for future developments and helps to ensure high levels of occupancy for our institutional clients.

Key metrics

- Employee engagement: 76% (FY24: 72%)

How we engaged during FY25

We ran our annual employee engagement survey, communicated the results to each division and team, and discussed feedback and proposed actions with the Board.

We also communicated and gathered feedback through our colleague forums, as well as via meetings, appraisals, newsletters and our intranet.

We engaged with colleagues on our financial performance via townhalls, emails, following our trading updates, half-year and full-year results.

Outcomes of our engagement

Following feedback, we increased our focus on health and wellbeing, reward and recognition during FY25. See pages 46 to 47 for more information.

Key metrics

- Forward funding transactions: £238 million (FY24: £292 million) of pipeline currently forward sold
- Client net promoter score: +37 (2024: +62)

How we engaged during FY25

We met with clients formally and informally at a variety of levels, including when marketing assets.

We regularly sent clients newsletters, agent updates and news on the industry or legislation as well as facilitating collaborative client events.

Outcomes of our engagement

During FY25, our engagement with clients enabled us to add to our pipeline of potential development partnerships, complete an innovative structure for the transaction with Maslow regarding the Ard in Glasgow, and progress the Refresh business as part of our strategy to diversify our income streams.

Key metrics

- Student net promoter score: +35 (2024: +36)

How we engaged during FY25

Fresh's on-site teams engage directly with residents every day.

We continued to promote our Be wellbeing and lifestyle programme in our student schemes, which includes a wide range of events each week. We also continued to recruit student ambassadors throughout our schemes, to research what our residents want and bring forward ideas for improvement.

Our Belong residents' club supports engagement with residents in the BTR schemes. Fresh manages and helps to foster a community in each property, with a calendar of clubs, socials and other events.

Outcomes of our engagement

Fresh received extremely positive feedback from students, with an excellent net promoter score of +35 in the Global Student Living Index, against a benchmark of +20. A highlight was winning Best Individual Property from the Global Student Living awards resulting from the student survey results. Fresh continued to take action in response to feedback across all elements of the customer experience, to continually improve its offering.

Our stakeholders continued

Supply chain

Key stakeholder issues

- Health and safety
- Build cost inflation
- Prompt payment
- Partnership
- Environment

Why we engage

Our subcontractors and suppliers provide the skilled people and materials to construct our developments. A sustainable supply chain is therefore crucial to delivering our schemes.

Through collaboration, partnership and careful management, we simplify our construction process, reduce risk, improve quality and generate cost, maintenance and environmental benefits.

Shareholders

Key stakeholder issues

- Financial performance
- Balance sheet strength and liquidity
- Return on investment – share price growth or dividends
- Health & Safety
- Sustainability
- Operational market updates

Why we engage

Our shareholders rely on us to manage their investment responsibly and sustainably and expect to be kept well informed about our progress.

We want shareholders to understand our strategy and performance so they can accurately assess our value.

Communities

Key stakeholder issues

- Considerate construction
- Environment
- Health, safety and wellbeing
- Sustainable communities
- Charitable giving
- Availability of modern, fit for purpose housing

Why we engage

Construction work can have a significant impact on our neighbours if not carried out respectfully. We want to be a good neighbour and deliver real value to our local communities through our developments. This can include providing benefits to local communities as a condition of receiving planning.

Our charitable fund supports a wide range of projects, in particular those that improve the physical environment and quality of life for local people.

Key metrics

- Quality assurance reports
- Prompt payment

How we engaged during FY25

We have a central procurement function, which is responsible for our day-to-day engagement with our supply chain. We pay close attention to supplier risk, including their financial performance and ensuring we have alternative sources of supply, where possible. A summary of our supply chain make-up is provided to our executive team and Group Board, including financial standings and future procurement strategy.

In FY25 we introduced the supplier management module which will closely monitor our supply chain compliance, financial exposure and performance. We held our third annual supplier conference at the Samsung Innovation Centre with over 100 suppliers and representatives from our executive team.

Outcomes of our engagement

Having significantly rationalised our supplier base in FY23, we were able to develop stronger relationships with our supply chain in FY24. This helped us to continue to mitigate build cost inflation. Refresh received an enthusiastic response at our supplier conference, with suppliers identifying products that were new to us and would benefit Refresh projects.

In FY25 we introduced a revised approved product list with our supplier base and as part of our tender processes. This ensures greater control of quality and is supportive of wider environmental objectives.

Key metrics

- Operating profit
- Available liquidity
- Share price

How we engaged during FY25

We held investor roadshows after the half-year results, the full-year results and the trading update in October 2025. We also held a number of one-to-one calls and meetings and the annual general meeting.

The Board receives investor feedback from our meetings at least twice a year.

Outcomes of our engagement

Discussions with shareholders focused on our financial and share price performance, cash generation, alternative revenue streams, executive remuneration, the outlook for the property market and how we are progressing with the implementation of our strategy and timeline for reinstatement of dividend payments.

Key metrics

- Considerate Constructors Scheme (CCS) ratings

How we engaged during FY25

We register all our construction sites with the CCS, which means they are externally monitored against criteria such as respecting the community, protecting the environment and worker safety. Each site sends out a monthly newsletter to keep the local community informed about how the scheme is progressing and upcoming works.

We explored, with our people, possible charity partnerships that align with our values and sector.

Outcomes of our engagement

We achieved an average CCS rating of Excellent across our sites, ahead of our target of Very Good.

In FY25 we launched our charity partnership with Mind.

Section 172 statement

The Group's long-term success depends on our ability to create value for our stakeholders.

The engagement activities set out on pages 66 to 69 enable us to understand what matters most to our stakeholders and how key decisions will affect them. The Board receives an update from the Executive Directors at each Board meeting about any substantial engagement with shareholders and institutional clients.

The Chief Executive Officer also updates the Board at each meeting on key employee, health and safety, and ESG matters. The business case for each potential investment opportunity contains a Section 172(1) appraisal that explicitly addresses how the investment will impact stakeholders.

The Board considers the matters set out in Section 172(1) of the Companies Act 2006 when making decisions. The matters the Board is required to take into account under Section 172(1) are set out below and examples of key decisions made by the Board and details of its decision-making process are set out opposite.

Matter	Response
a) The likely consequence of any decision in the long term.	Our markets are driven by long-term demographic and social trends. We respond to these trends through a development process that often takes several years, from identifying a site through to handing over the finished building. The Board therefore understands that its decisions can have a far-reaching impact on the Group. The Board's decision to continue with the priority of cash management has helped to ensure the Group remains soundly financed in the near term, while positioning us to take advantage of attractive site acquisition opportunities as our market recovers, which will help us to rebuild our pipeline and underpin our growth prospects over several years.
b) The interests of our employees.	The Board recognises that having the right culture is essential, making the Group an attractive place to work for our people and helping them to deliver great outcomes for our clients. Management carried out a review of our culture and launched a set of Company values which were presented to the Board. See pages 46 to 49 for more information on our People initiatives.
c) The need to foster business relationships with suppliers, customers and others.	The Group relies on delivering consistently for institutional clients and our supply chain plays a significant role in achieving this. The Board therefore takes a close interest in our relationships with these groups, through reports and presentations from the Executive Directors and other members of the leadership team. See stakeholder engagement on pages 66 to 69.
d) The impact of our operations on the community and environment.	The Group's ESG strategy, Future Foundations, provides a solid base from which to manage our environmental impact and community relations. See the sustainability report on pages 43 to 55. The Board has ultimate responsibility for endorsing our ESG strategy and receives updates from the ESG Steering Group.
e) The desirability of maintaining a reputation for high standards of business conduct.	The Group relies heavily on its reputation and the Board therefore prioritises taking constructive action to resolve issues when they arise. The Group's actions on remediating cladding and fire safety issues continue to demonstrate this. The Group also has robust policies and controls in relation to protecting human rights and preventing bribery and corruption (see page 49).
f) The need to act fairly between our shareholders.	None of the Group's major shareholders are represented on the Board, ensuring that no shareholder or group of shareholders has undue influence on the Board's decisions. The Board's primary decision directly affecting shareholders in FY25 was to prioritise cash management, resulting in no interim or final dividends being paid for the financial year. All shareholders have been treated equally in this decision and the Board believes it is in shareholders' best interests in the medium to long term.

Key decisions during the year

Building safety provision

The Board is firmly of the view that individual leaseholders should not be burdened with the costs of fire safety remediation, and the Group's responsibilities in respect of such matters remained a key area of focus for the Board during the year.

The Group formally signed up to the Responsible Actors Scheme (RAS) in December 2023. This requires us to:

- take responsibility for all necessary work to address life-critical fire safety defects arising from the design and construction of buildings 11 metres and over in height that we developed or refurbished in England over the 30 years to 4 April 2022;
- keep residents in those buildings informed about progress towards meeting this commitment; and
- reimburse the government for the cost of remedial works where leaseholders have accessed the government's Building Safety Fund to remediate their properties.

The Group holds a provision for costs associated with fire safety remediation works, and has spent £8.8 million during the year, with the remaining works expected to be completed over the next several years. An additional provision of £5.0 million has been made during the year to reflect three additional properties requiring remediation, as well as the net impact of scope changes to ongoing works.

To give us greater comfort as to the level of provision, we engaged an independent consultant to assess the scope and cost of our remedial works on relevant properties to ensure that our approach was appropriate.

Cash management

Given the lower level of forward sales and the continued challenging market during FY25, the Board continued to focus on cash management.

In managing the Company's cash position during the year, the Board:

- reviewed expenditure on enabling works for schemes that had not been forward sold, pausing works where appropriate until the viability of the schemes was clearer;
- reviewed the Company's bank facilities, which can be used to fund land acquisitions and development costs, and, in the year under review, extended them by two years to November 2027; and
- decided not to pay an interim or final dividend to shareholders.

As a result, at the year end, we had gross cash of £80.4 million, adjusted net cash of £70.5 million and total net cash and available facilities of £130.1 million. The Board is therefore satisfied that the Group remains soundly financed.

Governance

What's in this section?

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Chair's introduction

Alan Giddins
Chair

Board of Directors:

Alan Giddins
Chair

Alex Pease
Chief Executive Officer

Simon Jones
Chief Financial Officer

Rachel Addison
Independent Non-Executive Director

Liz Reilly
Independent Non-Executive Director

Francis Salway
Independent Non-Executive Director

Dear shareholder

I am pleased to introduce this corporate governance report which sets out our key areas of focus during the year.

Building safety

The Group's first priority will always be the safety of our buildings and the people who live in them. Following the introduction of the Building Safety Act in 2022, the Group has allocated significant resource to evaluating the specific properties impacted and the level of potential remedial costs. This work has been undertaken together with third-party commercial property and legal advisers.

Over the last 12 months, working with building owners and tenants, the Group has undertaken remedial work on a number of properties at a cost of c.£8.8 million. This process of remediation is likely to continue for a number of years, and the Group has a provision on its balance sheet to reflect the current estimated level of future remedial costs, which has been increased by £5.0 million during the year for additional works required.

Board

There were no Board changes during the year. Details on each Board member are set out on pages 74 and 75.

Risk assessment

Our assessment of risk continued to be important given the ongoing challenges in the forward fund market, and in light of continuing general macroeconomic and geopolitical uncertainties.

We have reviewed how we assess our principal risks and mitigants, and have adopted a new risk management framework. Further information can be found in the risk management and principal risks section on pages 30 to 42 and in the Audit Committee report on pages 80 to 83.

QCA Code

The corporate governance statement and committee reports on the following pages explain our approach to governance.

The Board follows the principles set out in the 2023 Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'), and this is the first year we have reported against this new iteration. A summary of how we have complied with the principles is set out on pages 78 and 79. There are no significant areas where our governance structures and practices differ from the QCA Code's expectations.

A complete index of the disclosures required by the QCA Code, including those on the Company's website, can be found at [watkinjonesplc.com/investors/corporate-governance](https://www.watkinjonesplc.com/investors/corporate-governance).

Alan Giddins
Chair

16 December 2025

Board of Directors

Alan Giddins

Chair

Appointed to the Board:
19 July 2021

Skills and experience

- Extensive investment expertise gained principally in private equity and investment banking environments and more recently in social impact investment.
- Substantial leadership and board experience, including as chair.
- Qualified chartered accountant with a degree in economics.

Other current appointments

Chair of Hill & Smith PLC, a FTSE 250 company, Chair of The Queen's Club.

Past appointments

Managing Partner and Global Head of Private Equity at 3i Group plc. Member of its executive and investment committees which included board appointments to Audley Travel, Maybom Group, Foster + Partners and Element Materials Technology. Non-executive Director of Better Society Capital.

Alex Pease

Chief Executive Officer

Appointed to the Board:
10 October 2022

Skills and experience

- Extensive knowledge of the property sector.
- Strong relationships with institutional investors.
- Joined Watkin Jones in 2010, appointed as Group Investment Director in 2013 and Chief Investment Officer in 2022.
- Spent six years in the Savills Residential Investment team specialising in brokerage, consultancy and valuation across all residential asset classes.
- Qualified chartered surveyor (MRICS).

Other current appointments

N/A

Past appointments

N/A

Simon Jones

Chief Financial Officer

Appointed to the Board:
21 May 2024

Skills and experience

- Considerable financial, commercial and operational experience in the property sector.
- Former CFO at the US majority owned Mapeley Group, the property outsourcing specialist.
- Previously held a number of senior finance roles within Bass PLC (now IHG Group PLC), Hilton and Whitbread PLC.
- Qualified chartered accountant.

Other current appointments

N/A

Past appointments

Mapeley Group.

Liz Reilly**Independent Non-Executive Director**

Appointed to the Board:
21 January 2019

Skills and experience

- Over 30 years of executive experience in organisational design and development, talent management, reward and cultural transformation in large-scale UK businesses, including J Sainsbury plc, FCC Environment and latterly SEGRO plc.
- Developed knowledge of the real estate sector during 13 years as Group Human Resources Director of FTSE 100 listed SEGRO plc which owns, manages and develops modern warehousing and light industrial property across the UK and Continental Europe.

Other current appointments

Non-Executive Director of Wates Group Ltd.

Past appointments

Retail Human Resources Director for J Sainsbury plc.

Group Human Resources Director for FCC UK Environmental (previously the Waste Recycling Group).

Group Human Resources Director for SEGRO plc.

Rachel Addison**Independent Non-Executive Director**

Appointed to the Board:
1 April 2022

Skills and experience

- Nearly 30 years of finance experience.
- Has held a number of senior financial, operational and board-level roles across different sectors.
- Experience in mergers and acquisitions, integration, business transformation and risk management.
- Qualified chartered accountant.

Other current appointments

Non-Executive Director of Gamma Communications plc, Hollywood Bowl Group plc and Wates Group Ltd.

Past appointments

Chief Financial Officer at Future plc and TI Media Ltd.

Managing Director for Reach Regionals and both CFO and COO for Local World Ltd and Northcliffe Media Ltd.

Head of Risk Management at Boots the Chemist. Non-Executive Director at Hyve Group plc, Mango Publishing Group and Marlowe plc.

Francis Salway**Independent Non-Executive Director**

Appointed to the Board:
10 October 2022

Skills and experience

- Brings a wealth of property expertise to the Board.
- Leadership experience in large UK-listed businesses.
- Knowledge of affordable housing, having been Chair of Town and Country Housing Association.

Other current appointments

Non-Executive Chair of Picton Property Income Limited.

Past appointments

Non-Executive Director of Cadogan Group Limited, Chief Executive of Land Securities plc, then the country's largest listed commercial property company, between 2004 and 2012.

Non-Executive Director of NEXT plc.

Corporate governance

Board structure

The Board is responsible for the overall leadership of the Group and setting its values and standards. It comprises the Chair, two Executive Directors and three independent Non-Executive Directors. Their biographies can be found on pages 74 and 75.

The Chair and Chief Executive Officer have separate, clearly defined roles. The Chair is responsible for leading the Board, setting the agenda for Board meetings (with the Company Secretary) and for ensuring the Board operates effectively, by promoting a culture of openness and robust discussion.

The Chief Executive Officer is responsible for setting and implementing the Group's strategy, for leading and developing the executive team and for managing the Group's day-to-day operations, taking account of the objectives, policies and risk appetite set by the Board.

Board meetings

The Board meets regularly to consider strategy, performance, internal control matters, health and safety, and material investment decisions. To enable the Board to discharge its duties, all Directors receive appropriate and timely information, including briefing papers distributed in advance of Board meetings.

These papers include reports from the Chief Executive Officer and the Chief Financial Officer, as well as reports on the status of the Group's transaction pipeline and key delivery projects, health and safety, investor relations and corporate governance.

The Company Secretary produces minutes of each meeting, including actions to be taken. The Chair then follows up each action at the next meeting.

Only the Non-Executive Directors are members of the Board committees. Alex Pease and Simon Jones are invited to attend committee meetings as required to assist with the matters discussed.

Attendance at meetings

The table below sets out the number of formal Board and committee meetings attended by each Director during FY25. While the Executive Directors are not members of the Board committees, they are invited to attend meetings as required. Further details on management attendance are set out in the relevant committee reports.

	Board (9 meetings)	Audit Committee (5 meetings)	Remuneration Committee (3 meetings)	Nomination Committee (2 meetings)
Alan Giddins	9	5	3	2
Alex Pease	9	—	—	—
Simon Jones	9	—	—	—
Rachel Addison	9	5	3	2
Liz Reilly	9	5	3	2
Francis Salway	9	5	3	2

Matters reserved for the Board

Matters reserved for the Board for its decision include:

- approving the Group's strategic objectives;
- reviewing performance against the Group's strategic objectives and business plans;
- overseeing the Group's operations;
- approving changes to the Group's capital, corporate or control structures;
- approving results announcements and the annual report and accounts;
- approving the dividend policy;
- declaring the interim dividend and recommending the final dividend;
- approving the treasury policy;
- approving the Group's risk appetite and principal risk statements;
- reviewing the effectiveness of the Group's risk and control processes;
- approving major capital projects and material contracts or arrangements;

- approving delegated levels of authority;
- approving changes to the Board and its committees; and
- approving all Board mandated policies.

Advice for Directors

All Directors have access to the advice and services of the Company Secretary, who ensures that the Board's procedures are followed and that applicable rules and regulations are complied with. In addition, the Company has procedures to enable the Directors to obtain independent professional advice at the Company's expense, if necessary to further the Directors' duties.

During the year, Peel Hunt, the Group's corporate broker and nominated adviser, met with the Board on three occasions to provide feedback from shareholders. A review of our corporate brokers took place during the year. Following a thorough and competitive process, it was decided to appoint Singer Capital Markets as joint corporate broker.

Re-election of Directors

The Board's policy is for all Directors to seek re-election each year and as a result, all of the Directors will be standing for re-election at the forthcoming AGM.

Directors' time commitments

All the Non-Executive Directors are required to devote sufficient time to Watkin Jones to enable the Board to discharge its duties effectively. This includes preparation for and attendance at scheduled Board and committee meetings, as well as ad hoc meetings or calls as required. The Board confirms that each of the Non-Executive Directors can commit the necessary time to fulfil their roles.

Directors' training

All the Directors look to keep their skills and experience up to date. They benefit from briefings, presentations and papers provided by our advisers and other professional services firms, covering topics such as new regulations, developments in corporate governance and emerging best practice. During the year the Board received market updates from both Savills and CBRE. The Non-Executive Directors also benefit from the interaction with the other boards they sit on, providing us with a range of different perspectives we can apply to Watkin Jones.

Board effectiveness

In 2024, the Board appointed Board Excellence to undertake a formal Board evaluation and their final report was presented at the July 2024 Board meeting. In the year under review, the Board reviewed the progress against the key actions agreed pursuant to that report, which are summarised below.

Area	Action	Progress in 2025
Right people	Review the Board composition, development needs and succession planning.	Completed
Right attitude	Carry out an assessment of culture within the organisation and the benefits of increased visibility for Board members to a broader base of employees across the organisation.	Completed
Right issues	Seek to balance the Board agenda so that it considers issues across a range of strategic and operational topics.	Completed
Right information	Review the quality and composition of Board papers to balance between sufficiently detailed yet concise and focused.	Completed

Given the detailed externally facilitated review carried out in summer 2024 and the focus on addressing the action plan flowing therefrom, it was decided that a formal internal evaluation was not required nor proportionate in 2025, but will be undertaken in 2026. The Board did however review its performance and that of its committees, and considered that they were operating effectively.

Board committees

The Board has established Audit, Nomination and Remuneration Committees, which operate under written terms of reference. The reports of these committees can be found on pages 80 to 92.

Terms of reference

The terms of reference for the Board and the committees can be found at watkinjonesplc.com/investors/corporate-governance.

Internal controls

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the Group's size, complexity and risk profile.

The key features of the Group's internal control system include:

- the preparation of monthly management accounts and comparison to budget;
- clearly defined roles and responsibilities, with appropriate segregation of duties;
- clear authorisation and approval processes;
- regular preparation and review of cash forecasts;
- senior management review of material contracts and agreements; and
- approval by senior management of all land purchases and development sales agreements.

The need for an internal audit function is kept under review by the Board and Audit Committee. It was agreed to reduce the scope of the engagement with KPMG, who provide internal audit services to the Group, to perform certain targeted audit procedures during the year. Management continues to develop its risk register and ensure that controls are operating effectively.

