Urban&Civic

Annual Report and Accounts 2024

Our sustainable new Village Green Play Area at Priors Hall Park

As seen on cover image

Find out more at: https://www.urbanandcivic.com/media-library/case-studies/priors-hall-parks-vibrant-new-village-green/

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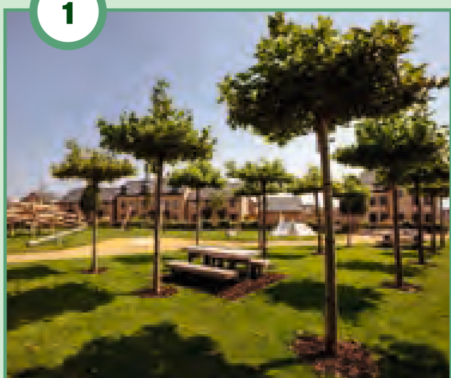


Specifically curated landscape

2

Carbon positive safety mat

3

Biodiversity in action

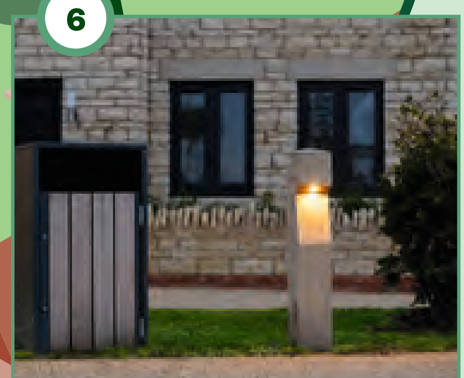
4

Accessible play

5

Feature tree designed into street furniture

6



Solar lighting

MP opens Priors Hall Parks' new sustainable play area

This year saw Priors Hall Park proudly unveil the new Village Green, a brand new play area and the first community space located in the development's recently launched Zone 2.

The Village Green has been designed to be a vibrant, engaging space for residents of all ages, including timber climbing frames, swings, slides, and other interactive equipment designed to inspire active play. A distinctive feature tree with wraparound seating offers a relaxing focal point, alongside a versatile games area equipped with pétanque pitch, table tennis, noughts and crosses and a ball labyrinth. Even the picnic benches invite creativity, featuring engraved chess boards to encourage strategic play in the fresh air. Homes from Barratt Homes provide scenic views of this beautifully landscaped area, enhancing the appeal of living in Priors Hall Park.

Lee Barron, the new MP for Corby and East Northamptonshire, officially opened the new play area in September, as Priors Hall Park continues to build on its reputation as the destination of choice for new homes in Corby.

This addition builds on the success of Zone 1, which already features a diverse range of outdoor amenities, including three uniquely themed play areas and two outdoor gyms. Each play area in Zone 1 has been designed with distinct landscape-inspired themes, showcasing high-quality timber equipment suitable for children of all ages.

"It was a genuine pleasure to open the play area at Priors Hall Park and see for myself this lovely development. It is important youngsters of all ages have the opportunity to play in a safe and healthy environment. Research tells us that active play develops fundamental movement skills, such as coordination and balance, and engenders confidence and motivation. So, as well as looking good, this play area will enrich the lives of local families."

LEE BARRON
MP FOR CORBY

Strategic report

Governance

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