Relations with shareholders

The Board recognises the importance of maintaining an open dialogue with shareholders and keeping them informed of the Group's strategy, progress and prospects. As part of this, the Board is committed to a high standard of corporate reporting.

During the year, the Executive Directors continued their programme of meetings with existing and potential shareholders. The Board was kept informed about shareholders' views after these meetings by feedback from the Company's corporate brokers. Alan Giddins, Liz Reilly and Adam McGhin, the Company Secretary, also engaged with a number of the Group's major shareholders to gauge their views on the proposed restricted share awards, as well as the performance and management of the Company.

In addition to the above, the Group looks to keep investors informed through regulatory announcements of important newsflow, including forward sales of developments, planning permissions received and sites acquired.

Annual general meeting (AGM)

The Company's AGM will be held at 10.30am on 4 February 2026. The Notice of Meeting, setting out the resolutions proposed, is contained in a separate document and is available on the Group's website, watkinjonesplc.com.

Quoted Companies Alliance (QCA) Corporate Governance Code

The Company adopted the QCA Code on the basis that it is the corporate governance code most suited to the requirements and size of the business. Set out below is a summary of how we have complied with the ten principles of the QCA Code during the year and where to find further information.

Principle	Approach
01 – Establish a purpose, strategy and business model which promote long-term value for shareholders.	• Our purpose is to create the future of living, regenerating urban areas by developing and building places that people will enjoy living in for years to come. We enhance residents' lives through the quality of our homes and excellent customer service, and play a meaningful part in helping to solve the UK's housing shortage. • Our strategy is to deliver sustainable growth as a leading developer and manager of residential for rent assets in the UK. Our strategic objectives are based on growth, operational excellence and responsible operations. • Our business model principally uses a capital-light forward sale model to minimise risk and provide clear visibility on future revenues. • See pages 16 and 17 for details of our strategic progress during the year and pages 8 and 9 for details of our business model.
02 – Promote a corporate culture that is based on ethical values and behaviours.	• Our corporate culture – what our values are and how we behave – is integral to the success of the Company. We strive to act with resilience and integrity, adding value to clients, residents and communities. • A key theme of our Future Foundations framework is to create an engaged and motivated workforce that acts with the highest standards of ethics and integrity. We conducted our annual employee engagement survey during the year, with themes around leadership and inspiration, realising potential, motivation, and health and wellbeing. For more details, please see page 46 of our sustainability report.
03 – Seek to understand and meet shareholder needs and expectations.	• Our Executive Directors held calls and meetings with shareholders following our half-year results, full-year results and trading updates. As Chair, Alan Giddins spoke with certain major shareholders. We held an in-person AGM to which shareholders were invited.
04 – Take into account wider stakeholder and social responsibilities and their implications for long-term success to promote long-term value for shareholders.	• Operating responsibly is a key strand of our strategy. Our strategic framework, Future Foundations, helps us manage our approach to ESG initiatives based around three themes – Our Future People, Our Future Places and Our Future Planet. • Our Section 172(1) statement on pages 70 and 71 and our sustainability report on pages 43 to 55 set out more information on how we take into account wider stakeholders and social responsibilities.
05 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	• Details of our risk management processes, principal risks and internal control systems are set out on pages 30 to 42. • We have identified our principal risks and considered the level of risk the Board is willing to accept to achieve the Group's business objectives.

Principle	Approach
06 – Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	- The Board comprises the Chair, two Executive Directors and three independent Non-Executive Directors. Biographies of the Directors can be found on pages 74 and 75. - The Non-Executive Directors are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the QCA Code. - The Chair and Chief Executive Officer have separate, clearly defined roles. The Chair is responsible for leading the Board and for ensuring the Board operates effectively. The Chief Executive Officer is responsible for setting and implementing the Group's strategy, for leading and developing the executive team and for managing the Group's day-to-day operations, taking account of the objectives, policies and risk appetite set by the Board.
07 – Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	- The Group has suitable and robust governance structures and policies in place. - Our Board is appropriately balanced between Executive Directors and independent Non-Executive Directors, excluding the Chair. The Board has a defined schedule of matters reserved to it. We have a delegated authorities matrix which sets out limits and authorities for approving a number of matters; this is reviewed annually by the Board to ensure it remains appropriate. - Only the Non-Executive Directors are members of the Board committees, although the CEO and CFO are invited to attend meetings where appropriate to assist with the matters discussed. - The Board received training on new legislation as well as market updates during the year.
08 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	An externally facilitated Board effectiveness review was carried out in the prior year. The Board reviewed the recommendations and actions from that evaluation and assessed progress against them.
09 – Establish a remuneration policy which is supportive of the long-term value creation and the Company's purpose, strategy and culture.	- The business has had a remuneration policy for a number of years, which was formulated following engagement with major shareholders. - Details of our remuneration policy are set out on page 88.
10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.	- Our Executive Directors held calls and meetings with shareholders following our half-year results, full-year results and trading updates. - See pages 66 to 69 for details of how we engaged with our stakeholders during the year.

Audit Committee report

Rachel Addison
Chair of the Audit Committee

Committee members:

Rachel Addison (Chair)

Alan Giddins

Liz Reilly

Francis Salway

The Chair of the Company is a member of the Committee. The Board reviewed the Chair's membership of the Audit Committee and continued to be of the view that it was appropriate. Alan Giddins possesses extensive business experience and knowledge of financial markets which enables him to play a full and valuable role on the Committee. The composition of the Committee will be kept under review during FY26.

The CEO, CFO, the external audit engagement partner, other members of senior management and external advisers are invited to attend Committee meetings as necessary. The Company Secretary is the Secretary to the Committee.

External auditor: Deloitte LLP (since 2022)

Committee responsibilities

- Overseeing the accounting principles, policies and practices adopted by the Company.
- Overseeing the external financial reporting and associated announcements.
- Overseeing the appointment, independence, effectiveness and remuneration of the Company's external auditor, including the supply of non-audit services.
- Reviewing and challenging the risk identification and mitigation processes.
- Monitoring the quality of the Company's internal controls.
- Ensuring the establishment and oversight of fraud prevention arrangements and reports under the whistleblowing policy.
- Liaising with and reviewing the work of the Group's external auditor and external advisers appointed to carry out specific internal audit procedures.
- Providing advice to the Board on whether the annual report and accounts, when taken as a whole, is fair, balanced and understandable and provides all the necessary information for shareholders to assess the Company's performance, business model and strategy.

The Audit Committee's duties and responsibilities are set out in full in its terms of reference which are available on the Company's website at watkinjonesplc.com/investors/corporate-governance. The terms of reference were reviewed by the Committee during the year and no changes were proposed.

The Committee met five times in FY25, with meetings generally timed to coincide with the financial and reporting cycles of the Company. Attendance at these meetings is set out in the table on page 76.

The Committee meets with the external auditor without management being present at least twice a year. The Chair of the Committee speaks individually with the internal and external auditors before scheduled Audit Committee meetings to ensure that all appropriate matters are notified to the Committee and members. The Chair of the Committee also holds regular meetings with the CFO (who has responsibility and custody of the internal control framework).

The Chair reports to the Board on Committee proceedings after each meeting. Committee papers and minutes are made available to all members of the Board.

The Board is satisfied that the Chair of the Committee has the necessary recent and relevant financial experience to chair the Audit Committee.

Dear shareholder

On behalf of the Board, I am pleased to present the Audit Committee report for FY25. The Committee has an important role to play in providing independent oversight and safeguarding shareholders' interests. In fulfilling this role, we considered the following matters during the year.

Risk management

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks and the extent of the Group's risk appetite, and for reviewing the effectiveness of the Group's system of risk management and internal control. The Committee ensures effective and sufficient coverage of financial reporting risks within the Company's risk management process.

The Group's principal risks are summarised on pages 30 to 42. The Board has identified the Group's risk appetite in relation to each of those risks and this position is reviewed annually at a joint meeting of the Board and Audit Committee.

This year we modified our risk management framework to consolidate and give focus to those critical risks and mitigants, facilitating discussion to drive positive actions.

The Executive Committee conducted deep dives on each of the risks to consider them and the controls, agreeing next steps to improve them further. The output was then presented at joint meetings of the Board and Audit Committee for discussion throughout 2025. The Board considered and approved the risk profile.

The internal control framework and its effectiveness are discussed on page 77.

Internal audit procedures

The internal audit function was outsourced to KPMG in January 2018. KPMG's role as internal auditor was to provide independent and objective assurance to the Committee and senior management on matters set out in the internal audit plan.

The internal audit director attended all relevant meetings of the Committee and further meetings with the Committee Chair without management present.

Internal audit reports were provided by KPMG in relation to internal controls over financial reporting liquidity and cash flow management. Recommendations in relation to those areas were accepted.

The Committee closely monitors management's response to actions identified in the reports. It also monitors open actions to ensure management are supported to progress these in a timely manner. In addition, KPMG reviewed the effectiveness of the implementation of recommended improved controls and reports to the Committee on their findings.

The effectiveness of KPMG was assessed during the year, taking into account the audit plan, the mechanisms in place for escalating issues to senior management or the Committee, their objectivity and independence, the quality and clarity of their reports, the credibility of their recommendations, the resources at their disposal and value for money.

Having considered those factors, the Committee determined that, whilst it was satisfied with the effectiveness of KPMG as internal auditor, the Group's current size does not merit the appointment of a third party to provide this service on a fully outsourced basis. As a result, the Committee asked KPMG to reduce the number of specified procedures performed each year to one targeted internal audit per year.

Significant accounting risks and judgements made in the annual financial statements

As a Committee, we reviewed the key accounting matters with reference to areas of higher risk, areas that would have the most significant potential impact on performance and areas involving significant judgement:

Area	Action
Revenue recognition The Company enters into long-term contracts to develop properties. Recognition of long-term contract revenue and profit is made on a percentage completion basis. Various assumptions are made within the development appraisals when determining the period in which revenue should be recognised. For forward sold developments, the amount recognised is dependent on the estimated costs to complete. There is a risk that the amount recognised is incorrect if the estimated costs to complete are inaccurate. In the year, the Company entered into a joint venture arrangement in relation to a new PBSA scheme. The accounting for such arrangements is complex, with a risk that amounts recognised in relation to the joint venture are inaccurate.	We considered the estimates and assumptions made by management and were satisfied that the processes and controls in place around technical accounting matters and the estimates of costs to complete were robust, including those in respect of the joint venture arrangements of the Company. Deloitte confirmed that they had evaluated the design of key controls around the stage of completion for revenue recognition on ongoing developments. They summarised the work undertaken to challenge revenue, including substantive testing of key inputs and assumptions to the contract assessments and attendance at divisional performance review meetings, and noted no significant issues. They have also reviewed the technical accounting surrounding the joint venture arrangement, and noted no significant issues.

Audit Committee report continued

Significant accounting risks and judgements made in the annual financial statements continued

Area	Action
Remediation costs in relation to legacy properties The Company holds a provision in relation to fire safety remediation costs with a net balance of £46.4 million at 30 September 2025 (£48.0 million at 30 September 2024), after offsetting a £10.3 million reimbursement asset (FY24: £7.6 million) representing agreed customer contributions to the remediation works. Following the conclusion of investigations undertaken, necessary remedial works were identified at further properties, and the scope of works at a number of properties already under remediation has been revised. An additional net provision of £5.0 million (30 September 2024: £7.0 million) has therefore been made during the year, for which further information is provided in note 4 to the financial statements. The Committee recognised the extensive work undertaken by the Company to address known remediation issues, conclude negotiations with regard to contributions to work undertaken or required, and estimate the scope and costs of future works required for properties within the provision. This is a highly complex area with judgements and estimates in respect of the cost of remedial works, the methodology to be used in agreeing remedial solutions, and the scope of applicable guidance and legislation, which continues to evolve.	The Committee challenged management's approach to the assessment of risk factors across the property portfolio and their assessment of the scope of buildings within the provision. We also challenged the assumptions applied to determine remediation costs, including cost estimates, potential recoveries from suppliers and insurers, as well as inflation and discounting assumptions. We also considered the clarity and completeness of the associated disclosures. We are satisfied with the approach of assessing and quantifying the provision and the accounting treatment and disclosures thereof.
Land and work in progress valuation The valuation of inventories requires significant judgement by management over anticipated revenues and forecast development costs. There is a risk that the carrying value of the land and work in progress balances reported within inventories are overstated. During the year the Group obtained an independent valuation of one of its land assets which identified, as a result of adverse market conditions specific to that location and the circumstances of the property in question, the realisable value of the asset was below its carrying value. As a result an impairment charge of £6.1 million was proposed by management.	The Committee reviewed the Company's clear accounting policies for these valuations, the reduction of risk in the sale price by using a forward sale model, the impairment made during the year, and the output from the audit activities of Deloitte, including their challenge of the valuation of the Group's development sites that had not been forward sold. The Committee was satisfied with the judgements made.
Impairment testing for leased investment properties This encompasses four legacy student accommodation assets that were sold and leased back. Assumptions relate to discount rates, investment yields and operating income (taking into account occupancy rates, income inflation and cost inflation). An impairment charge of £1.0 million in relation to one leasehold property, which had experienced lower than expected occupancy rates for the 2025/26 academic year, was proposed for FY25 by management.	The Committee reviewed the assumptions made by management, noting that: • occupancy rates assumed by management in their forecasts are considered appropriate; • management considered it to be appropriate to maintain discount rates at the same level as last year; and • downside scenarios sensitising discount rates, occupancy rates and rental growth continued to show headroom. We are satisfied with the judgements made.
Impairment testing for intangible assets relating to Fresh The Group holds intangible assets relating to Fresh of £0.7 million in customer relationships and £9.7 million in goodwill. No impairment was proposed for FY25 by management.	The Committee reviewed the assumptions made by management as part of the impairment assessment, noting that: • the forecasts, terminal value and discount rate assumptions adopted by management in assessing the recoverable value of goodwill appear reasonable, with sufficient headroom; and • sensitivities applied to this analysis over revenue and discount rate continue to show headroom. We are satisfied with the position, as reported by management, that no impairment is required.

External audit

Deloitte was appointed as the Company's auditor in FY22 and has been re-appointed for each subsequent year.

We reviewed Deloitte's findings from the FY24 audit and approved the plan for FY25, along with management's response to any points raised.

We reviewed the effectiveness of the FY25 external audit process and assessed Deloitte's continuing independence.

The Committee and the Board continue to be comfortable that Deloitte is independent and that the audit service provided is effective. We have recommended to the Board that Deloitte be re-appointed as external auditor and this resolution will be proposed to shareholders at the 2026 AGM.

The Committee approved Deloitte's audit fees.

Non-audit services

The Company's policy on non-audit services is reviewed annually in line with the FRC's Revised Ethical Standards. Whilst not specifically applicable to AIM-listed companies, the Audit Committee has decided that it wishes to follow the principle provided for in the European Audit Regulation and Directive, and has set a limit to the amount of fees which may be incurred in any one year for non-audit services. Fees for non-audit services may not exceed 70% of the average of the Group's statutory audit fees over the previous three years.

Deloitte provided no non-audit services during the year.

Consideration of the final year-end audit report

The Committee reviewed the external auditor's plans for the full-year audit and then met with Deloitte and reviewed their report on the year-end results. Reporting materiality, which was set by the auditor at 0.7% of revenue, equated to £2.0 million, with audit differences over £0.1 million reported to the Committee.

Annual report and financial statements

The Committee reviewed the annual report and other financial statements during the year to ensure that they were fair, balanced and understandable. It then recommended those reports to the Board for approval.

Going concern statement

The Committee reviewed the going concern statement set out on pages 41 and 42 and confirmed its satisfaction with the methodology, including the appropriateness of sensitivity testing. The Committee debated possible downside scenarios and how the Board would react to various circumstances. The Committee recommended the Board accept the going concern statement.

Other matters considered by the Committee

Dividends

The Committee reviewed the capacity of the Company to pay such dividends from distributable reserves and its appropriateness, and recommended to the Board that no dividend is paid.

Whistleblowing

The Committee reviewed the Company's whistleblowing arrangements. Details of any calls received to the external whistleblowing hotline, as well as matters raised through other channels, are reported to the Committee. In order to satisfy itself as to the effectiveness of the whistleblowing arrangements and the culture of the Company, questions are included as part of the annual employee engagement survey as to whether employees know how to raise concerns and whether they feel safe to speak up if they have concerns. Both questions received strong positive scores.

Unit-based annual bonus

The Committee approved the payment of the unit-based annual bonus, applicable to those below senior management. This scheme is not open to senior executives or Directors.

Performance

The Committee's performance was reviewed by the Board and it was considered to be operating effectively.

Looking forward

As well as the regular cycle of matters that the Committee schedules for consideration each year, we plan over the next 12 months to:

- continue to monitor legislative and regulatory changes that may impact the work of the Committee; and
- continue to review the documented framework for key internal control procedures and policies.

Rachel Addison

Chair of the Audit Committee

16 December 2025

Nomination Committee report

Alan Giddins
Chair of the
Nomination Committee

Committee members:

Alan Giddins (Chair)

Liz Reilly

Rachel Addison

Francis Salway

The Chief Executive Officer is invited to attend Committee meetings, as appropriate. The Secretary to the Committee is Adam McGhin, Company Secretary.

Committee responsibilities

The Committee is responsible for succession planning and appointments at Board level, oversight of appointments and succession planning at the Executive Committee and making recommendations to the Board on the composition of Board committees.

In FY25, the Committee met on two occasions. Attendance at these meetings is set out in the table on page 76.

Dear shareholder

The appointment and retention of talented individuals is key to the success of the Group. This report explains the work of the Committee during the financial year.

Board and Executive Committee

There were no changes to the Board during the year. This follows a period of change with a new CEO and CFO being appointed in 2023 and 2024 respectively. I believe that we now have a well-balanced Board with a clear focus of delivering against the strategic plan set out by Alex Pease, our CEO, at the start of 2024.

There were three appointments to the Executive Committee in the first quarter of the year, with two internal promotions and one external hire. This is certainly the strongest executive team we have had in place since I joined the Board in 2021.

Tenure – as at December 2025

• 0-2 years	1
• 3-5 years	3
• 5+ years	2

Experience – as at December 2025

• Property	3
• Finance/Accounting	3
• Retail	2
• Strategy	5
• HR	1

Gender – as at December 2025

• Female	2
• Male	4

Succession planning

In the year, the Committee reviewed succession planning for the Board and the Executive Committee. In the case of the Non-Executive Directors, this involved reviewing the tenure of Directors, skills and experience on the Board. In the case of executives, we considered succession from a business continuity and a longer-term development perspective. Plans were prepared following this review and will be monitored by the Committee in the forthcoming year.

Board composition

The Committee considered the current composition of the Board and believes that the Board has the necessary skills, experience and knowledge to support the Group.

Considerations for FY26

The Committee will focus over the next 12 months on reviewing the personal development plans for each of the Executive Committee members. The Board will also be looking at longer-term Board succession planning.

In previous years, the Committee considered it appropriate for the Company Chair to be a member of the Audit Committee given the small size of the Board. We will keep this under review in FY26, noting that we now have three independent Non-Executive Directors but acknowledging that the tenure of the Board as a whole is relatively short.

Diversity

The Committee recognises the ethical and business benefits of diversity and, as set out in our sustainability report, sees diversity as one of the central strands of the Our Future People proposition. The Board currently has two female (33.3%) and four male (66.6%) Board members. While we have good gender and ethnic diversity across the Group, women and BAME employees remain under-represented at senior levels. This will remain a key focus for the Nomination Committee.

As the Group starts to emerge from a very challenging market backdrop, the Board is very conscious of the need to ensure that we retain and develop our key employees.

Alan Giddins

Chair of the Nomination Committee

16 December 2025

Directors' remuneration report

Liz Reilly
Chair of the
Remuneration Committee

Committee members:

Liz Reilly (Chair)

Alan Giddins

Rachel Addison

Francis Salway

The CEO, the HR Director, the Company Secretary and the independent remuneration consultant are invited to attend Committee meetings as necessary.

Remuneration consultant:
FIT Remuneration Consultants LLP

Committee responsibilities

- Determines the Company's remuneration policies to support its strategy and promote its long-term sustainable success.
- Reviews the performance of the Executive Directors.
- Determines the terms and conditions of service for Executive Directors.
- Determines the remuneration of the Chair and the Executive Committee.

During FY25, the Committee met three times. Attendance at these meetings is set out in the table on page 76.

Activities during the year

- Reviewed the fees for the Chair and salary levels for the Executive Directors and Executive Committee.
- Reviewed the FY24 Directors' remuneration report prior to its approval by the Board and subsequent approval by shareholders at the AGM.
- Reviewed performance against the FY24 annual bonus plan targets and resulting awards and agreed the metrics and targets for the FY25 bonus plan.
- Consulted major shareholders on a 2025 Restricted Share Award (RSA) instead of the normal LTIP awards. Following the majority of shareholders being supportive, agreed RSA levels and the performance underpin for the 2025 RSA. Details of the approach adopted are set out in the annual report on remuneration.
- Acknowledged the 0% vesting of the 2022 LTIP award.

Annual statement

Dear shareholder

On behalf of the Board, I am pleased to present our Directors' remuneration report for FY25 which sets out the Group's remuneration policy for the Directors and explains how this policy was applied during the year. The principles underpinning our remuneration policy have not changed in respect of:

- attracting, retaining and motivating executive management of the quality required to run the Company;
- incentivising and fairly rewarding our Executive Directors and the other members of the Executive Committee; and
- supporting the Company's strategy and promoting its long-term sustainable success.

While market conditions remain challenging, it is clear that the end markets in which the Group operates remain attractive, supported by a structural shortage of rental and student properties and we continue to selectively add to our pipeline with good quality assets in undersupplied markets.

In this regard, ensuring that the management team is appropriately retained and incentivised is critical as we focus on the factors in our control, being operational delivery, cost management and cash generation. The Committee therefore continues to be focused on ensuring that performance targets align to strategy delivery and strike an appropriate balance between being appropriately stretching, yet achievable, at least in part, to allow us to retain key employees (noting that past LTIP awards and RSAs remain underwater). The performance targets that were therefore set in respect of the FY25 annual bonus and the 2025 RSA underpin followed these principles, as will the FY26 bonus and LTIP targets.

Pay and performance in FY25

Our adjusted operating profit was £6.3 million (FY24: £10.6 million). Adjusted EPS was 2.3 pence (FY24: 3.5 pence). A strong focus on cash management resulted in a year-end adjusted net cash position of £70.5 million (FY24: £83.4 million). While the Committee considers that management has performed strongly against a challenging market backdrop, this has affected the level of executive remuneration in respect of both long-term and short-term incentives.

Annual bonus for FY25

Following a review of performance against the annual bonus targets, bonuses of 80.5% of total opportunity for Alex Pease and Simon Jones were awarded. The operational target (being 40% of the bonus opportunity) was partially met at 22.5%, the financial target (being 40% of the bonus opportunity) was met in full and the majority of the personal and ESG objectives (being 20% of the bonus opportunity) were met.

Long-term incentives

LTIP awards were granted to Executive Directors in January 2023 with vesting 100% based on relative TSR. As per the 6 February 2023 RNS, the Remuneration Committee had intended to set an EPS target range for 50% of awards within six months of grant. However, as a result of the continued volatility of external markets, EPS targets were not set and, as such, the 2023 LTIP award was based on relative TSR versus the constituents of the FTSE 350 Real Estate sector (excluding agencies) in respect of 100% of awards. As a result of the threshold TSR target not being met, the 2023 LTIP awards are expected to lapse in full.

Wider employee and environmental considerations

The Committee reviews arrangements across the Group when considering all key elements of remuneration in respect of Executive Directors including diversity and culture matters. During the year, the Committee:

- supported the intention of the Company to continue to pay a living wage to all employees;
- received proposals for base pay increases across the business, having regard to the prevailing macroeconomic context;
- considered salary increases for the Executive Directors; and
- reviewed the output of the employee engagement survey.

Implementing the remuneration policy for FY26

In respect of the remuneration policy for FY26 for Executive Directors:

- base salary levels for the Chief Executive Officer and Chief Financial Officer were increased by 3% from 1 October 2025, in line with the average workforce level, to £446,505 and £367,710 respectively;
- pension will continue at a workforce aligned contribution of 7% of salary;
- the annual bonus will continue to be capped at 125% of salary, with 25% of any bonus deferred into shares for two years. Bonus objectives will continue to be based on financial, strategic, ESG, and personal targets;
- following the grant of RSAs in FY25, the Committee will revert to conventional LTIP awards in respect of FY26, whereby awards will vest after three years subject to stretching sliding scale performance targets. In addition, a two-year post-vesting holding period will operate;
- awards will be granted over shares equal to no more than 150% of salary to the CEO and CFO and performance metrics will be based on a combination of relative TSR, earnings per share and a new measure being pipeline growth. The targets, which are in the process of being finalised, will be set out in the RNS to be issued following grant, to the extent that the Board does not consider them to be commercially sensitive; and
- shareholding guidelines, set at 200% of salary, will continue to operate.

In respect of the fees for FY26 for the Non-Executive Directors, fees were increased from 1 October 2025 by 3% in line with the workforce. As such, the current fee for Alan Giddins is £147,664. The current fees for Liz Reilly and Rachel Addison are £61,428 and the current fee for Francis Salway, who does not chair a Board committee, is £52,451.

The Committee will continue to keep the remuneration policy and the way it is operated under review to ensure it aligns the objectives of the Executive Directors with stakeholders and delivers the desired outcomes.

As per best and market practice, shareholders will be asked to vote on this Director's remuneration report, in an advisory capacity, at the forthcoming AGM.

Liz Reilly

Chair of the Remuneration Committee

16 December 2025

Directors' remuneration report continued

Remuneration policy

The Remuneration Committee considers the remuneration policy annually to ensure that it continues to underpin the Group's strategy. The main aim of the Group's policy for Executive Directors is to align their interests with the Group's growth strategy and long-term creation of sustainable shareholder value.

Summary of Directors' remuneration policy

Component	Purpose and link to strategy	Operation	Maximum	Performance*
Base salary	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to achieve the strategic aims.	Normally reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role, skills, experience and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide a market-competitive benefits package.	Offered in line with market practice, and may include a car allowance, private medical, income protection and death in service insurance.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Executive Directors are eligible to participate in the Group's defined contribution personal pension plan and may elect to receive all or part of the pension contribution in cash, provided there is no difference in cost to the Company.	7% of salary	n/a
Annual bonus	To reward performance against annual targets which support the strategic direction of the Group.	Awards are based on annual performance* with a minimum of 25% of any bonus deferred into shares for two years. Awards may be subject to malus/ clawback provisions at the discretion of the Committee.	125% of salary	Financial, personal, strategic and/or ESG targets.
LTIP	To drive and reward the achievement of longer-term objectives, support retention and promote share ownership for Executive Directors.	Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions*, normally over a period of three years and a two-year post-vesting holding period normally operates for LTIP awards granted to Executive Directors. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/ clawback provisions at the discretion of the Committee.	150% of salary	Financial, share price, strategic and/or ESG targets.
Shareholding guidelines	To promote share ownership for Executive Directors.	Executive Directors are expected to build a shareholding in the Group over time by retaining at least 50% of the net-of-tax LTIP awards which vest.	200% of salary	n/a
Non-Executive Directors	The Committee determines the Chair's fee and fees for the Non-Executive Directors are agreed by the Chair and Chief Executive Officer.	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are paid in cash. Travel and other reasonable expenses incurred in the course of performing their duties are reimbursed.	n/a	n/a

* Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns. These performance targets are reviewed each year to ensure that they are sufficiently challenging. A summary of the relevant targets for the current year awards are shown on pages 89 and 90.

Annual report on remuneration

Single total figure of remuneration for FY25 (audited)

In the year to 30 September 2025, the Directors received the following emoluments:

	Salary/fees		Pension		Benefits		Annual bonus		LTIP ⁷		Total	
	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Executive Directors												
Alex Pease ¹	433,500	421,955	27,785	27,168	13,540	12,846	436,209	128,846	—	—	911,034	590,815
Simon Jones ²	357,000	130,128	30,463	2,622	21,700	8,068	359,231	39,964	—	—	768,394	180,782
Non-Executive Directors												
Alan Giddins	143,363	143,363	—	—	—	—	—	—	—	—	143,363	143,363
Liz Reilly	59,639	59,639	—	—	—	—	—	—	—	—	59,639	59,639
Rachel Addison ³	59,639	59,639	—	—	—	—	—	—	—	—	59,639	59,639
Francis Salway ⁴	50,923	50,923	—	—	—	—	—	—	—	—	50,923	50,923
Former Directors												
Sarah Sergeant ⁵	21,214	324,450	1,384	21,170	4,343	11,998	—	57,715	—	—	26,941	415,333
Richard Simpson ⁶	—	333,797	—	58,664	—	14,038	—	—	—	—	—	406,499

1. Appointed Interim Chief Executive Officer on 18 July 2023 and Chief Executive Officer on 15 November 2023.

2. Appointed to the Board on 21 May 2024.

3. Appointed to the Board on 1 April 2022.

4. Appointed to the Board on 10 October 2022.

5. Stepped down from the Board on 21 May 2024.

6. Stepped down from the Board on 18 July 2023.

7. The LTIP awards granted to Richard Simpson and Alex Pease in January 2021 lapsed in full in January 2024. The LTIP awards granted to Alex Pease, Richard Simpson and Sarah Sergeant in January 2022 lapsed in full in January 2025 as a result of the threshold EPS and TSR targets not being met.

Annual bonus in respect of FY25

The targets set, and performance assessment against the targets, in respect of the annual bonus for the year ended 30 September 2025 are set out below.

Metric	Weight	Target	Outturn	Bonus contribution
Group adjusted operating profit	40%	£6.0m	£6.3m	40%
Divestments	10%	10	4	4%
Land transactions	10%	5	3	6%
Refresh revenue	7.5%	£20.0m	£10.0m	nil%
Delivery margin	12.5%	£2.5m	£2.5m	12.5%
Personal performance	20%	—	—	CEO: 18% CFO: 18%
Total	100%	—	—	CEO: 80.5% CFO: 80.5%

Based on the above assessments, the annual bonus awards for Alex Pease and Simon Jones for the year ended 30 September 2025 are 80.5% of the maximum potential, as set out below.

	Cash	Deferred shares	Total
Alex Pease	£327,157	£109,052	£436,209
Simon Jones	£269,423	£89,808	£359,231

Directors' remuneration report continued

Annual report on remuneration continued

LTIP awards vesting

LTIP awards were granted to Executive Directors in February 2023 with vesting based on relative TSR. As a result of the threshold TSR not expected to be met, these awards are expected to lapse in full in February 2026.

Share awards granted in FY25

Following consultation with the Company's major shareholders, the Remuneration Committee agreed to switch from conventional performance-based Long Term Incentive Plan (LTIP) awards to Restricted Share Awards (RSAs) for the Executive Directors for the 2025 awards. The Committee's rationale for switching from LTIPs to RSAs as a one-off reflected the need to ensure that the management team was appropriately retained at a time when the Company was facing a unique set of market and macroeconomic challenges, the likely speculative nature of any three-year targets set at that time and a desire to complement the 2024 LTIP award which is based on stretching absolute TSR targets. Reflecting the switch to service-based awards (albeit, as explained below, performance underpins operate), award levels for the CEO and CFO were reduced to 62.5% of salary compared to the normal 150% of salary LTIP award levels (i.e. a 58% reduction) and a two-year post-vesting holding period was added. Following the majority of our largest shareholders accepting the proposals, the following share awards were granted on 3 April 2025:

	Basis of award	Number of shares under award
Alex Pease	62.5% of salary	1,041,572
Simon Jones	62.5% of salary	857,765

The awards have a nominal exercise price of one penny per share and will normally become exercisable after three years from the date of grant with a two-year post-vesting holding period. Vesting is subject to continued employment and the Remuneration Committee's assessment of the following underpin conditions:

- the Company's underlying performance and delivery against its strategy and plans during the vesting period are sufficient to justify vesting of the award, having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance and the delivery of the Company's ESG strategy) and the shareholder experience more generally (including the risk of windfall gains); and
- the Company's share price (as adjusted for dividends where relevant) has reached 40 pence or more.

If the Remuneration Committee is not satisfied that the underpin conditions have been met, it may scale back the awards (including to nil vesting).

In addition to the above:

- 107,622 and 33,318 share awards were granted to the CEO and CFO respectively under the Watkin Jones Deferred Share Bonus Plan on 4 February 2025 in respect of the 25% of the annual bonus awards for the year ended 30 September 2024, in line with the deferral policy. The awards have a nominal exercise price of one penny per share and vest subject to continued employment; and
- 39,293 and 78,586 share awards were granted to the CEO and CFO respectively under the Watkin Jones Sharesave Scheme. The awards have an exercise price, which was set in accordance with HM Revenue & Customs rules, of 23.35 pence per ordinary share.

Outstanding share awards

Outstanding LTIP share awards for the current Executive Directors at 30 September 2025 and as at the date of this report were as follows:

	Award	Date of grant	Date of vesting	Exercise price	Interest at 1 Oct 2024	Granted in the year	Dividend equivalents	Lapsed	Exercised in the year	Interest at 30 Sep 2025	Notes
Alex Pease	LTIP	31/01/22	31/01/25	1p	78,422	—	—	(78,422)	—	—	
	LTIP	03/02/23	03/02/26	1p	265,957	—	—	—	—	265,957	1.
	LTIP	30/01/24	30/01/27	1p	1,859,956	—	—	—	—	1,859,956	2.
	DSBP	04/02/25	04/02/27	1p	—	107,622	—	—	—	107,622	3.
	RSA	03/04/25	03/04/28	1p	—	1,041,572	—	—	—	1,041,572	4.
	Sharesave	27/06/25	01/08/28	23.35p	—	39,293	—	—	—	39,293	5.
Simon Jones	LTIP	30/08/24	21/05/27	1p	1,531,728	—	—	—	—	1,531,728	2.
	DSBP	04/02/25	04/02/27	1p	—	33,381	—	—	—	33,381	3.
	RSA	03/04/25	03/04/28	1p	—	857,765	—	—	—	857,765	4.
	Sharesave	27/06/25	01/08/28	23.35p	—	78,586	—	—	—	78,586	5.

- Performance metrics are 100% based on relative TSR. As a result of the threshold TSR not expected to be met, these awards are expected to lapse in full in February 2026.
- Performance metrics are 100% based on absolute TSR. 0% of awards will vest if TSR is 0% p.a. or less, increasing pro-rata to 100% vesting for maximum performance if TSR is 43.5% compound growth p.a. or better, using the three-month average share price to the end of the performance period and adjusted for any dividends during that period (applying standard TSR methodology). In addition to assessing performance against the TSR targets, the Remuneration Committee retains discretion to reduce the vesting of awards to ensure that all relevant factors are taken into account, including the consideration of any windfall gains. Reflecting a delay to the grant of the LTIP awards, the vesting date was aligned to the third anniversary of the date Simon Jones was appointed to the Board.
- Granted under the Watkin Jones Deferred Share Bonus Plan in respect of the annual bonus awards for the year ended 30 September 2024. The awards vest subject to continued employment.
- Details of the RSAs granted in the year ended 30 September 2025 are set out above.
- Granted under the Watkin Jones plc Sharesave Scheme.

Directors' interests in the Company's shares

At 30 September 2025 and as at the date of this report, the Directors had the following interests in the Company's shares:

	Number of shares
Alex Pease	868,206
Simon Jones	239,000
Alan Giddins	1,028,000
Rachel Addison	49,693
Liz Reilly	50,000
Francis Salway	45,500
Total	2,280,399

Directors' remuneration report continued

Annual report on remuneration continued

Service contracts

Executive Directors

Alex Pease and Simon Jones were appointed under service agreements dated 10 October 2022 and 20 May 2024 respectively.

Both service agreements contain six-month notice periods in respect of notice given by the Company or the Director.

Non-Executive Directors

Non-executive appointments run for an initial term of three years from the date of appointment and continue thereafter, subject to annual re-election at annual general meetings. Alan Giddins was appointed to the Board by a letter of appointment dated 17 July 2021. Rachel Addison and Francis Salway were appointed to the Board by letters of appointment dated 31 March 2022 and 7 October 2022 respectively. Liz Reilly was appointed to the Board by a letter of appointment dated 4 January 2019.

	Date of appointment to the Board	Notice period where given by the Company	Notice period where given by the Director
Alan Giddins	19 July 2021	3 months	3 months
Rachel Addison	1 April 2022	3 months	3 months
Liz Reilly	21 January 2019	3 months	3 months
Francis Salway	10 October 2022	3 months	3 months

Advisers to the Committee

FIT Remuneration Consultants LLP (FIT) provides advice to the Committee as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at remunerationconsultantsgroup.com.

Performance and terms of reference

The Committee's performance was considered as part of the Board evaluation process described on page 77. Feedback showed that the Committee was felt to be operating well.

The Committee's terms of reference were reviewed during the year. A copy of the Committee's terms of reference is available on the Company's website at watkinjonesplc.com/investors/corporate-governance/.

Liz Reilly

Chair of the Remuneration Committee

16 December 2025

Directors' report

The corporate governance disclosures on pages 76 and 77 form part of this report.

Principal activity

The Company is incorporated and registered in England and Wales, with registered number 9791105. Its shares are traded on the Alternative Investment Market of the London Stock Exchange.

The Company is the ultimate holding company of the Group. The Group's principal activities are described in the strategic report on pages 1 to 71.

Review of business

The strategic report on pages 43 to 55 provides a review of the business, the Group's trading for the year ended 30 September 2025, key performance indicators and an indication of future developments and risks.

Result and dividend

The Group's loss before tax for the year was £8.7 million (FY24: loss of £0.3 million). More information about the Group's financial performance can be found in the financial review on pages 24 to 29 and in the financial statements on pages 95 to 147.

The Board does not recommend a final dividend for the year (FY24: 0 pence per share).

Directors

The Company's Directors during the year were:

- Alan Giddins
- Alex Pease
- Simon Jones
- Liz Reilly
- Rachel Addison
- Francis Salway

The current Directors' biographies can be found on pages 74 and 75. Details of the Executive Directors' service contracts, the Non-Executive Directors' letters of appointment and the Directors' dates of appointment can be found in the Directors' remuneration report on page 92.

Substantial shareholdings

Based on the share register analysis as at 15 October 2025, unless otherwise notified, the following represents interests in excess of 3% of the Company's ordinary share capital. These holdings may subsequently have changed, but notification of any change is not required until the next notifiable threshold is crossed.

Holder	Percentage
Gresham House	12.25
FIL Investment International	10.00
Hargreaves Lansdown	8.11
Octopus Investments	7.21
Interactive Investor	6.51
Mr Mark Watkin Jones	4.42
M&G Investments	4.11
Janus Henderson Investors	3.39
A J Bell Securities	3.24

Directors' report continued

Randalls Way, Leatherhead

Directors' interests

The Directors' interests in the Company's shares are set out in the Directors' remuneration report on page 91.

Directors' indemnity provisions

The Company has purchased and maintained throughout the period Directors' and officers' liability insurance in respect of the Directors.

Share capital structure

At 30 September 2025, the Company's issued share capital was £2,566,530.97, divided into 256,653,097 ordinary shares of one pence each.

The holders of ordinary shares are entitled to one vote per share at the Company's general meetings.

Engagement with employees, suppliers, customers and other stakeholders

Information on the Group's engagement with its employees, clients, customers, supply chain, shareholders and communities can be found in the strategic report on pages 66 to 69. Information on other employee matters such as investing in the workforce, employee diversity and the provision of equal opportunities for disabled employees can be found in the strategic report on pages 46 to 49.

Political donations

The Company made no political donations during the year.

Financial instruments

Information on financial instruments is given in note 30 to the financial statements.

Auditor

Deloitte was appointed as external auditor during FY22. Deloitte has expressed its willingness to continue in office as auditor and a resolution to re-appoint Deloitte will be proposed at the 2026 annual general meeting.

Going concern

After making enquiries and as more fully explained in the going concern review on pages 41 and 42, the Directors have a reasonable expectation that the Group has adequate resources to continue to trade for the period to 31 January 2027. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Dividend policy

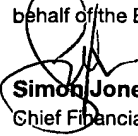
The Group maintains its policy of aiming to pay a dividend which is 2.0x covered by adjusted earnings when financial flexibility permits.

Approval

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

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

This Directors' report was approved on behalf of the Board on 16 December 2025.


Simon Jones
Chief Financial Officer

16 December 2025

Directors' responsibilities

in relation to the annual report and financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- 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 of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Responsibilities statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 16 December 2025 and is signed on its behalf by:



Alex Pease
Chief Executive Officer
16 December 2025

Independent auditor's report

to the members of Watkin Jones plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Watkin Jones plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and company statements of financial position;
- the consolidated and company statements of changes in equity;
- the consolidated statement of cash flows;
- the notes to the consolidated financial statements 1 to 38; and
- the notes to the company financial statements 39 to 45.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition; and • Completeness and valuation of provisions relating to the Building Safety Act. Within this report, key audit matters are identified as follows: <table border="1"> <thead> <tr> <th></th><th>Newly identified</th><th>Increased level of risk</th><th>Similar level of risk</th><th>Decreased level of risk</th></tr> </thead> <tbody> <tr> <td>Materiality</td><td colspan="4">The materiality that we used for the group financial statements was £2.0 million which was determined on the basis of 0.7% of revenue.</td></tr> <tr> <td>Scoping</td><td colspan="4">We performed audit of the entire financial information across two reporting components, which resulted in 100% of group revenue and 100% of group profit before tax being subject to audit procedures. All audit work was performed by the group audit team.</td></tr> </tbody> </table>					Newly identified	Increased level of risk	Similar level of risk	Decreased level of risk	Materiality	The materiality that we used for the group financial statements was £2.0 million which was determined on the basis of 0.7% of revenue.				Scoping	We performed audit of the entire financial information across two reporting components, which resulted in 100% of group revenue and 100% of group profit before tax being subject to audit procedures. All audit work was performed by the group audit team.			
	Newly identified	Increased level of risk	Similar level of risk	Decreased level of risk															
Materiality	The materiality that we used for the group financial statements was £2.0 million which was determined on the basis of 0.7% of revenue.																		
Scoping	We performed audit of the entire financial information across two reporting components, which resulted in 100% of group revenue and 100% of group profit before tax being subject to audit procedures. All audit work was performed by the group audit team.																		

4. 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's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the group's relevant controls over the going concern assessment;
- challenging the assumptions used in the Board-approved forecasts by reference to historical performance and other supporting evidence such as market data and the Group's pipeline of opportunities;
- assessing the amount of headroom in the forecasts and reasonable downside scenarios modelled by management (in liquidity terms, assessing the availability of facilities, and against the relevant covenant limits);
- assessing the sensitivity analysis performed by management, including actions that could be taken to mitigate the risk against any potential covenant breaches; and
- evaluating whether the disclosures in respect of going concern within the financial statements meet the requirements of IAS 1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue recognition

Key audit matter description	The group recognised revenue of £279.8 million (FY24: £362.4 million) which is primarily arising from contracts with customers in developing residential and commercial properties, as described in note 6. This is considered to be a critical judgement for the Group, as noted on page 108, and considered by the Audit Committee as a significant judgement as per page 81. In line with IFRS 15 'Revenue from contracts with customers', revenue and margin is recognised on a percentage completion basis, being costs incurred to date over total forecast cost. The determination of revenue in relation to open contracts contains various assumptions that require management judgement, as described in note 3.6. As such, we have identified a key audit matter in relation to the risk, either due to fraud or error, pertaining to the key judgements inherent within certain open development contracts, based on a number of risk factors, including forecast costs to complete and risks and opportunities identified within the contracts, within the Build To Rent ('BTR') and Student Accommodation ('PBSA') segments, as these judgements are in determining the revenue recognised in the year.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter: • obtained an understanding of controls over revenue, including controls that address forecasting accuracy, including the determination of the stage of completion; • reconciled revenue per management's internal cost valuation report ('CVR') to the management accounts and trial balance being audited; • validated the key inputs into the CVR process, including reconciling total expected revenue per development to signed contract agreements and variation agreements on a sample basis; • assessed the recoverability of contract amounts held within debtors, by agreement to post year end billing and cash receipt; • for a sample of costs incurred to date, we assessed the accuracy and validity by agreement to supporting evidence in order to assess the accuracy of management's calculation of the percentage completion; • performed a stand back review of all live contracts including assessing the accuracy of judgements taken by management in relation to risks and opportunities identified within their CVR process through corroboration to supporting evidence and review of performance in the post year-end trading period; • evaluated the percentage of procured subcontractor costs for all live contracts through agreement to external information, such as invoices and quotes from subcontractors; and • held meetings with relevant commercial directors to understand status of open developments, which included assessing their assumptions in relation to costs to complete, and their judgements made about each development.
Key observations	Based on our procedures performed, we are satisfied that the revenue recognised during the year-ended 30 September 2025 is appropriate. We made recommendations to management with respect to improvements to internal controls in this area.

Independent auditor's report continued

to the members of Watkin Jones plc

5. Key audit matters continued

5.2. Completeness and valuation of provisions relating to the Building Safety Act

Key audit matter description	As described in notes 4 and 27, the group holds a gross provision of £56.7 million (FY24: £55.6million) in relation to the Building Safety Act, against which a reimbursement asset of £10.3 million (FY24: £7.6 million) from property owners has been recognised. This is also considered by the Audit Committee as a significant judgement as per page 82 and a key source of estimation uncertainty in the notes to the financial statements on page 109. The completeness and valuation of fire-safety provisions is complex and thus requires significant judgement by management over the value of the expected costs, including associated legal claims, and contingencies. As such, we have assessed completeness and valuation of the provision relating to the Building Safety Act as a key audit matter.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter: • obtained an understanding of relevant controls relating to the Building Safety Act provision; • assessed how the value of the provision has been determined, whether a present obligation to rectify the properties existed at the balance sheet date and that the associated costs have been recorded in the appropriate accounting period; • for properties not included in the provision we evaluated management's judgement as to why there remained sufficient uncertainty that such properties should only be included as contingent liabilities, as disclosed in note 4. This included review of fire safety reports and legal correspondence; • for sites supported by external quotations, assessed the cost estimates against underlying support such as quotations from external subcontractors, legal claims and correspondence with third parties, including external consultants used by the group in assessing the budgets and estimates used in deriving certain elements of the provision; • evaluated the competence, capabilities and objectivity of the external consultants used in supporting management's conclusions; • challenged assumptions made as to the nature and level of contingency held within the provision by reference to a number of factors including wider industry and legislative information, the macro-economic uncertainty with regards to inflation and cost risk, and the risk of scope increase on remedial works yet to commence; • assessed the completeness of the provision by inquiring of the of group internal and external legal counsel, challenging management's risk assessment of the property database on a property-by-property basis through a check of a sample of properties to assess for any contradictory evidence that may suggest a fire safety risk exists, using publicly available information such as review of external facades, media searches and evidence of open-market sales and lettings; • reviewed legal correspondence and status of litigation matters and assessed the evolution of the regulatory and legal landscape; • challenged where sites have newly been provided for in the year, or where amounts previously provided for have increased or decreased, that the changes to the provision have been recorded in the appropriate accounting period by assessing that all information that could reasonably be expected to have been obtained by management was reflected in the provision recorded in the prior accounting period and that the change for the year is a consequence of new information that became available during FY25; and • assessed the associated disclosures, including quantification of reimbursement assets associated with certain properties, the identification properties for which contingent liabilities have been disclosed, and the key sources of estimation uncertainty identified.
Key observations	Based on the procedures performed we concluded the provision recorded to be appropriate as at 30 September 2025, however we observed a high level of estimation uncertainty in the assumptions applied. Accordingly, we concur with the disclosure of this provision as a key source of estimation uncertainty within note 4 of the financial statements. We made recommendations to management with respect to improvements to internal controls in this area.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£2,000,000 (FY24: £2,440,000)	£1,800,000 (FY24: £2,196,000)
Basis for determining materiality	0.7% of revenue (FY24: 0.7% of revenue).	We determined materiality based on 2% (FY24: 2%) of the parent company's net assets capped at 90% of group materiality (FY24: 90%).
Rationale for the benchmark applied	Revenue is considered to be the most stable benchmark for the basis of materiality and a key financial metric for the users of the financial statements.	The parent company does not generate external sales therefore we have determined net assets for the current year to be the appropriate basis.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	50% of group materiality (FY24: 50%)	70% of parent company materiality (FY24: 70%)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - the control environment in place across the group; - the wider macro-economic environment and inherent uncertainty in the market impacting upon the performance of the group in the current year; and - the level of corrected and uncorrected misstatements identified in the prior year audit.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £100,000 (FY24: £122,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The group operates solely in the United Kingdom and Ireland. Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group and component level. The audit was performed solely by the group audit team in the UK.

We have considered reporting components based on their contribution to group revenue and profit, as well as qualitative considerations.

Reporting components in scope, being the main trading component of the group and the parent company, were subject to audit procedures based on a performance materiality level of £1.0 million and £1.3 million respectively (FY24 £1.2 million and £1.5 million). Audits of the entire financial information for these components covered 100% of Group revenue and 100% of Group operating profit (FY24: 98% and 98% respectively).

7.2. Our consideration of the control environment

We obtained an understanding of the relevant internal controls over key audit matters as referenced above.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the group's business and its financial statements.

As noted within the Sustainability Report starting on page 43 the group has assessed the risk and opportunities relevant to climate change and has not identified a principal risk in relation to climate change.

We performed our own risk assessment of the potential impact of climate change on the group's account balances and classes of transaction and did not identify any risks of material misstatement. Our procedures included reading disclosures in the strategic report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

Independent auditor's report continued

to the members of Watkin Jones plc

8. Other information

The other information comprises the information included in the annual report, 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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's and the 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.

10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations, IT, and real estate specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, and completeness and valuation of provisions relating to the Building Safety Act. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, Building Safety Regulations, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition and completeness and valuation of provisions relating to the Building Safety Act as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and the group's internal and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by 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.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

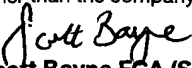
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of these matters.

14. 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.


Scott Bayne FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
 Statutory Auditor
 Manchester, United Kingdom

16 December 2025

Consolidated statement of comprehensive income

for the year ended 30 September 2025

		Year ended 30 September 2025			Year ended 30 September 2024		
		Before exceptional items £'000	Exceptional items £'000	Total £'000	Before exceptional items £'000	Exceptional items £'000	Total £'000
	Notes						
Continuing operations							
Revenue	6	279,837	—	279,837	362,371	—	362,371
Cost of sales		(253,345)	(7,110)	(260,455)	(328,565)	—	(328,565)
Gross profit		26,492	(7,110)	19,382	33,806	—	33,806
Administrative expenses	8	(28,306)	(5,000)	(33,306)	(29,499)	(7,001)	(36,500)
Profit on disposal of subsidiary	19	8,163	—	8,163	6,260	—	6,260
Operating profit/(loss)		6,349	(12,110)	(5,761)	10,567	(7,001)	3,566
Share of loss in joint ventures	20	—	—	—	(8)	—	(8)
Finance income		1,359	—	1,359	1,008	—	1,008
Finance costs	12	(2,097)	(2,181)	(4,278)	(2,356)	(2,517)	(4,873)
Profit/(loss) before tax		5,611	(14,291)	(8,680)	9,211	(9,518)	(307)
Income tax credit/(expense)	13	274	—	274	(178)	2,380	2,202
Profit/(loss) for the year attributable to ordinary equity holders of the parent		5,885	(14,291)	(8,406)	9,033	(7,138)	1,895
Other comprehensive income							
That will not be reclassified to profit or loss in subsequent periods:							
Net profit/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		27	—	27	(236)	—	(236)
Total comprehensive income/(loss) for the year attributable to ordinary equity holders of the parent		5,912	(14,291)	(8,379)	8,797	(7,138)	1,659
		Pence	Pence	Pence	Pence	Pence	Pence
Earnings per share for the year attributable to ordinary equity holders of the parent							
Basic earnings/(loss) per share	14	2.293	(5.568)	(3.275)	3.521	(2.782)	0.739
Diluted earnings/(loss) per share	14	2.288	(5.563)	(3.275)	3.497	(2.763)	0.734

The notes on pages 106 to 142 are an integral part of these consolidated financial statements.

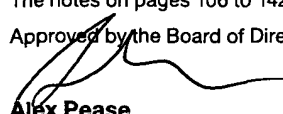
Consolidated statement of financial position

as at 30 September 2025

	Notes	30 September 2025 £'000	30 September 2024 £'000
Non-current assets			
Intangible assets	16	10,487	11,047
Investment property (leased)	17	15,681	20,751
Other right-of-use assets	17	4,585	5,747
Property, plant and equipment	18	828	1,401
Investment in joint ventures	20	14,515	7,952
Reimbursement assets	27	7,710	6,147
Deferred tax assets	28	15,090	15,090
Other financial assets	29	679	866
		69,575	69,001
Current assets			
Inventory and work in progress	21	86,851	94,266
Contract assets	22	29,123	36,538
Trade and other receivables	23	41,015	31,191
Reimbursement assets	27	2,565	1,470
Current tax receivable	13	2,911	2,461
Cash and cash equivalents	24	80,398	96,962
		242,863	262,888
Total assets		312,438	331,889
Current liabilities			
Trade and other payables	25	(83,169)	(86,054)
Contract liabilities	22	(4,005)	(3,252)
Lease liabilities	17	(8,223)	(7,750)
Provisions	27	(22,286)	(12,090)
		(117,683)	(109,146)
Non-current liabilities			
Interest-bearing loans and borrowings	26	(9,933)	(13,591)
Lease liabilities	17	(25,408)	(33,019)
Provisions	27	(34,420)	(43,543)
		(69,761)	(90,153)
Total liabilities		(187,444)	(199,299)
Net assets		124,994	132,590
Equity			
Share capital	31	2,567	2,567
Share premium		84,612	84,612
Merger reserve		(75,383)	(75,383)
Fair value reserve of financial assets at FVOCI		189	162
Share-based payment reserve	32	1,808	1,780
Retained earnings		111,201	118,852
Total equity		124,994	132,590

The notes on pages 106 to 142 are an integral part of these consolidated financial statements.

Approved by the Board of Directors on 16 December 2025 and signed on its behalf by:


Alex Pease
 Director

Consolidated statement of changes in equity

for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Merger reserve £'000	Fair value reserve of financial assets at FVOCI £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 September 2023	2,564	84,612	(75,383)	425	1,407	116,380	130,005
Profit for the year	—	—	—	—	—	1,895	1,895
Other comprehensive income	—	—	—	(263)	—	27	(236)
Total comprehensive income	—	—	—	(263)	—	1,922	1,659
Share-based payments (note 32)	—	—	—	—	901	—	901
Recycled reserve for fully vested share-based payment schemes	—	—	—	—	(528)	528	—
Issue of new share capital	3	—	—	—	—	—	3
Deferred tax debited directly to equity (note 28)	—	—	—	—	—	22	22
Dividend paid (note 15)	—	—	—	—	—	—	—
Balance at 30 September 2024	2,567	84,612	(75,383)	162	1,780	118,852	132,590
Loss for the year	—	—	—	—	—	(8,406)	(8,406)
Other comprehensive income	—	—	—	27	—	—	27
Total comprehensive income	—	—	—	27	—	(8,406)	(8,379)
Share-based payments (note 32)	—	—	—	—	642	—	642
Recycled reserve for fully vested share-based payment schemes	—	—	—	—	(614)	614	—
Issue of new share capital	—	—	—	—	—	—	—
Deferred tax credited directly to equity (note 28)	—	—	—	—	—	141	141
Dividend paid (note 15)	—	—	—	—	—	—	—
Balance at 30 September 2025	2,567	84,612	(75,383)	189	1,808	111,201	124,994

The notes on pages 106 to 142 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 30 September 2025

	Notes	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Cash flows from operating activities			
Cash (outflow)/inflow from operations	33	(13,101)	27,521
Interest received		1,359	1,008
Interest paid		(2,314)	(2,177)
Tax (paid)/received		(61)	3,872
Net cash (outflow)/inflow from operating activities		(14,117)	30,224
Cash flows from investing activities			
Acquisition of property, plant and equipment		(129)	(120)
Proceeds on disposal of property, plant and equipment		—	12
Proceeds on disposal of subsidiary		9,122	6,260
Repayment of related party loan following disposal of subsidiary		6,558	18,540
Investments in joint venture interests		(6,750)	(7,951)
Net cash inflow from investing activities		8,801	16,741
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(7,807)	(7,370)
Drawdown of RCF		—	—
Repayment of bank loans and RCF		(3,441)	(15,064)
Net cash outflow from financing activities		(11,248)	(22,434)
Net (decrease)/increase in cash		(16,564)	24,531
Cash and cash equivalents at 1 October 2024 and 1 October 2023		96,962	72,431
Cash and cash equivalents at 30 September 2025 and 30 September 2024		80,398	96,962

The notes on pages 106 to 142 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 30 September 2025

1. General information

Watkin Jones plc (the 'Company') is a public limited company incorporated in the United Kingdom under the Companies Act 2006 (registration number 9791105) and its shares are listed on the Alternative Investment Market of the London Stock Exchange. The Company is domiciled in the United Kingdom and its registered address is 12 Soho Square, London, United Kingdom, W1D 3QF.

The principal activities of the Company and its subsidiaries (collectively the 'Group') are those of property development and the management of properties for multiple residential occupation.

The consolidated financial statements for the Group for the year ended 30 September 2025 comprise the Company and its subsidiaries. The basis of preparation of the consolidated financial statements is set out in note 3.1 below.

2. Basis of preparation

The financial statements of the Group have been prepared and approved by the Directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with United Kingdom adopted International Accounting Standards.

The preparation of financial information in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events may ultimately differ from those estimates.

The accounting policies set out in the notes have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis except as disclosed in these accounting policies.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

3. Accounting policies

This section sets out the Group's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to a particular note to the financial statements, the policy is described in the note to which it relates.

3.1 Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary. Where a subsidiary being disposed constitutes a business, and control is transferred to a joint venture, the gain or loss on disposal is recognised in full under IFRS 10. The fair value of any investment retained in a former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 'Financial Instruments' when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The terms of the acquisition of the shares in Watkin Jones Group Limited by the Company on its IPO in March 2016 in the year ended 30 September 2016 were such that the Group reconstruction should be accounted for as a continuation of the existing Group rather than as an acquisition, and as such merger accounting was applied. Accordingly, the difference between the cash consideration paid and the nominal value of the share capital acquired as part of the Group reconstruction was reflected against a merger reserve.

3.2 Going concern

The Directors have undertaken a thorough review of the Group's ability to continue to trade as a going concern for the period to 31 January 2027 (the 'forecast period'). This review has been undertaken taking into consideration the following matters.

Liquidity

At 30 September 2025, the Group had a robust liquidity position, with cash and available headroom in its banking facilities totalling £130.1 million, as set out below.

	£m
Cash balances	80.4
RCF headroom	39.7
Accordion facility	10.0
Total cash and available facilities	130.1

Strong liquidity has been maintained through the first quarter of the year ending 30 September 2026, providing the Group with a good level of cash and available banking facilities for the year ahead.

All financial covenants under this facility were met at 30 September 2025 and are forecast to be met throughout the period to 31 January 2027.

Business model

Our business model is capital light. By forward selling or acting as development partners for the majority of our build to rent, purpose built student accommodation and Refresh developments, we receive payment before we incur any significant development cash outflows.

By controlling our pipeline we are able to ensure that we only commit expenditure to projects that are either development partnerships, are forward sold or on which we are undertaking a modest level of enabling works.

In certain circumstances we may decide to continue construction activities beyond the initial enabling phase, without a forward sale agreement in place, but we take this decision based on our available liquidity and can suspend the works should it prove necessary. This greatly limits our exposure to development expenditure which is not covered by cash income.

Sites are normally secured on a subject to satisfactory planning basis, which gives us time to manage the cash requirements and to market them. We also take a cautious approach to managing our land acquisition programme to ensure that we have sufficient liquidity available to complete the acquisition of the sites without any new forward sales being secured.

The Fresh business receives a regular contractual monthly fee income from its multiple clients and the short to medium-term risk to its revenue stream is low.

Our Refresh business involves little initial investment or rolling working capital, with works completed generally certified and invoiced on a monthly basis.

For our Affordable Homes business, which is currently relatively small and only has a few sites in build, we manage our development expenditure so that, other than for infrastructure works, we only commit expenditure where it is supported by a forward sales position.

We also receive rental income from tenants on our leased PBSA assets.

Our business model and approach to cash management therefore provides a high degree of resilience.

Counterparty risk

The Group's clients are predominantly blue-chip institutional funds, and the risk of default is low. The funds for a forward sold development are normally specifically allocated by the client or backed by committed debt funding.

For forward sold developments, our cash income remains ahead of our development expenditure through the life of the development, such that if we were exposed to a client payment default, we could suspend the works, thereby limiting any cash exposure.

Fresh has many clients and these are mostly institutional funds with low default risk.

Base case cash forecast

We have prepared a base case cash forecast for the forecast period, based on our current business plan and trading assumptions for the year. This is well supported by our forward sold pipeline of three PBSA developments and four BTR developments for delivery during the period FY26 to FY28, as well as the reserved/exchanged and forward sales for our Affordable Homes business and the contracted income for Fresh and Refresh. Our current secured cash flow, derived from our forward sold developments and other contracted income, net of overheads and tax, results in a modest cash utilisation over the forecast period, with the result that our liquidity position is maintained.

As part of this, the Board has also assessed the appropriateness of the phasing of payments for building safety remediation from the building safety provision together with the overall level of the provision as noted in note 27.

In addition to the secured cash flow, the base case forecast assumes a number of new transactions securing future revenues and further house sales which, if achieved, will result in a further strengthening of our liquidity position.

Risk analysis

In addition to the base case forecast, we have considered the possibility of continued disruption to the market given the market turbulence seen in the UK over recent years. This is our most significant risk as it would greatly limit our ability to achieve any further disposals.

We have run a reasonable downside model scenario, such that forward sales and new site acquisitions are delayed by up to six months, to assess the possible impact of the above risks. Whilst there remains a more medium-term risk regarding the likelihood that existing challenges in the macro-environment will continue, together with the uncertainties of the BSA legislation, the level of estimated cash spend required in the coming year, and the possibility of further liabilities materialising, the cash forecast prepared under this scenario illustrates that adequate liquidity is maintained through the forecast period and the financial covenants under the RCF would still be met.

The minimum total cash and available facilities balance under this scenario was £93.6 million (£103.6 million including our accordion facility).

We consider the likelihood of events occurring which would exhaust the total cash and available facilities balances remaining to be remote. However, should such events occur, management would be able to implement reductions in discretionary expenditure and consider the sale of the Group's land sites currently held on balance sheet at a reduced price if necessary to enable a quick sale, to ensure that the Group's liquidity was maintained.

Conclusion

Based on the thorough review and robust downside forecasting undertaken, and having not identified any material uncertainties that may cast any significant doubt, the Board is satisfied that the Group will be able to continue to trade for the period to 31 January 2027 and has therefore adopted the going concern basis in preparing the financial statements.

3.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of any acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. There have been no non-controlling interests recognised in the business combinations to date. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised immediately in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is carried in the statement of financial position at deemed cost as at 1 October 2012, the date of transition to IFRS for the Group, less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

3. Accounting policies continued

3.3 Business combinations continued

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained (note 16).

3.4 Impairment of non-financial assets

At each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, with any impairment recognised immediately through the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

If not, the change in useful life from indefinite to finite is made on a prospective basis.

If indication exists that previously recognised impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation reserve. No impairment loss in respect of goodwill is permitted to be reversed.

3.5 Foreign currency

The Group's presentational currency, which is pounds sterling, is also the functional currency of the parent and its subsidiaries. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of those transactions.

Monetary assets and liabilities denominated in foreign currencies at each reporting date are retranslated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

4. Key sources of estimation uncertainty

In the application of the Group's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of investment property (leased)

As described in note 17, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The Group treats each of its student accommodation leaseback arrangements as a separate cash-generating unit for impairment testing. Where there is evidence of possible impairment, the value in use for its student accommodation investment property (leased) assets is calculated using estimates of the future economic benefits that will be derived from the operations of each property, which is discounted using an estimated discount rate reflecting the market assessment of risk that would be applied to each asset. This estimate of value in use is then compared to the net book value of the investment property (leased). To the extent that the value in use is below the net book value of the asset, an assessment of fair value less costs to sell would be undertaken to determine whether an impairment provision is required. Further details are included in note 17.

Revenue recognition

Revenue recognition requires significant estimates to be made by the Group.

When the Group recognises revenue under a construction contract or development agreement, revenue is recognised using the percentage of completion method as construction progresses with the estimated total revenue and cost to complete forming key estimates in determining the amount of revenue recognised.

The estimates for total contract costs take account of any uncertainties in the cost of work packages which have not yet been let and materials which have not yet been procured, the expected cost of any changes in the scope of works and the expected cost of any rectification works during the defects liability period.

For an example contract with a margin of 10%, an increase in total expected costs of 10% would decrease revenue recognised to date by 9%.

Building safety provision

The Group holds a provision for building safety remedial works which requires a number of significant judgements and estimates to be made by management, for which the legislative background was disclosed in the Group's annual report and financial statements for the year ended 30 September 2024.

The Group is a member of the Responsible Actors Scheme (RAS) in England. By signing up to the RAS, the Group is required to sign the Developers' Remediation Contract (the 'Contract') which requires us to:

- take responsibility for all necessary work to address life-critical fire safety defects arising from the design and construction of buildings 11 metres and over in height that we developed or refurbished in England over the 30 years ending on 4 April 2022;
- keep residents in those buildings informed about progress towards meeting this commitment; and
- reimburse taxpayers for funding spent on remediating their buildings, i.e. where leaseholders have accessed the Building Safety Fund to remediate their properties.

Under the obligations of the scheme we have written to building owners to understand their position regarding those buildings.

The Contract is intended to cover leasehold buildings rather than PBSA or BTR, and therefore the significant majority of buildings that the Group has developed over the last 30 years are outside the scope of the Contract. There are 13 leasehold buildings falling within the scope of the RAS, and five of these are included within the provision, with no further leasehold buildings being added during the year ended 30 September 2025.

In 2023, the Welsh Government announced a new agreement with developers to tackle fire safety defects in medium high-rise residential buildings, known as the Developers' Pact, which the Group signed during the year ended 30 September 2024. The Group has been approached in respect of one property which we have provided for on the basis that remedial works are required. In our view, based on the investigative procedures that we have carried out, there are no further remedial works required to any other Welsh properties.

The Housing (Cladding Remediation) (Scotland) Act was passed in June 2024 and contained provision for the Responsible Developers Scheme, a remediation agreement for which the specific details are still to be agreed with developers. It is the Group's expectation that the basis for this scheme will be consistent with the RAS, such that it is intended to cover leasehold buildings. The Group has constructed one leasehold property in Scotland, which remains under contract. In our view, based on the investigative procedures that we have carried out, there is no remedial work required on that property.

Based on our internal review procedures described above, the provision includes an estimation of works required in relation to buildings identified as requiring remediation.

Provisions are recognised when three criteria are met: 1) the Group has a present obligation as a result of a past event; 2) it is probable that an outflow of resources will be required to settle the obligation; and 3) a reliable estimate can be made of the obligation.

This is a highly complex area with significant estimates in respect of the cost of remedial works, the quantum of any legal expenditure associated with the defence of the Group's position in this regard, and the extent of those properties within the scope of the applicable government guidance and legislation, which continue to evolve. For those properties not covered by the RAS, the Group is under no obligation to contact property owners.

In addition, the legislation underpinning the determination of liability for remediation of fire safety issues is complex, with case law evolving. All our buildings were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of completion.

The amount provided for these works has been estimated by reference to recent industry experience and external quotes for similar work identified. The investigation of the works required at certain of these buildings is at an early stage and therefore it is possible that these estimates may change over time or if government legislation and regulation further evolves. If further buildings are identified this could also increase the required provision, but the potential quantity of this change cannot be readily determined in the absence of such identification through further claims or investigative work.

As a number of other housebuilders and developers have done, the provision includes an amount for contingency to reflect further buildings being identified as requiring remediation, or for unforeseen remediation costs beyond management's current knowledge. We have implemented a consistent contingency policy across properties where work is yet to start.

During the year ended 30 September 2025, the Group continued to work closely with residents and building owners within our legacy portfolio. Works were completed at six properties, all of which were included in the prior year's provision.

Following the conclusion of certain investigations undertaken, necessary remedial works were identified at further properties and appropriate costs provided.

As remediation of the remaining properties in the Group's programme continues, the scope of works at a number of these properties has been revised. Whilst for certain properties the required level of remediation has reduced from original estimates, at others the anticipated scope and cost for remediation has increased. In addition, the Group has continued to incur legal costs, both in respect of ongoing discussions with property owners and recoveries from the Group's supply chain.

An additional net provision of £5.0 million (30 September 2024: £7.0 million) for remedial works has therefore been made during the year, whilst broadly maintaining the level of contingency held from the prior year to reflect the continued levels of uncertainty of extent of remediation required. The provision, net of expected reimbursements, at 30 September 2025 was therefore £46.4 million (30 September 2024: £48.0 million).

We expect this cost to be incurred over the next four years, and the provision has been discounted to its present value accordingly. The timing of this expenditure will be dependent on the timely engagement by building owners, revisions to programme under the new BSA Gateways, and the availability of appropriately qualified subcontractors.

We continue to make progress with negotiating contributions from clients to mitigate our liability in relation to these remedial works and received £1.4 million of such contributions during the year. At the balance sheet date the Group has recognised reimbursement assets remaining of £10.3 million (30 September 2024: £7.6 million). These are expected to be recovered over the next four years.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

4. Key sources of estimation uncertainty continued

Building safety provision continued

At 30 September 2025, the Group remained in discussions with a number of property owners for 13 properties whereby the legal responsibility or confirmation of fire safety remediation requirements remains uncertain and which therefore form part of the Group's contingent liabilities. As referred to above, the clarification of whether these liabilities crystallise is dependent on multiple factors which are expected to be concluded in the next 12 to 24 months.

At the same time, the Group continues to explore opportunities to recover the costs of remediation through the Group's insurance providers and supply chain. However, no benefit has been assumed within the provision unless contractual terms have been established.

Of the outstanding net provision, £6.0 million is fixed as a result of legal settlements agreed with building owners. However, for the remaining liabilities, should the costs associated with the remedial works increase by 10%, the provision required would increase by £3.5 million. Should the discount rate applied to the calculation reduce by 1%, the provision required would increase by £0.7 million. Further details of the provision are set out in note 27.

Remedial works required on any additional property identified will range in cost. Whilst liabilities could be higher than recent experience, in the last two years, following detailed diligence with respect to scope of works, the range of liabilities has been between a net cost of £nil and c.£2 million, and the average net cost has been £0.9 million for properties requiring remediation.

The Group will continue to keep abreast of any changes to legislation and guidance, recognising that the approach to building safety continues to evolve.

5. New standards and interpretations

Impact of accounting standards and interpretations in issue but not yet effective

At the reporting date there are a number of new standards and amendments to existing standards in issue but not yet effective.

The Group has not adopted the new or amended standards early in preparing these consolidated financial statements.

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board (IASB) became effective during the year:

Standard or interpretation	Effective for accounting periods beginning on or after
Lease Liability in a Sale and Leaseback – Amendment to IFRS 16	1 January 2024
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 1	1 January 2024

There is no impact from these standards.

The following standards and interpretations that are anticipated to be relevant to the Group have an effective date after the date of these financial statements. The Group has not early adopted them and plans to adopt them from the effective dates once endorsed for application in the UK. The impact of these standards on the Group's consolidated financial statements is still under review.

Standard or interpretation	Effective for accounting periods beginning on or after
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 – Climate-related Disclosures	1 January 2024
Lack of Exchangeability – Amendment to IAS 21	1 January 2025
Revised IFRS Practice Statement 1 Management Commentary	23 June 2025
Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18 – Presentation and Disclosures in Financial Statements	1 January 2027

6. Disaggregated revenue information

Accounting policy

The Group's primary sources of revenue from contracts with customers are from developing residential and commercial properties. It also provides accommodation management services to third parties. When developing purpose built student accommodation (PBSA), build to rent (BTR) and commercial properties, the Group often acquires the land on which the development will be constructed before it is sold to a customer alongside a construction contract or development agreement for the delivery of the relevant scheme.

Sale of land or completed property

The Group derives a significant portion of its revenue from the sale of land, and the development and sale of completed residential and commercial properties. Most of the Group's land sale agreements relate to sites for PBSA and BTR developments where the Group has obtained planning permission and they are sold to customers in conjunction with a construction contract for the Group to deliver the property.

Contracts for the sale of land and completed residential and commercial developments are typically satisfied at a point in time. This is usually deemed to be the legal completion as this is the point at which the Group has an enforceable right to payment. Revenue from the sale of land, residential and commercial properties is measured at the transaction price agreed in the contract with the customer.

Construction contracts and development agreements

Construction contracts and development agreements mainly relate to the development of PBSA and BTR properties along with any commercial elements of these projects, our Refresh business and our affordable housing projects. The duration of the contracts vary but are typically 18 to 30 months in duration. Most contracts are considered to contain only one performance obligation for the purposes of recognising revenue, being the development of the scheme to the agreed specification. While the scope of works may include a number of different components, in the context of construction service activities these are usually highly interrelated and produce a combined output for the customer.

Contracts are typically recognised over time as the development works are undertaken on land owned and therefore controlled by the customer, with the services being provided by the Group enhancing that land through the construction of a building and associated landscaping and enabling works. In addition, the construction contracts or development agreements provide an enforceable right to payment for the value of construction works performed. Progress is measured through either a) an input method based on proportion of total costs incurred when compared to total expected contract costs; or b) an output method with a valuation of the works undertaken by a professional quantity surveyor, including an assessment of any elements for which a price has not yet been agreed, such as changes in scope.

In order to recognise the profit over time it is necessary to estimate the total contract revenue and costs, which is a critical accounting judgement. Once the outcome of a performance obligation of a construction contract, affordable housing project or development agreement can be reasonably measured, revenue is recognised in the income statement in line with the corresponding stage of completion.

Total contract revenue

Contract revenue corresponds to the initial amount of revenue agreed in the contract and any agreed variations in contract work, claims and incentive payments. Payments due to customers which relate to these same contractual obligations are treated as a reduction to revenue.

Total contract costs

The estimates for total contract costs take account of any uncertainties in the cost of work packages which have not yet been placed and materials which have not yet been procured, the expected cost of any changes in the scope of works and the expected cost of any rectification works during the defects liability period.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design; and technical assistance that is directly related to the contract.

Significant financing component

The Group often enters into construction contracts or development agreements which entail a final payment upon the practical completion of the property, typically linked to its timely completion. These amounts are included in the estimates for total contract revenue for a scheme such that the period between the recognition of revenue by the Group and when the customer pays can be greater than one year. This difference arises for reasons other than the provision of finance to the customer as it is intended to provide protection to the customer that the Group fulfils its obligations under the contract. Accordingly, these contracts are not deemed to contain a significant financing component.

Accommodation management

Management fees relate to contracted charges for the provision of management services as an agent to landlords of PBSA and BTR properties. Management fees are recognised in line with the management contracts in the period to which they relate.

Rental income

Rents receivable are credited to the statement of comprehensive income on a straight-line basis.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

6. Disaggregated revenue information continued

Year ended 30 September 2025	Student Accommodation £'000	Build To Rent £'000	Affordable Homes £'000	Refresh £'000	Accommodation Management £'000	Corporate £'000	Total £'000
Type of goods or service							
Construction contracts or development agreements	57,357	179,967	11,983	9,995	—	—	259,302
Sale of land	—	—	—	—	—	64	64
Sale of completed property	—	—	1,695	—	—	—	1,695
Rental or other income	10,347	—	11	—	—	47	10,405
Accommodation management	—	—	—	—	8,371	—	8,371
Total revenue from contracts with customers	67,704	179,967	13,689	9,995	8,371	111	279,837
Timing of revenue recognition							
Goods transferred at a point in time	—	—	1,695	—	—	64	1,759
Services transferred over time	67,704	179,967	11,994	9,995	8,371	47	278,078
Total revenue from contracts with customers	67,704	179,967	13,689	9,995	8,371	111	279,837
Year ended 30 September 2024	Student Accommodation £'000	Build To Rent £'000	Affordable Homes £'000	Refresh £'000	Accommodation Management £'000	Corporate £'000	Total £'000
Type of goods or service							
Construction contracts or development agreements	97,765	211,267	6,699	10,896	—	—	326,627
Sale of land	9,850	—	—	—	—	1,457	11,307
Sale of completed property	—	—	6,159	—	—	—	6,159
Rental or other income	9,989	—	21	—	—	204	10,214
Accommodation management	—	—	—	—	8,064	—	8,064
Total revenue from contracts with customers	117,604	211,267	12,879	10,896	8,064	1,661	362,371
Timing of revenue recognition							
Goods transferred at a point in time	9,850	—	6,453	—	—	1,457	17,760
Services transferred over time	107,754	211,267	6,426	10,896	8,064	204	344,611
Total revenue from contracts with customers	117,604	211,267	12,879	10,896	8,064	1,661	362,371

Revenue from one customer (2024: three customers) in the year accounted for more than 10% of total revenue, representing revenue of £124,169,000 (2024: £210,845,000). Of this, £nil (2024: £32,519,000) was reported under the Student Accommodation segment, £124,169,000 (2024: £169,356,000) was reported under the Build To Rent segment, and £nil (2024: £8,970,000) was reported under the Refresh segment.

7. Segmental reporting

Accounting policy

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group determines its reportable segments having regard to permitted aggregation criteria with the principal condition being that the operating segments should have similar economic characteristics. For the purposes of determining its operating segments, the chief operating decision-maker has been identified as the Executive Committee. This committee approves investment decisions, allocates the Group's resources and reviews the internal reporting in order to assess performance.

The Group has identified six segments for which it reports under IFRS 8 'Operating Segments'. The following represents the segments that the Group operated in during FY25 and FY24:

- Student Accommodation – the development of purpose built student accommodation;
- Build To Rent – the development of build to rent accommodation;
- Affordable Homes – the development of residential housing;
- Refresh – the refurbishment, redevelopment and repurposing of existing accommodation;
- Accommodation Management – the management of student accommodation and build to rent/private rental sector (PRS) property; and
- Corporate – revenue from the development of commercial property forming part of mixed-use schemes and other revenue and costs not solely attributable to any one other operating segment.

All revenues arise in the UK.

Performance is measured by the Board based on gross profit as reported in the management accounts.

Apart from inventory and work in progress, no other assets or liabilities are analysed into the operating segments.

Year ended 30 September 2025	Student Accommodation £'000	Build To Rent £'000	Affordable Homes £'000	Refresh £'000	Accommodation Management £'000	Corporate £'000	Total £'000
Revenue	67,704	179,967	13,689	9,995	8,371	111	279,837
Segmental gross profit/(loss)	5,366	16,031	(849)	1,487	4,634	99	26,768
Impairment of inventory for aborted pipeline assets	—	—	—	—	—	(276)	(276)
Exceptional impairment of land assets	—	—	—	—	—	(6,100)	(6,100)
Exceptional impairment of right-of-use assets	(1,010)	—	—	—	—	—	(1,010)
Gross profit/(loss)	4,356	16,031	(849)	1,487	4,634	(6,277)	19,382
Administration expenses	—	—	—	—	(4,834)	(23,472)	(28,306)
Profit on disposal of subsidiary	8,163	—	—	—	—	—	8,163
Exceptional administrative expenses	—	—	—	—	—	(5,000)	(5,000)
Operating profit/(loss)	12,519	16,031	(849)	1,487	(200)	(34,749)	(5,761)
Share of loss in joint ventures	—	—	—	—	—	—	—
Finance income	—	—	—	—	—	1,359	1,359
Finance costs	—	—	—	—	—	(2,097)	(2,097)
Exceptional finance costs	—	—	—	—	—	(2,181)	(2,181)
Profit/(loss) before tax	12,519	16,031	(849)	1,487	(200)	(37,668)	(8,680)
Taxation	—	—	—	—	—	274	274
Continuing profit/(loss) for the year	12,519	16,031	(849)	1,487	(200)	(37,394)	(8,406)
Loss for the year attributable to ordinary equity shareholders of the parent							(8,406)
Inventory and work in progress (note 21)	41,023	23,061	20,861	210	—	1,696	86,851

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

7. Segmental reporting continued

Year ended 30 September 2024	Student Accommodation £'000	Build To Rent £'000	Affordable Homes £'000	Refresh £'000	Accommodation Management £'000	Corporate £'000	Total £'000
Revenue	117,604	211,267	12,879	10,896	8,064	1,661	362,371
Segmental gross profit/(loss)	13,634	18,019	(232)	1,548	4,390	(2,784)	34,575
Impairment of land assets	—	—	—	—	—	(769)	(769)
Gross profit/(loss)	13,634	18,019	(232)	1,548	4,390	(3,553)	33,806
Administration expenses	—	—	—	—	(4,799)	(24,700)	(29,499)
Profit on disposal of subsidiary	6,260	—	—	—	—	—	6,260
Exceptional administrative expenses	—	—	—	—	—	(7,001)	(7,001)
Operating profit/(loss)	19,894	18,019	(232)	1,548	(409)	(35,254)	3,566
Share of loss in joint ventures	—	—	—	—	—	(8)	(8)
Finance income	—	—	—	—	—	1,008	1,008
Finance costs	—	—	—	—	—	(2,356)	(2,356)
Exceptional finance costs	—	—	—	—	—	(2,517)	(2,517)
Profit/(loss) before tax	19,894	18,019	(232)	1,548	(409)	(39,127)	(307)
Taxation	—	—	—	—	—	2,202	2,202
Continuing profit/(loss) for the year	19,894	18,019	(232)	1,548	(409)	(36,925)	1,895
Profit for the year attributable to ordinary equity shareholders of the parent							1,895
Inventory and work in progress (note 21)	42,701	25,958	23,511	508	—	1,588	94,266

8. Exceptional costs

Accounting policy

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items of income or expense that have arisen from one-off or unusual circumstances that could not reasonably have been expected to arise from normal trading.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Recognised in cost of sales		
Impairment of land asset	6,100	—
Impairment of right-of-use asset	1,010	—
Total exceptional items recognised in cost of sales	7,110	—
Recognised in administrative expenses		
Building Safety provision	5,000	7,001
Total exceptional items recognised in administrative expenses	5,000	7,001
Recognised in finance costs		
Unwind of discount rate on Building Safety provision	2,181	2,517
Total exceptional items recognised in finance costs	2,181	2,517
Total exceptional costs	14,291	9,518

During the year the Group obtained an independent valuation of one of its land assets which identified that, as a result of adverse market conditions specific to that location and the circumstances of the property in question, the realisable value for the asset was below its carrying value. As a result, the Group has taken an exceptional impairment charge of £6,100,000, as discussed in note 21.

As discussed further in note 17, due to lower than expected occupancy rates in one of the Group's student leasehold properties, the Group has taken an impairment charge of £1,010,000 against the associated IFRS 16 right-of-use asset to reduce the carrying value to the net present value of expected cash flows for the property.

There has been an additional charge of £5,000,000 (2024: charge of £7,001,000) taken in relation to provisions made for Building Safety related costs. The provision made in the prior year has been unwound to its present value, resulting in £2,181,000 (2024: £2,517,000) of finance costs. Further information on these charges is included in note 4 and note 27.

All of the exceptional costs in the year were treated as allowable deductions for corporation tax purposes.

9. Total operating profit

This is stated after charging:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Audit services to the parent company	100	100
Audit services to the subsidiaries	425	425
Amortisation of intangible assets	559	559
Impairment of land assets (see notes 8 and 21)	6,376	769
Depreciation:		
Property, plant and equipment	691	411
Investment property (leased)	4,532	4,432
Right-of-use assets	1,359	1,503
Loss on disposal of property, plant and equipment	11	91

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

10. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	Year ended 30 September 2025	Year ended 30 September 2024
Construction	173	189
Accommodation management	317	308
Management and administration	111	118
	601	615

The aggregate payroll costs of these persons were as follows:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Wages and salaries	27,863	28,585
Employee incentive – long-term incentive plans (note 32)	642	901
Social security costs	3,487	3,603
Defined contribution pension costs	1,084	1,056
	33,076	34,145

Pensions

The Group operates a defined contribution Group personal pension plan scheme for the benefit of the employees and certain Directors. The assets of the scheme are administered in a fund independent from those of the Group. Contributions during the year amounted to £1,084,000 (2024: £1,056,000). There were £133,015 unpaid contributions at the end of the year (2024: £130,915).

Key management personnel

The Group considers that its Directors and other senior managers who are either members of the Executive Committee or Directors of Watkin Jones & Son Limited are key management personnel for the purposes of IAS 24 'Related Parties'.

The aggregate payroll costs of key management personnel were as follows:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Wages and salaries	2,916	3,435
Compensation for loss of office	30	169
Employee incentive – long-term incentive plans (note 32)	450	901
Social security costs	405	491
Pension costs	110	183
	3,911	5,179

11. Directors' emoluments

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Wages and salaries	1,349	1,867
Compensation for loss of office	—	—
Long-term employee incentives exercised in period	—	—
Social security costs	188	264
Pension costs	60	110
	1,597	2,241
Highest paid Director:		
Emoluments	544	525
Long-term employee incentives exercised in period	—	—
Pension costs	28	27

During the year ended 30 September 2025, no share options were exercised (2024: nil).

12. Finance costs**Accounting policy**

All borrowing costs are recognised in the Group's profit for the year on an effective interest rate (EIR) basis except for interest costs that are directly attributable to the construction of qualifying assets, being the Group's inventory. These are capitalised and included within the cost of the asset. Capitalisation commences when both expenditure on the asset and borrowing costs are being incurred, and necessary activities to prepare the asset for use are in progress. In the case of new developments, this is generally once planning permission has been obtained. Capitalisation ceases when the asset is ready for use or sale. Interest capitalised relates to borrowings specific to a development.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Finance charges	627	637
Interest on lease liabilities (note 17)	1,470	1,719
Unwind of discount on Building Safety provision (note 8)	2,181	2,517
	4,278	4,873

During the year the Group has capitalised interest payable on bank loans of £989,000 (2024: £1,900,000) in development land and work in progress. The capitalised interest related to borrowings for specific developments funded using the Group's revolving credit facility, at the rates described in note 26.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Income taxes

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income (OCI) or those recognised directly in equity, in which case it is recognised in accordance with the underlying item.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Current income tax		
UK corporation tax on profits for the year	—	—
Adjustments in respect of prior periods	(415)	745
Foreign taxes	—	—
Total current tax	(415)	745
Deferred tax		
Origination and reversal of temporary differences	141	(1,272)
Adjustments in respect of prior year	—	(1,675)
Remeasurement of deferred tax for changes in tax rates	—	—
Total deferred tax	141	(2,947)
Total tax credit	(274)	(2,202)

Reconciliation of total tax credit:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Loss before tax	(8,680)	(307)
Loss multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	(2,170)	(77)
Fixed asset differences	26	—
Expenses not deductible	258	369
Income not taxable	(2,041)	(1,565)
Deferred tax not recognised	4,068	—
Other differences	—	25
Adjustments in respect of prior periods	(415)	745
Prior year adjustment to deferred tax	—	(1,699)
At the effective rate of tax of 12.6% (2024: 717.3%)	(274)	(2,202)
Income tax credit reported in the statement of profit or loss	(274)	(2,202)

As a result of the Finance Act 2021, the rate of UK corporation tax increased to 25% from 6 April 2023. The deferred tax assets and liabilities held by the Group at the start of the current year reflect this increase. The deferred tax asset arising from losses in the period has not been recognised.

The Group has a current tax debtor of £2,911,000 (2024: £2,461,000) in relation to historic payments made on account.

14. Earnings per share

Accounting policy

Basic

Basic earnings per share (EPS) amounts are calculated by dividing the net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the year.

Diluted

Diluted EPS is calculated by adjusting the weighted average number of shares in issue by the dilutive effect of ordinary shares that the parent may potentially issue relating to its contingent share awards under the Group's share incentive schemes, based upon the number of shares that would be issued if the year-end date was the end of the contingency period. Where there is a loss from operations in the financial year, such shares are not considered dilutive.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
(Loss)/profit for the year attributable to ordinary equity holders of the parent	(8,406)	1,895
Add back exceptional costs for the year (note 8)	14,291	9,518
Less corporation tax benefit from exceptional costs for the year	—	(2,380)
Adjusted profit for the year attributable to ordinary equity holders of the parent (excluding exceptional items after tax)	5,885	9,033
	Year ended 30 September 2025 Number of shares	Year ended 30 September 2024 Number of shares
Weighted average number of ordinary shares for basic earnings per share	256,653,097	256,564,829
Adjustment for the effects of dilutive potential ordinary shares	574,738	1,736,691
Weighted average number for diluted earnings per share	257,227,835	258,301,520
	Year ended 30 September 2025 Pence	Year ended 30 September 2024 Pence
Basic (loss)/earnings per share		
Basic (loss)/profit for the year attributable to ordinary equity holders of the parent	(3.275)	0.739
Adjusted basic earnings per share (excluding exceptional items after tax)		
Adjusted profit for the year attributable to ordinary equity holders of the parent	2.293	3.521
Diluted (loss)/earnings per share		
Basic (loss)/profit for the year attributable to diluted equity holders of the parent	(3.275)	0.734
Adjusted diluted earnings per share (excluding exceptional items after tax)		
Adjusted profit for the year attributable to diluted equity holders of the parent	2.288	3.497

15. Dividends

Accounting policy

Dividends are recognised through equity when approved by the parent's shareholders or on payment, whichever is earlier.

No final dividend is proposed for the year ended 30 September 2025 (2024: nil pence per ordinary share). As such, no liability (2024: liability of £nil) has been recognised at that date. At 30 September 2025, the Company had distributable reserves available of £42,257,000 (30 September 2024: £41,643,000).

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for the year ended 30 September 2025

16. Intangible assets

Accounting policy

The cost of intangibles acquired as part of a business combination is the fair value at the date of acquisition.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the consolidated statement of comprehensive income within administrative expenses on a straight-line basis over the estimated useful lives of the intangible assets as follows:

- customer relationships: 11 years; and
- brand: ten years.

	Customer relationships £'000	Brand £'000	Goodwill £'000	Total £'000
Cost				
At 1 October 2023, 30 September 2024 and 30 September 2025	5,604	499	9,744	15,847
Amortisation				
At 30 September 2023	3,864	377	—	4,241
Amortisation for the year	509	50	—	559
At 30 September 2024	4,373	427	—	4,800
Amortisation for the year	509	50	—	559
At 30 September 2025	4,882	477	—	5,359
Net book value				
At 30 September 2025	722	22	9,744	10,488
At 30 September 2024	1,231	72	9,744	11,047

Intangible assets relate to the acquisition of Fresh Property Group Ltd (formerly Fresh Student Living Limited), which was acquired by the Group in the year ended 30 September 2016.

The Directors have assessed whether there are indicators of impairment against each of the customer relationship and brand assets in line with IAS 36 as at 30 September 2025. No indicators of impairment have been identified, and therefore no impairment test has been performed.

The Directors have reviewed the carrying value of the goodwill in Fresh Property Group Ltd, which is a single CGU, at 30 September 2025 compared to its recoverable amount and are satisfied that no impairment is required. The recoverable amount has been based on value in use, by reference to the budgets and projected cash flows for the CGU over a five-year period, with future pre-tax cash flows discounted at a rate of 10.16% (2024: 11.90%) to reflect the time value of money. Cash flows beyond the five-year period are extrapolated using a 3.0% growth rate, which is seen as the long-term average growth rate for the business.

The following are the key base case assumptions used in projecting the cash flows as at 30 September 2025:

- contracted management agreements in place are renewed in line with past experience;
- new management agreements are secured to deliver the budgeted units under management for the CGU for the five-year period ending 30 September 2030. Units under management are forecast to be approximately 24,000 in FY26, 27,000 in FY27, 29,000 in FY28, 31,000 in FY29 and 32,000 in FY30. This reflects the CGU's past success in securing new management agreements in the student accommodation sector along with assumed growth in apartments under management in the build to rent market;
- management fees charged will increase in line with inflation;
- the achieved gross margin is maintained in line with past experience; and
- indirect costs are incurred in line with the budgets and five-year plan for the CGU up to the period ending 30 September 2030 and thereafter increase at 3.0% per annum.

Impairment calculations are sensitive to changes in the assumptions around trading performance and discount rate. A reasonable, but unlikely, downside sensitivity has been applied to these assumptions such that the number of beds under management reduces by c.2,500 compared to the base case in the first year, reducing revenues by c.£7 million across the forecast period, with no cost mitigation applied. In such a scenario there remained significant headroom against the carrying value of the goodwill held.

17. Leases

Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease.

Group as a lessee

Investment property (leased)

The Group has entered into a number of student accommodation sale and leaseback arrangements for which the associated right-of-use assets are classified as investment property (leased). Investment property (leased) is measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of the investment property (leased) includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Investment property (leased) is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- investment property (leased): 15 to 17 years.

Investment property (leased) is also subject to impairment in accordance with accounting policy 3.4.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- office properties: two to 25 years; and
- motor vehicles: three years.

The right-of-use assets are also subject to impairment in accordance with accounting policy 3.4.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses a company-specific incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in lease payments resulting from a change in an index or rate used to determine such lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment for a term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value, being those with a value on acquisition of less than £10,000.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

17. Leases continued

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Investment property (leased) £'000	Offices £'000	Motor vehicles £'000	Total £'000
Cost				
At 30 September 2023	84,717	9,724	2,580	97,021
Additions/adjustment	943	1,723	1,138	3,804
Disposals	—	(3,612)	(794)	(4,406)
At 30 September 2024	85,660	7,835	2,924	96,419
Additions/adjustment	466	3	390	859
Disposals	—	—	(1,426)	(1,426)
At 30 September 2025	86,126	7,838	1,888	95,852
Depreciation				
At 30 September 2023	54,779	6,005	1,023	61,807
Charge for the year	4,432	638	865	5,935
Disposals	—	(3,250)	(269)	(3,519)
At 30 September 2024	59,211	3,393	1,619	64,223
Charge for the year	4,526	604	762	5,892
Disposals	—	—	(1,237)	(1,237)
At 30 September 2025	63,737	3,997	1,144	68,878
Impairment				
At 30 September 2023	5,698	—	—	5,698
Charge for the year	—	—	—	—
At 30 September 2024	5,698	—	—	5,698
Charge for the year	1,010	—	—	1,010
At 30 September 2025	6,708	—	—	6,708
Net book value				
At 30 September 2025	15,681	3,841	744	20,266
At 30 September 2024	20,751	4,442	1,305	26,498
At 30 September 2023	24,240	3,719	1,557	29,516

Investment property (leased) assets relate to the Group's four (2024: four) student leaseback arrangements. Each of the four leaseback arrangements are considered to be a separate CGU. The Directors have reviewed the carrying value of these leases where there is an indication of impairment and compared them to their respective recoverable amounts.

The recoverable amount for each CGU has been calculated as its value in use. The valuation technique used is a discounted cash flow. The key inputs into the valuation are gross rental income, operating costs, lease term and an estimated discount rate reflecting the market assessment of risk that would be applied to each asset. The estimated discount rates for each property, together with their value in use, are included in the following table.

	Impairment charge/(reversal) £'000		Discount rate	Lease termination date	Value in use £'000	
	Year ended 30 September 2025	Year ended 30 September 2024			Year ended 30 September 2025	Year ended 30 September 2024
	£'000	£'000			£'000	£'000
Collegelands, Glasgow	—	—	5.5%	6 September 2026	2,180	7,277
Europa, Liverpool	1,010	—	5.5%	18 March 2030	5,842	8,352
Glassyard Building, London	—	—	5.5%	10 September 2034	8,555	8,884
Optima, Loughborough	—	—	5.5%	18 March 2030	1,396	1,616
Total	1,010	—			17,973	26,129

These impairment calculations are sensitive to changes in the assumptions around discount rate and revenue growth. Reasonable sensitivities have been applied to these assumptions, including an increase in the discount rate applied of 1 percentage point and assuming no revenue growth from 2026 onwards. In these scenarios there remained headroom against the carrying value of the assets held with the exception of Europa.

Europa has begun the academic year with c.30 rooms out of service for refurbishment, and presently shows occupancy below its budget for the year. Occupancy is anticipated to recover to historic levels over the next 12 months, however the knock-on impact on its value-in-use results in an exceptional impairment charge of £1,010,000 (2024: no impairment charge) being recognised during the year in relation to the property.

Set out below are the carrying amounts of lease liabilities and movements during the period:

	Year ended 30 September 2025	Year ended 30 September 2024
	£'000	£'000
At the start of the period	40,769	45,195
Additions	867	3,850
Disposals	(198)	(906)
Accretion of interest	1,470	1,719
Payments	(9,277)	(9,089)
At the end of the period	33,631	40,769
Current	8,223	7,750
Non-current	25,408	33,019

The Group has the following minimum lease commitments:

	Year ended 30 September 2025	Year ended 30 September 2024
	£'000	£'000
Less than one year	9,334	9,265
Between one and two years	5,682	9,080
Between two and five years	14,405	16,235
Later than five years	8,475	11,889
Total lease payments	37,896	46,469
Effect of discounting to present value	(4,265)	(5,700)
Total lease liabilities	33,631	40,769
Analysed as:		
Current	8,223	7,750
Non-current	25,408	33,019
Total lease liabilities	33,631	40,769

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

17. Leases continued

Group as lessor – operating lease rentals receivable

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Non-cancellable operating lease rentals are receivable as follows:		
Within one year	6,316	8,604
Later than one year and less than five years	–	20
After five years	–	–
	6,316	8,624

The Group acts as lessor in respect of certain commercial property and for the student accommodation properties operated under the sale and leaseback arrangements detailed above.

18. Property, plant and equipment

Accounting policy

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost represents expenditure that is directly attributable to the purchase of the asset.

Depreciation is charged so as to write off the cost of assets less their residual values over their estimated useful lives, on the following basis:

Plant and machinery:	20% reducing balance
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The assets' estimated useful lives, depreciation rates and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

	Plant and machinery £'000
Cost	
At 30 September 2023	3,431
Additions	120
Disposals	(652)
At 30 September 2024	2,899
Additions	129
Disposals	(19)
At 30 September 2025	3,009
Depreciation	
At 30 September 2023	1,635
Charge for the year	411
Disposals	(548)
At 30 September 2024	1,498
Charge for the year	691
Disposals	(8)
At 30 September 2025	2,181
Net book value	
At 30 September 2025	828
At 30 September 2024	1,401
At 30 September 2023	1,796

19. Subsidiaries

The Group holds 100% of the share capital of the following, unless otherwise stated:

Name	Class of shares	Nature of business
Anderson Wharf (Student) Limited ⁵	Ordinary	Property developer
Battersea Park Road London Limited ⁵	Ordinary	Property developer
Customhouse Student Limited ⁵	Ordinary	Property developer
Duncan House Developments Limited ⁵	Ordinary	Property developer
Elliot Road Selly Oak Limited ⁵	Ordinary	Property developer
Gas Lane Bristol Limited ⁵	Ordinary	Property developer
Gorse Stacks Development Limited ⁶	Ordinary	Property developer
Headrow House Leeds Limited ⁵	Ordinary	Property developer
Heol Santes Helen Limited ⁵	Ordinary	Property developer
Malago Road Bristol Limited ⁵	Ordinary	Property developer
New Mart Road Limited ⁵	Ordinary	Property developer
Northop Road Flint Limited ⁵	Ordinary	Property developer
Pirrie Belfast Limited ⁵	Ordinary	Property developer
Sherlock Street Birmingham Limited ⁵	Ordinary	Property developer
Stylegood Limited ⁵	Ordinary	Property developer
Superscheme Limited ⁵	Ordinary	Property developer
Walnut Tree Close Guildford Limited ⁵	Ordinary	Property developer
Watkin Jones & Son Limited ⁴	Ordinary	Property developer
WJ AS1 Bristol Limited ⁵	Ordinary	Property developer
WJ GQ London Limited ⁵	Ordinary	Property developer
WJ HR Wembley Limited ⁵	Ordinary	Property developer
WJ NE1 Brighton Limited ^{1,5}	Ordinary	Property developer
WJ TB London Limited ^{1,5}	Ordinary	Property developer
WJ TR Manchester Limited ⁵	Ordinary	Property developer
WJ TQ PBSA Belfast Limited ⁵	Ordinary	Property developer
Fresh Property Group Ltd ⁹	Ordinary	Accommodation management
Fresh Property Group Ireland Limited ¹⁰	Ordinary	Accommodation management
DR (Student) Limited ⁵	Ordinary	Holding company
Fresh Property Group Holdings Ltd ⁵	Ordinary	Holding company
Watkin Jones Group Limited ²	Ordinary	Holding company
Watkin Jones Holdings Limited ³	Ordinary	Holding company
Newmark Developments Limited ⁵	Ordinary	Holding company and property development services
Watkin Jones AM Limited ⁵	Ordinary	Property fund asset manager
Dunaskin Student Limited ⁵	Ordinary	Property letting
Finefashion Limited ⁵	Ordinary	Property letting
New Bridewell Limited ⁵	Ordinary	Property letting
New Bridewell 1 Limited ⁵	Ordinary	Property letting
Nicelook Limited ⁵	Ordinary	Property letting

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for the year ended 30 September 2025

19. Subsidiaries continued

Name	Class of shares	Nature of business
Polarpeak Limited ⁵	Ordinary	Property letting
Qualityoffer Limited ⁵	Ordinary	Property letting
Scarlet P Limited ⁵	Ordinary	Property letting
Spiritbond Stockwell Green Limited ⁵	Ordinary	Property letting
Swiftmatch Limited ⁵	Ordinary	Property letting
Bailey Lane Student Limited ⁵	Ordinary	Dormant
Blackhorse Lane Student Limited ⁵	Ordinary	Dormant
Bridle Path Watford Limited ⁵	Ordinary	Dormant
Bridge Road Bath Limited ⁵	Ordinary	Dormant
Bridge Street Student Limited ⁵	Ordinary	Dormant
Christchurch Road Bournemouth Limited ⁵	Ordinary	Dormant
Conington Road Lewisham Limited ⁵	Ordinary	Dormant
Crown Place Woking Limited ⁵	Ordinary	Dormant
Dalby Avenue Bedminster Limited ⁵	Ordinary	Dormant
Darley Student Accommodation Limited ⁷	Ordinary	Dormant
Ellen Street Hove Limited ⁵	Ordinary	Dormant
Extralap Limited ⁸	Ordinary	Dormant
Extraneat Limited ⁵	Ordinary	Dormant
Fairleague Limited ⁵	Ordinary	Dormant
Five Nine Living Limited ⁹	Ordinary	Dormant
Forest Road Student Limited ⁵	Ordinary	Dormant
Fresh Student Living Limited ¹⁰	Ordinary	Dormant
Gladstone Road Exeter Limited ⁵	Ordinary	Dormant
Goldcharm Residential Limited ⁵	Ordinary	Dormant
Goldcharm Student Lettings Limited ⁵	Ordinary	Dormant
Gorgie Road Edinburgh Limited ⁵	Ordinary	Dormant
High Street Swansea Limited ⁵	Ordinary	Dormant
Holdenhurst Road Bournemouth Limited ⁵	Ordinary	Dormant
Hunter Street Chester Limited ⁵	Ordinary	Dormant
Iona Street Edinburgh Limited ⁵	Ordinary	Dormant
Kelaty House Wembley Limited ⁵	Ordinary	Dormant
Liverpool Road Chester Limited ⁵	Ordinary	Dormant
Lower Bristol Road Bath Limited ⁵	Ordinary	Dormant
LPS Nottingham Limited ⁵	Ordinary	Dormant
Lucas Student Lettings Limited ⁵	Ordinary	Dormant
Malago Road Bristol Opco Limited ^{11,11}	Ordinary	Dormant
Military Road Canterbury Limited ⁵	Ordinary	Dormant
New Bridewell 2 Limited ⁸	Ordinary	Dormant
Onega Centre Bath Limited ⁵	Ordinary	Dormant
Oxford House Bournemouth Limited ⁵	Ordinary	Dormant
Q Street Student Properties Limited ¹⁰	Ordinary	Dormant
Randalls Road Leatherhead Limited ⁵	Ordinary	Dormant
Rockingham Street Student Limited ⁵	Ordinary	Dormant

Name	Class of shares	Nature of business
Saxonhenge Limited ⁵	Ordinary	Dormant
Sutton Court Road Limited ⁵	Ordinary	Dormant
TG Southall Limited ⁵	Ordinary	Dormant
The Hale Tottenham Limited ⁵	Ordinary	Dormant
This Is Fresh Limited ¹⁰	Ordinary	Dormant
Trafford Street Chester Limited ⁵	Ordinary	Dormant
Victoria Park Bath Limited ⁵	Ordinary	Dormant
Watmor Limited ⁵	Ordinary	Dormant
Westfield Avenue Edinburgh Limited ⁵	Ordinary	Dormant
Wilmslow Road Manchester Limited ⁵	Ordinary	Dormant
Wisedeeds Limited ⁵	Ordinary	Dormant
WJ Developments (Residential) Limited ⁵	Ordinary	Dormant

1. Incorporated during the year.
2. Wholly owned by Watkin Jones plc.
3. Wholly owned by Watkin Jones Group Limited.
4. Wholly owned by Watkin Jones Holdings Limited.
5. Wholly owned by Watkin Jones & Son Limited.
6. Wholly owned by Newmark Developments Limited.
7. Wholly owned by DR (Student) Limited.
8. Wholly owned by New Bridewell Limited.
9. Wholly owned by Fresh Property Group Holdings Ltd.
10. Wholly owned by Fresh Property Group Ltd.
11. Wholly owned by Malago Road Bristol Limited.

All of the Group's subsidiaries have the same registered office address of 3 Llys y Bont, Parc Menai, Bangor, LL57 4BN, with the exception of Fresh Property Group Holdings Ltd, Fresh Property Group Ltd, Five Nine Living Limited, This Is Fresh Limited and Fresh Student Living Limited whose registered office address is 12 Soho Square, London, United Kingdom, W1D 3QF, and Fresh Property Group Ireland Limited, whose registered office is One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

During the year ended 30 September 2025, the Group sold its former subsidiary India Street Glasgow Limited to a related party, the joint venture entity The Ard Malago Holdings Limited (see note 20). On disposal the subsidiary had net assets of £nil, with a profit on disposal recognised of £8,163,000 after transaction costs. As part of the transaction, a related party loan of £6,558,500 was settled between the Group and India Street Glasgow Limited. The subsidiary held no cash or cash equivalents at the point of disposal.

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20. Joint ventures

Accounting policy

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group's investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and OCI of the joint venture.

When necessary, adjustments are made to bring the accounting policies of joint ventures in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in joint ventures is impaired. If there is such evidence, the Group undertakes an impairment test and calculates the amount of any impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'share of profit of joint ventures' in the statement of comprehensive income.

Upon loss of joint control over a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

During the year the Group entered into a joint venture arrangement to develop a new property in Glasgow ('Glasgow PBSA joint venture'). The Group holds 5% of the allotted share capital in The Ard Malago Holdings Limited, but maintains joint control through the terms of the shareholder and investment agreements.

Shareholder loans issued to joint ventures are initially recognised at fair value, and subsequently measured at amortised cost.

At 30 September 2025, the Group had the following joint ventures, whose principal place of business is the UK:

Name	Class of shares	Percentage share capital held	Financial year end	Activity
Deiniol Developments Limited ¹	Ordinary	50%	30 September	Property development
Watkin Jones (Grove Crescent) Holdings Limited ¹	Ordinary	25%	30 September	Property development
The Ard Malago Holdings Limited ¹	Ordinary	5%	30 September	Property development
Spiritbond Finsbury Park Limited ¹	Ordinary	50%	30 September	Dormant
Spiritbond Elephant & Castle Limited ¹	Ordinary	50%	30 September	Dormant
Freshers PBSH Chester (General Partner) Limited ¹	Ordinary	50%	30 September	Property fund general partner

1. Held by Watkin Jones & Son Limited.

The Group includes long-term shareholder loans, at amortised cost, within its investment in the following joint ventures and their subsidiaries:

- Watkin Jones (Grove Crescent) Holdings Limited - Shareholder loans of £7,474,000 (FY24: £8,088,000); and
- The Ard Malago Holdings Limited - Shareholder loans of £5,855,000 (FY24: £nil).

The Group is party to development contracts pertaining to construction activities conducted within its joint ventures. For the financial year, revenue derived from these joint ventures amounted to £39,007,000 (FY24: £18,000,000). At the balance sheet date, amounts recoverable from these joint ventures were £12,484,000 (FY24: £2,930,000), which includes £11,673,000 (FY24: £2,692,000) classified as trade debtors, £1,908,000 (FY24: £238,000) as contract assets and £1,097,000 (2024: £nil) as contract liabilities.

Summarised financial information of the joint ventures and reconciliation with the carrying amount of the investment in the consolidated statement of financial position is set out below:

Year ended 30 September 2025	Stratford PBSA joint venture £'000	Glasgow PBSA joint venture £'000	All other joint ventures £'000	Total £'000
Revenue	—	—	—	—
Operating loss	—	—	—	—
Finance income/(expense)	—	—	—	—
Loss before tax	—	—	—	—
Income tax gain	—	—	—	—
Total comprehensive loss for the year	—	—	—	—
Group share of loss for the year	—	—	—	—
Current assets, including cash and cash equivalents	71,081	18,309	—	89,390
Non-current assets	6,145	9,121	45	15,311
Current liabilities, including financial liabilities	(1,402)	(10,271)	—	(11,673)
Non-current liabilities, including financial liabilities	(42,118)	(1,275)	(47)	(43,440)
Net assets/(liabilities)	33,706	15,884	(2)	49,588
Equity				
At 1 October 2024	32,321	—	(2)	32,319
Loss for the year	—	—	—	—
Dividend distribution	—	—	—	—
Capital contribution	1,385	15,884	—	17,269
At 30 September 2025	33,706	15,884	(2)	49,588
Remove joint venture partners' share of net assets	(25,280)	(9,131)	1	(34,410)
Amortisation of shareholder loan under IFRS 9	(346)	—	—	(346)
Remove unrealised profit on related party transactions	(302)	(15)	—	(317)
Group's carrying amount of the investment	7,778	6,738	(1)	14,515

Year ended 30 September 2024	Stratford PBSA joint venture £'000	All joint ventures £'000	Total £'000
Revenue	—	—	—
Operating loss	(31)	—	(31)
Finance income/(expense)	—	—	—
Loss before tax	(31)	—	(31)
Income tax gain	—	—	—
Loss for the year	(31)	—	(31)
Total comprehensive loss for the year	(31)	—	(31)
Group share of loss for the year	(8)	—	(8)
Current assets, including cash and cash equivalents	42,058	9	42,067
Non-current assets	6,260	40	6,300
Current liabilities, including financial liabilities	(4,243)	(4)	(4,247)
Non-current liabilities, including financial liabilities	(11,754)	(47)	(11,801)
Net assets/(liabilities)	32,321	(2)	32,319
Equity			
At 1 October 2023	—	(2)	(2)
Loss for the year	(31)	—	(31)
Dividend distribution	—	—	—
Capital contribution	32,352	—	32,352
At 30 September 2024	32,321	(2)	32,319
Remove joint venture partners' share of net assets	(24,241)	1	(24,240)
Remove unrealised profit on related party transactions	(127)	—	(127)
Group's carrying amount of the investment	7,953	(1)	7,952

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for the year ended 30 September 2025

21. Inventory and work in progress

Accounting policy

Inventory is stated at the lower of cost and net realisable value. Cost comprises all costs directly attributable to the purchasing of land and buildings and the development of property, including legal costs, attributable overheads, attributable finance costs and the cost of bringing developments to their present condition at the balance sheet date. Net realisable value is based on estimated selling price less the estimated cost of disposal. An assessment of net realisable value is carried out at each balance sheet date, and is dependent on the Group's estimate of forecast sales prices and development costs, which may require significant judgement. Where appropriate, third-party valuations are obtained to supplement the Group's internal capabilities. Provision is made for any obsolete or slow-moving inventory where appropriate, and is reversed to the extent that a future valuation exceeds its carrying value.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Development land	53,858	67,748
Stock and work in progress	32,993	26,518
Total inventories at the lower of cost and net realisable value	86,851	94,266

During the year the Group obtained an independent valuation of one of its land assets which identified that, a result of adverse market conditions specific to that location and the circumstances of the property in question, the realisable value for the asset was below its carrying value. As a result the Group has taken an exceptional impairment charge of £6,100,000.

Two early-stage opportunities were also strategically aborted in response to volatile market conditions, resulting in a charge of £276,000 (2024: £769,000) within gross margin. We are considering options to advance progress on one of our Affordable Homes sites through a packaged sale of multiple units currently anticipated to be sold through the open market which, whilst advancing cash flow and reducing build cost, may reduce overall margin and therefore result in a write down of assets currently held on the scheme. At the year-end, the Directors are satisfied that there is no impairment based on the current strategy to sell the remaining plots in the open market.

22. Contract assets and liabilities

(a) Current contract assets

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
At 1 October	36,538	66,368
Transferred to receivables	(13,988)	(46,209)
Balance remaining in relation to contract assets at the start of the year	22,550	20,159
Increase relating to services provided in the year	6,573	16,379
At 30 September	29,123	36,538

The contract assets primarily relate to the Group's right to consideration for construction work completed but not certified and invoiced at the balance sheet date. The contract assets are transferred to trade receivables when the amounts are certified by the customer. Most of the Group's contracts for student accommodation and build to rent developments are structured such that there is a significant final payment which only becomes due upon the practical completion of the relevant property. Most of the Group's developments span at least two financial years, which results in the recognition of a contract asset up until the practical completion of the property, at which point it is transferred to trade receivables. The material reduction in contract assets reflects the collection of such final payments at the completion of a number of schemes during the year, which had been accruing over the previous financial years.

Taking into account the historical default experience, an assessment of credit risk and the future prospects in the industry, the Directors consider that no contract assets are impaired.

(b) Current contract liabilities

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
At 1 October	3,252	1,469
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	(3,252)	(1,469)
Balance remaining in relation to contract liabilities at the start of the year	—	—
Increase due to amounts received associated with performance obligations which have not yet been fully satisfied	4,005	3,252
At 30 September	4,005	3,252

The contract liabilities relate to amounts received associated with performance obligations which have not yet been fully satisfied.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially satisfied at the reporting date in relation to the development of student accommodation, build to rent, affordable homes and commercial projects:

	Year ended 30 September 2026 £'000	Year ended 30 September 2027 £'000	Year ended 30 September 2028 £'000	Total £'000
30 September 2025				
Construction contracts	152,675	91,534	34,485	278,694

	Year ended 30 September 2025 £'000	Year ended 30 September 2026 £'000	Year ended 30 September 2027 £'000	Total £'000
30 September 2024				
Construction contracts	187,600	95,679	8,243	291,522

23. Trade and other receivables

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment in trade receivables is established when there is an expectation of cash shortfalls over the expected life of the amounts due. The movement in the provision is recognised in the statement of comprehensive income.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Trade receivables	34,811	24,714
Less: provision for impairment of receivables	(137)	(137)
Trade receivables – net	34,674	24,577
Prepayments and other receivables (including accrued income)	3,008	4,234
Refundable land deposits paid	3,333	2,380
Total trade and other receivables	41,015	31,191

The fair value of the Group's equity interest in shared ownership schemes, included within equity instruments designated at fair value through OCI, is materially equal to historic cost.

The ageing analysis of trade receivables is as follows:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Neither past due nor impaired	34,117	24,131
Past due but not impaired:		
Not more than three months	374	39
Greater than three months	183	407
	34,674	24,577

The Group estimates expected credit losses on trade receivables by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. As at 30 September 2025 and 2024, trade receivables that were neither past due nor impaired related to a number of debtors for whom there is no recent history of default and the future credit risk is considered to be low. The other classes of trade and other receivables do not contain impaired assets.

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for the year ended 30 September 2025

24. Cash and cash equivalents

Accounting policy

Cash and cash equivalents in the statement of financial position comprises cash at bank and in hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

Cash at bank and in hand as at 30 September 2025 includes £40,000 of cash deposited by the Group in an escrow account in connection with a development in progress, access to which is contingent upon the completion of certain development works (30 September 2024: £53,000). For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. The Group had not drawn on any overdraft facilities at the year end.

25. Trade and other payables: current

Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Trade payables	54,286	59,505
Deferred rental income	1,285	1,823
Taxes and social security costs	975	2,059
Accruals	26,623	22,667
Total trade and other payables	83,169	86,054

26. Interest-bearing loans and borrowings

Accounting policy

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Current		
HSBC Bank plc RCF arrangement fees	—	—
Other interest-bearing loans	—	—
	—	—
	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Non-current		
HSBC Bank plc RCF	10,350	13,791
HSBC Bank plc RCF arrangement fees	(417)	(200)
Other interest-bearing loans	—	—
	9,933	13,591

There is no material difference between the fair value of the Group's borrowings and their book values.

At 30 September 2024, the Group held a five-year revolving credit facility (RCF) with HSBC to a value of £50.0 million with a maturity date of 15 November 2025, alongside a £10.0 million on-demand and undrawn overdraft facility. During the year the Group has amended and extended this facility, which now runs to 15 November 2027. The overdraft facility has been replaced with a £10.0 million accordion facility which can be drawn to fund land development. As is the case in most loan agreements, the RCF includes a material adverse event clause but management believe the risk of this clause being exercised is very remote.

The RCF is secured by a debenture over Watkin Jones Group Limited, Watkin Jones Holdings Limited, Watkin Jones & Son Limited and Walnut Tree Close Guildford Limited. The applicable benchmark rate is SONIA, with a margin of 2.65%.

27. Provisions

Accounting policy

Provisions are recognised when three criteria are met: 1) the Group has a present obligation as a result of a past event; 2) it is probable that an outflow of resources will be required to settle the obligation; and 3) a reliable estimate can be made of the obligation.

Building Safety provision

	Provision £'000	Reimbursement asset £'000	Total £'000
At 1 October 2023	65,594	(10,865)	54,729
Arising during year	8,147	(1,146)	7,001
(Utilised)/received	(21,125)	4,894	(16,231)
Unwind of discount rate	3,017	(500)	2,517
At 1 October 2024	55,633	(7,617)	48,016
Arising during year	8,709	(3,709)	5,000
(Utilised)/received	(10,162)	1,397	(8,765)
Unwind of discount rate	2,527	(346)	2,181
At 30 September 2025	56,707	(10,275)	46,432

The balance can be classified as follows:

	Provision £'000	Reimbursement asset £'000	Total £'000
Year ended 30 September 2025			
Current	22,286	(2,565)	19,721
Non-current	34,421	(7,710)	26,711
Total	56,707	(10,275)	46,432
	Provision £'000	Reimbursement asset £'000	Total £'000
Year ended 30 September 2024			
Current	12,090	(1,470)	10,620
Non-current	43,543	(6,147)	37,396
Total	55,633	(7,617)	48,016

A provision of £48,016,000 was held at 30 September 2024, net of reimbursement assets, for the Group's anticipated contribution towards the cost of building safety remedial works. Provisions and reimbursement assets are not offset in the balance sheet, although movements in these are presented net in the income statement.

A further net increase in provision of £5,000,000 has been made during the year ended 30 September 2025 for building safety remediation costs. The judgements and estimates surrounding this provision and corresponding reimbursement assets are set out in note 4.

The net provision at 30 September 2025 amounts to £46,432,000, of which £19,721,000 is expected to be incurred in the year ending 30 September 2026 and £26,711,000 is expected to be incurred between 1 October 2026 and 30 September 2029. The provision has been discounted to the present value of its risk-adjusted cash flows, at a risk-free rate of 3.89% based on UK five-year gilt yields (2024: 4.54%).

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28. Deferred tax

Accounting policy

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The recoverability of deferred tax assets is primarily supported by the expected level of future profits for the Group. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The movement on the deferred tax account is shown below:

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
At the start of the period	15,090	12,096
Included directly in equity	141	22
Statement of comprehensive income (debit)/credit	(141)	2,972
At the end of the period	15,090	15,090
Comprising:		
Deferred tax asset	15,291	15,443
Deferred tax liability	(201)	(353)
At the end of the period	15,090	15,090

The movements in deferred tax assets and liabilities are shown below:

	Short-term timing differences £'000	Accelerated capital allowances £'000	Total £'000
At 1 October 2024	15,443	(353)	15,090
Statement of comprehensive income (debit)/credit	(339)	198	(141)
Included directly in equity	141	—	141
At 30 September 2025	15,245	(155)	15,090
	Short-term timing differences £'000	Accelerated capital allowances £'000	Total £'000
At 1 October 2023	12,906	(810)	12,096
Statement of comprehensive income credit	2,515	457	2,972
Included directly in equity	22	—	22
At 30 September 2024	15,443	(353)	15,090

In the year ended 30 September 2025, deferred tax credited directly to equity of £141,000 (2024: £22,000) related to the Group's share-based Long Term Incentive Plan, the comprehensive income charges for which are recognised as a movement in the share-based payment reserve. The short-term timing differences predominantly relate to carried forward losses, which have no expiry.

The recognition of deferred tax assets as at 30 September 2025 has been based on the forecast accounting profits in the 2026 budget and an extended forecast period to 30 September 2030. These forecasts, both base case and risk-adjusted, indicate that the deferred tax asset should be recovered within the 5 years covered by the forecast. Given the continued uncertainty in the macro-environment, the directors consider that the deferred tax asset should be restricted to the amount recovered during the 5 year risk-adjusted case. This will continue to be reassessed in future periods depending on level of recovery and growth achieved.

29. Other financial assets and liabilities**Other financial assets**

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Financial instruments at fair value		
Equity instruments designated at fair value through other comprehensive income	679	866
Other financial assets	679	866

Equity instruments designated at fair value through other comprehensive income comprise the value of units held by Watkin Jones & Son Limited in the Curlew Student Trust (CST), together with the value of the carried interest held by Fresh Property Group Ltd in CST and Curlew Student Trust 2 (CST2). CST and CST2 are Guernsey-registered unitised funds established to invest in student accommodation. Watkin Jones & Son Limited originally made an investment in CST, as part of an agreement to develop three student accommodation properties for the fund, and Fresh Property Group Ltd made a carried interest investment aligned to its role as preferred property manager for the fund.

Fresh Property Group Ltd subsequently made a carried interest investment of £350,000 in CST2 on its establishment, aligned to its role as preferred property manager for CST2.

The Group received £214,000 in distributions against the carrying value of its investments in CST2 in the year ended 30 September 2025 (2024: £15,000).

The Group's investment in CST and CST2 comprises the following:

30 September 2025	Units	Price £	Value £'000
Curlew Student Trust			
Units held by Watkin Jones & Son Limited	1,689,991	0.325311	550
Carried interest investment held by Fresh Property Group Ltd			47
Curlew Student Trust 2			
Carried interest investment held by Fresh Property Group Ltd			82
Group's carrying amount of the investment			679
30 September 2024	Units	Price £	Value £'000
Curlew Student Trust			
Units held by Watkin Jones & Son Limited	1,689,991	0.302711	512
Carried interest investment held by Fresh Property Group Ltd			44
Curlew Student Trust 2			
Carried interest investment held by Fresh Property Group Ltd			310
Group's carrying amount of the investment			866

The fair value of the units held by Watkin Jones & Son Limited in the Curlew Student Trust, included within equity instruments designated at fair value through other comprehensive income, is based on a quoted fund unit price (Level 2 in the fair value hierarchy). This is an investment and is not related to any individual property. The carried interest investments held by Fresh Property Group Ltd are stated at fair value (Level 2 in the fair value hierarchy).

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30. Financial risk management

Accounting policy

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and in hand.

Financial assets

Financial assets are classified, at initial recognition, depending on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus transaction costs and subsequently measures it at amortised cost or fair value through other comprehensive income (OCI). Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method with an appropriate allowance for estimated irrecoverable amounts recognised in the income statement when there is objective evidence that the asset is impaired.

The Group's investments in unit trusts and equity interests held under shared ownership schemes are classified as equity instruments designated at fair value through OCI. Gains and losses on these assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of comprehensive income when the right to payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Impairment of financial assets

The Group recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current as well as forecast direction of economic conditions at the reporting date, including the time value of money where appropriate.

For other financial assets the Group assesses the probability of default of an asset at initial recognition and then whether there has been a significant increase in credit risk on an ongoing basis. To assess this, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, including macroeconomic information such as market interest rates or growth rates. Financial assets are written off when there is no reasonable expectation of recovery, with impairment losses recognised in the income statement. When a later event causes the impairment losses to decrease, the reduction in impairment loss is also recognised in the income statement.

A financial asset is derecognised when the contractual rights to receive cash flows from that asset have expired or been transferred, or to the extent that they are written off with no expectation of recovery.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables. They are initially recognised at fair value net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings, including bank overdrafts. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group is exposed to a variety of risks, such as market risk, credit risk and liquidity risk. The Group's principal financial instruments are:

- loans and borrowings; and
- trade and other receivables, trade and other payables, and cash arising directly from operations.

This note provides further detail on financial risk management and includes quantitative information on the specific risks. The fair values of financial assets and liabilities do not materially differ from their carrying values.

The Group recognises that movements in certain risk variables might affect the value of its loans and also the amounts recorded in its equity and its profit and loss for the period. Therefore, the Group has assessed the following risks:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk; currency risk; and other prices risk, such as equity price risk.

The Group's exposure is primarily to the financial risks of changes in interest rates in relation to loans and borrowings.

Interest rate risk

Due to the levels of interest-bearing loans and borrowings at 30 September 2025, the Group had no material exposure to interest rate movements. The Group holds an RCF with HSBC with an amount available under this facility of £50 million, which means that the Group could potentially be exposed to increased interest rate risk in the future. The Group has a treasury and hedging policy under which it determines the value at risk that it is willing to accept from a foreseeable movement in interest rates. Interest rate hedging contracts will only be used to keep its interest rate risk exposure within these parameters and there were no hedging contracts utilised during the year ended 30 September 2025 (2024: none).

A 0.5% movement in the interest rate applied to the interest-bearing loans and borrowings held at year end would have an impact on the Group's profit before taxation as below:

	Effect on profit before tax	
	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
0.5% change in interest rate		
Impact on profit before tax	52	69

Foreign currency risk

Capital items that are non-sterling priced are monitored to review the requirement for appropriate hedging. The Group has minimal exposure to foreign currency risk as it rarely carries out transactions in foreign currencies.

Liquidity risk

Cash flow is regularly monitored and the relevant subsidiaries are aware of their working capital commitments. The Group reviews its long-term funding requirements in parallel with its long-term strategy, with an objective of aligning both in a timely manner.

The table below summarises the maturity profile of the Group's gross, undiscounted financial liabilities at 30 September 2025 and 30 September 2024:

	On demand £'000	Less than one year £'000	Between one and five years £'000	More than five years £'000	Total £'000
Liquidity risk – 30 September 2025					
Interest-bearing loans and borrowings	—	—	9,933	—	9,933
Trade and other payables	—	83,169	—	—	83,169
	—	83,169	9,933	—	93,102
	On demand £'000	Less than one year £'000	Between one and five years £'000	More than five years £'000	Total £'000
Liquidity risk – 30 September 2024					
Interest-bearing loans and borrowings	—	—	13,591	—	13,591
Trade and other payables	—	86,054	—	—	86,054
	—	86,054	13,591	—	99,645

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

30. Financial risk management continued

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Group is exposed to credit risk from its cash and cash equivalents and trade receivables.

Credit risk from balances with banks and financial institutions is managed by depositing with reputable financial institutions, from which management believes the risk of loss to be remote. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts of cash at bank and in hand.

Our customers are predominantly blue-chip institutional funds and the risk of non-payment of the trade receivables they owe the Group is low. In many cases, the funds for a forward sold development are ring-fenced, placed in escrow, or backed by committed debt funding which reduces the risk of non-payment. Credit evaluations are performed for all customers. Management has policies and procedures in place to monitor the Group's exposure to credit risk and the payment performance of the Group's customers.

At the year end there were no significant concentrations of risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Capital management policy

The primary objective of the Group's capital management is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. The Board periodically reviews its capital structure to ensure it meets changing business needs. The Group defines its capital as equity plus loans and borrowings. The Directors consider the management of debt to be an important element in controlling the capital structure of the Group. The Group may carry moderate levels of long-term borrowings to fund operations and working capital requirements. The net cash of the Group is analysed in note 34.

31. Share capital and other reserves

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Allotted, called up and fully paid		
Ordinary shares of one pence each	2,567	2,567

The number of ordinary shares in issue at 30 September 2025 was 256,653,097 (30 September 2024: 256,653,097).

In addition to share capital and premium, the Group holds a merger reserve, which was created in prior periods in accordance with merger accounting principles as a result of Group restructuring.

32. Employee benefits – long-term incentive plans

Accounting policy

The Group operates a long-term incentive plan for certain members of the senior management team under which those employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of the equity-settled transactions is determined by the fair value at the date the grant is made using an appropriate valuation model, further details of which are given in the note below.

That cost is recognised in staff costs, together with a corresponding increase in equity over the period to which the service and performance conditions are fulfilled (the 'vesting period'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments which will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expenses recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments which will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Where awards are linked to non-market performance conditions, no expense is recognised if the performance conditions are not met and/or service conditions are not met. Where awards include a market condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The Watkin Jones plc Long Term Incentive Plan (the 'Plan') was approved by shareholders at the AGM held on 13 February 2018. Details of the Plan, the vesting requirements and the performance targets applicable to the awards are set out in the Directors' remuneration report on pages 86 to 92.

During the year the Group issued one award under the Plan, being a Restricted Stock Award (RSA).

RSA

The issued RSAs are subject to a minimum share price at the vesting date of £0.40 (measured as the average of closing share price over one month prior to the vesting date, adjusted for dividends), and a service condition such that employees must remain in service until the vesting date to receive any award.

The fair value of the share awards granted subject to this condition is the market price of an ordinary share of the Company at the date the award is granted, less the exercise price.

The aggregate total awards granted under the Plan are as follows:

	Year ended 30 September 2025 Number	Year ended 30 September 2024 Number
Share awards granted under the Plan		
At 1 October	7,949,955	3,596,898
Granted in the year	4,719,592	6,825,223
Exercised in the year	—	—
Lapsed in the year	(1,104,044)	(2,472,166)
At 30 September	11,565,503	7,949,955

There were no awards exercised during the year (2024: nil). The weighted average exercise price for all awards is one pence per share, with a weighted average fair value of 23.82 pence per share. The weighted average remaining contractual life for the awards outstanding at 30 September 2025 was 1.6 years (2024: 1.9 years).

Save As You Earn scheme

The Group operates a Save As You Earn (SAYE) scheme. Participating employees may elect to save funds by means of deductions from post-tax salary up to a maximum contribution per employee per scheme of £6,000 per year. At the end of the three-year or five-year vesting period such funds can then be used to acquire shares at a discounted price to the market price on the date of grant (the 'exercise price').

These awards are subject only to a service condition, such that employees must remain in service until the vesting date to receive the discounted exercise price. The fair value of the share awards granted subject to this condition is the market price of an ordinary share of the Company at the date the award is granted, less the exercise price.

The aggregate total awards granted under the SAYE scheme are as follows:

	Year ended 30 September 2025 Number	Year ended 30 September 2024 Number
Share awards granted under the SAYE scheme		
At 1 October	1,741,409	1,964,513
Granted in the year	4,399,277	582,534
Exercised in the year	—	(5,622)
Lapsed in the year	(1,306,769)	(800,016)
At 30 September	4,833,917	1,741,409

There were no awards exercised during the year (2024: 5,622). The weighted average exercise price for all awards is 26.02 pence per share (2024: 48.77 pence per share), with a weighted average fair value of 13.68 pence per share. The weighted average remaining contractual life for the awards outstanding at 30 September 2025 was 3.1 years (2024: 2.1 years).

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

32. Employee benefits – long-term incentive plans continued

Save As You Earn scheme continued

The following table lists the inputs to the model used for the share awards granted in 2025 and 2024:

	2025 SAYE (three-year)	2025 SAYE (five-year)	2025 RSA
Share price at grant (p)	28.85	28.85	28.50
Exercise price (p)	23.35	23.35	1.00
Expected term (years)	3.3	3.3	3.0
Expected volatility (%)	53.47	49.51	52.38
Risk-free interest rate (%)	3.86	4.00	4.02
Are dividend equivalents receivable for the award holder?	No	No	Yes

	2024 SAYE	2024 LTIP
Share price at grant (p)	45.00	46.20
Exercise price (p)	39.07	1.00
Expected term (years)	3.3	3.0
Expected volatility (%)	38.90	38.29
Risk-free interest rate (%)	4.41	3.95
Are dividend equivalents receivable for the award holder?	No	Yes

The fair value of the share awards granted under the Plan is charged to the statement of comprehensive income over the vesting period of the awards, provided that the service conditions attaching to the awards continue to be met. The cumulative charge to the statement of comprehensive income is recognised in the statement of financial position as a 'share-based payment reserve'.

For awards subject to a market condition, volatility is calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant. Where an award is not subject to market conditions, volatility is usually calculated over the period of time commensurate with the expected award term immediately prior to the date of grant. Option fair values are calculated using the Stochastic model (where related to market conditions, including the SAYE schemes) and the Black-Scholes model (where related to non-market conditions).

For the year ended 30 September 2025, the amount charged to the statement of comprehensive income and credited to the share-based payment reserve was £642,000 (2024: £901,000). Historic charges of £614,000 (2024: £528,000) related to share awards which have now vested and been fully exercised or lapsed have been recycled from the share-based payment reserve to the profit and loss reserve during the year.

33. Reconciliation of profit before tax to net cash flows from operating activities

	Year ended 30 September 2025 £'000	Year ended 30 September 2024 £'000
Loss before tax	(8,680)	(307)
Depreciation of leased investment properties and right-of-use assets	5,892	5,935
Impairment of right-of-use assets	1,010	—
Depreciation of plant and equipment	691	411
Amortisation of intangible assets	559	559
Profit on disposal of subsidiary	(8,163)	(6,260)
Loss on disposal of property, plant and equipment	11	91
Finance income	(1,359)	(1,008)
Finance costs	4,278	4,873
Share of loss in joint ventures	—	8
Decrease in inventory and work in progress	856	10,711
Decrease in contract assets	7,415	29,830
(Increase)/decrease in trade and other receivables	(9,823)	3,913
Increase in contract liabilities	753	1,783
(Increase)/decrease in reimbursement assets	(2,312)	3,748
Decrease in trade and other payables	(3,418)	(14,689)
Decrease in provisions	(1,453)	(12,978)
Increase in share-based payment reserve	642	901
Net cash (outflow)/inflow from operating activities	(13,101)	27,521

Major non-cash transactions

There were no major non-cash transactions during the period.

34. Analysis of net cash/(debt) and changes in liabilities from financing activities

	At beginning of year £'000	Cash flow £'000	Other movements £'000	At end of year £'000
30 September 2025				
Cash at bank and in hand	96,962	(16,564)	—	80,398
Bank loans	(13,591)	3,441	217	(9,933)
Net cash before deducting lease liabilities	83,371	(13,123)	217	70,465
Lease liabilities (note 17)	(40,769)	9,277	(2,139)	(33,631)
Net cash/(debt)	42,602	(3,846)	(1,922)	36,834
30 September 2024				
Cash at bank and in hand	72,431	24,531	—	96,962
Bank loans	(28,530)	15,064	(125)	(13,591)
Net cash before deducting lease liabilities	43,901	39,595	(125)	83,371
Lease liabilities (note 17)	(45,195)	9,089	(4,663)	(40,769)
Net cash/(debt)	(1,294)	48,684	(4,788)	42,602

Cash at bank and in hand as at 30 September 2025 includes £40,000 of cash deposited by the Group in an escrow account in connection with a development in progress, access to which is contingent upon the completion of certain development works (30 September 2024: £53,000). Non-cash movements relate to the amortisation of bank loan arrangement fees and changes to the value of lease liabilities as a result of leases entered into or terminated in the period or due to movements in the rent inflation rates assumed.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Analysis of net cash/(debt) and changes in liabilities from financing activities continued

Changes in liabilities arising from financing activities

	Borrowings £'000	Leases £'000	Total £'000
At 1 October 2023	(28,530)	(45,195)	(73,725)
Interest expense	—	(1,719)	(1,719)
New leases and modifications	—	(2,944)	(2,944)
Issue costs paid	—	—	—
Amortisation of issue costs	(125)	—	(125)
Financing cash flows	15,064	9,089	24,153
At 30 September 2024	(13,591)	(40,769)	(54,360)
Interest expense	—	(1,470)	(1,470)
New leases and modifications	—	(669)	(669)
Issue costs paid	404	—	404
Amortisation of issue costs	(187)	—	(187)
Financing cash flows	3,441	9,277	12,718
At 30 September 2025	(9,933)	(33,631)	(43,564)

35. Capital and other financial commitments

There were no material capital commitments at 30 September 2025 (2024: £nil).

36. Contingent liabilities

The Group has contingent liabilities of £18,261,000 (2024: £15,867,000) in respect of performance bonds entered into with a number of surety providers. Watkin Jones Group Limited, Watkin Jones Holdings Limited, Watkin Jones & Son Limited and certain subsidiaries thereof have given debentures containing fixed and floating charges and have entered into a corporate guarantee of the Group's bank borrowings from HSBC Bank plc, which at the balance sheet date amounted to £10,350,000 (2024: £13,791,000).

No material liabilities are expected to arise as a result of the above arrangements.

As described in more detail in notes 4 and 27, the Group holds a provision, and corresponding reimbursement asset, for building safety remediation projects. This is a highly complex area with significant estimates in respect of the cost of remedial works, the quantum of any legal expenditure associated with the defence of the Group's position in this regard, and the extent of those properties within the scope of the applicable government guidance and legislation, which continue to evolve. As such, these estimates may be updated to reflect such changes.

37. Related party transactions

As referred to in note 20, Watkin Jones & Son Limited holds an investment in units in the Curlew Student Trust (CST), and Fresh Property Group Ltd has a carried interest investment in CST and in Curlew Student Trust 2 (CST2). Fresh Property Group Ltd is the preferred property manager for both CST and CST2. The Group received distributions against the carrying value of its investments in CST and CST2 of £214,000 in 2025 (2024: £15,000). The fair value of the units held in CST by Watkin Jones & Son Limited at 30 September 2025 amounted to £551,000 (2024: £512,000) and the fair values of the carried interest investments in CST and CST2 held by Fresh Property Group Ltd amounted to £47,000 (2024: £44,000) and £82,000 (2024: £310,000) respectively.

Under a joint venture agreement, the Group was owed £469 at 30 September 2025 from Deiniol Developments Limited (2024: £1,787). During the year the Group received no payments from Deiniol Developments Limited and made no capital contributions to Deiniol Developments Limited. The Group owns 50% of the share capital in Deiniol Developments Limited.

Under a joint venture agreement, at 30 September 2025 the Group was owed £8,088,000 from Watkin Jones (Grove Crescent) Holdings Limited (2024: £8,088,000) held within investment in joint ventures, and £250,000 from Grove Crescent Stratford Limited (2024: £250,000) held within trade and other receivables. These balances have no fixed repayment date. The Group owns 25% of the share capital in Watkin Jones (Grove Crescent) Holdings Limited, which in turn owns 100% of the share capital in Grove Crescent Stratford Limited.

Under a joint venture agreement, at 30 September 2025 the Group was owed £6,749,995 from The Ard Malago Holdings Limited (2024: £nil) arising from its initial investment in the entity and held within investment in joint venture, and £55,064 from India Street Glasgow Limited (2024: £6,558,500) held within trade and other receivables. These balances have no fixed repayment date. The Group owns 5% of the share capital in The Ard Malago Holdings Limited, which in turn owns 100% of the share capital in India Street Glasgow Limited.

All transactions with related parties have been carried out on an arm's length basis.

38. Subsequent events

There were no events after the balance sheet date requiring recognition or disclosure in the financial statements.

Company statement of financial position

as at 30 September 2025

	Notes	30 September 2025 £'000	30 September 2024 £'000
Fixed assets			
Investments	42	261,418	260,776
Current liabilities			
Trade and other payables	43	(130,174)	(130,174)
Total liabilities		(130,174)	(130,174)
Net assets		131,244	130,602
Equity			
Share capital	44	2,567	2,567
Share premium		84,612	84,612
Share-based payment reserve		1,808	1,780
Retained earnings		42,257	41,643
Total equity		131,244	130,602

The notes on pages 106 to 142 are an integral part of these Company financial statements.

No income statement has been presented as permitted by Section 408 of the Companies Act 2006. The Company's profit for the year after taxation was £nil (2024: £nil).

Approved by the Board of Directors on 16 December 2025 and signed on its behalf by:


Alex Pease
 Director

Company statement of changes in equity

for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 September 2023	2,564	84,612	1,407	41,115	129,698
Issue of shares	3	—	—	—	3
Share-based payments	—	—	901	—	901
Recycled reserve for fully vested share-based payment schemes	—	—	(528)	528	—
Balance at 30 September 2024	2,567	84,612	1,780	41,643	130,602
Issue of shares	—	—	—	—	—
Share-based payments	—	—	642	—	642
Recycled reserve for fully vested share-based payment schemes	—	—	(614)	614	—
Balance at 30 September 2025	2,567	84,612	1,808	42,257	131,244

Notes to the Company financial statements

for the year ended 30 September 2025

39. Accounting policies

General information

Watkin Jones plc (the 'Company') is a public limited company incorporated in the United Kingdom under the Companies Act 2006 (registration number 9791105) and its shares are listed on the Alternative Investment Market of the London Stock Exchange. The Company is domiciled in the United Kingdom and its registered address is 12 Soho Square, London, United Kingdom, W1D 3QF.

Basis of preparation

The Company's financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of United Kingdom adopted International Accounting Standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

No income statement has been presented as permitted by Section 408 of the Companies Act 2006. The Company's profit for the year after taxation was £nil (2024: £nil).

The Company has provided parent company guarantees to the following of its subsidiaries at 30 September 2025 under Section 479C of the Companies Act 2006 (the 'Act'). These entities are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of Section 479A of the Act.

Company name	Company number	Company name	Company number
Anderson Wharf (Student) Limited	06126636	Pirrie Belfast Limited	13009889
Battersea Park Road London Limited	13168454	Polarpeak Limited	06686090
Customhouse Student Limited	09767068	Qualityoffer Limited	06710999
Dunaskin Student Limited	08748667	Scarlet P Limited	07268296
Duncan House Developments Limited	09694863	Sherlock Street Birmingham Limited	12054262
Elliott Road Selly Oak Limited	11165995	Spiritbond Stockwell Green Limited	07262463
Finefashion Limited	06686047	Stylegood Limited	06092932
Gas Lane Bristol Limited	12482112	Swiftmatch Limited	07145665
Gorse Stacks Development Limited	04351332	Walnut Tree Close Guildford Limited	12251752
Headrow House Leeds Limited	13899071	Watkin Jones AM Limited	07321534
Heol Santes Helen Limited	06256807	WJ AS1 Bristol Limited	15110160
Malago Road Bristol Limited	14044675	WJ GQ London Limited	14972231
New Bridewell Limited	09027661	WJ HR Wembley Limited	15221095
New Bridewell 1 Limited	09132046	WJ NE1 Brighton Limited	16424008
Nicelook Limited	07145637	WJ TR Manchester Limited	15995950
New Mart Road Limited	12738337	WJ TB London Limited	16638034
Newmark Developments Limited	05614426	WJ TQ PBSA Belfast Limited	15331557
Northop Road Flint Limited	13920741		

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

40. Employee costs

The only employees of Watkin Jones plc are the Executive and Non-Executive Directors. Details of the employee costs associated with the Directors are included in the Directors' remuneration report and summarised below. All employee costs related to these Directors are borne by Watkin Jones & Son Limited, the Company's principal trading subsidiary.

	2025 £'000	2024 £'000
Wages and salaries	1,349	1,867
Compensation for loss of office	—	—
Social security costs	188	264
Pension costs	60	110
	1,597	2,241

41. Dividends

No final dividend is proposed for the year ended 30 September 2025 (2024: nil pence per ordinary share). As such, no liability (2024: liability of £nil) has been recognised at that date. At 30 September 2025, the Company had distributable reserves available of £42,257,000 (30 September 2024: £41,643,000).

42. Investments in subsidiaries

Accounting policy

The Company's investments in subsidiaries are accounted for at cost less accumulated impairment losses.

	Subsidiary undertakings £'000
Cost	
At 30 September 2023	259,875
Capital contribution relating to share-based payments	901
At 30 September 2024	260,776
Capital contribution relating to share-based payments	642
At 30 September 2025	261,418

The Company owns 100% of the issued shares in Watkin Jones Group Limited, a company incorporated in England and Wales. The principal activity of Watkin Jones Group Limited and its subsidiary companies is that of property development.

43. Trade and other payables: current

	2025 £'000	2024 £'000
Financial liabilities		
Amounts owed to Group undertakings	130,174	130,174

Amounts owed to Group undertakings are repayable on demand.

44. Share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
Ordinary shares of one pence each	2,567	2,567

The number of ordinary shares in issue at 30 September 2025 was 256,653,097 (30 September 2024: 256,653,097).

45. Share-based payments**Accounting policy**

Details of share awards granted by the Company to Executive Directors and to employees of its subsidiaries, and that remain outstanding at the year end over the Company's shares, are set out in note 32 to the Group financial statements. The Company did not recognise any expense related to equity-settled share-based payment transactions in the current or preceding year.

The cost of the equity-settled transactions is determined by the fair value at the date the grant is made using an appropriate valuation model, further details of which are given in note 32 to the Group financial statements.

That cost is recognised in staff costs, together with a corresponding increase in equity over the period to which the service and performance conditions are fulfilled (the 'vesting period'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments which will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expenses recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments which will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Where awards are linked to non-market performance conditions, no expense is recognised if the performance conditions are not met and/or service conditions are not met. Where awards include a market condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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Auditor

Deloitte LLP
The Hanover Building
Corporation Street
Manchester M4 4AH

Financial PR

MHP Group
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London W1W 7RT

Shareholder information

Country of incorporation and main country of operation

Watkin Jones plc is incorporated in England and Wales. The Company operates in the UK.

Details of other exchanges or trading platforms

The Company's shares will only be traded on the London Stock Exchange's AIM market at present.

Number of securities in issue

As at 30 September 2025, the Company's issued share capital consists of 256,653,097 ordinary shares with a nominal value of one pence each. The Company has no treasury shares.

Company registration

Registered office: 12 Soho Square, London W1D 3QF.
Registered in England and Wales (company number 9791105).

Glossary

AGM	Annual general meeting	EBITDA	earnings before interest, tax, depreciation and amortisation	IPO	initial public offering
AIM	Alternative Investment Market	EIR	effective interest rate	OCI	other comprehensive income
APM	alternative performance measure	EPS	earnings per share	PBSA	purpose built student accommodation
BSA	Building Safety Act 2022	Fresh	Fresh Property Group	PRS	private rental sector
BTR	build to rent	FVOCI	fair value through other comprehensive income	RCF	revolving credit facility
CGU	cash-generating unit	HSE	health, safety and environment	SDGs	UN's Sustainable Development Goals
CST	Curlew Student Trust	IFRS	International Financial Reporting Standards	TSR	total shareholder return
CST2	Curlew Student Trust 2				

Financial calendar

Annual general meeting (AGM)
The Company's AGM will be held at 10.30am on 4 February 2026 at the offices of MHP Group, 60 Great Portland Street, London W1W 7RT. The Notice of Meeting is available on the Group's website watkinjonesplc.com.

Notes

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Creating the
future of living

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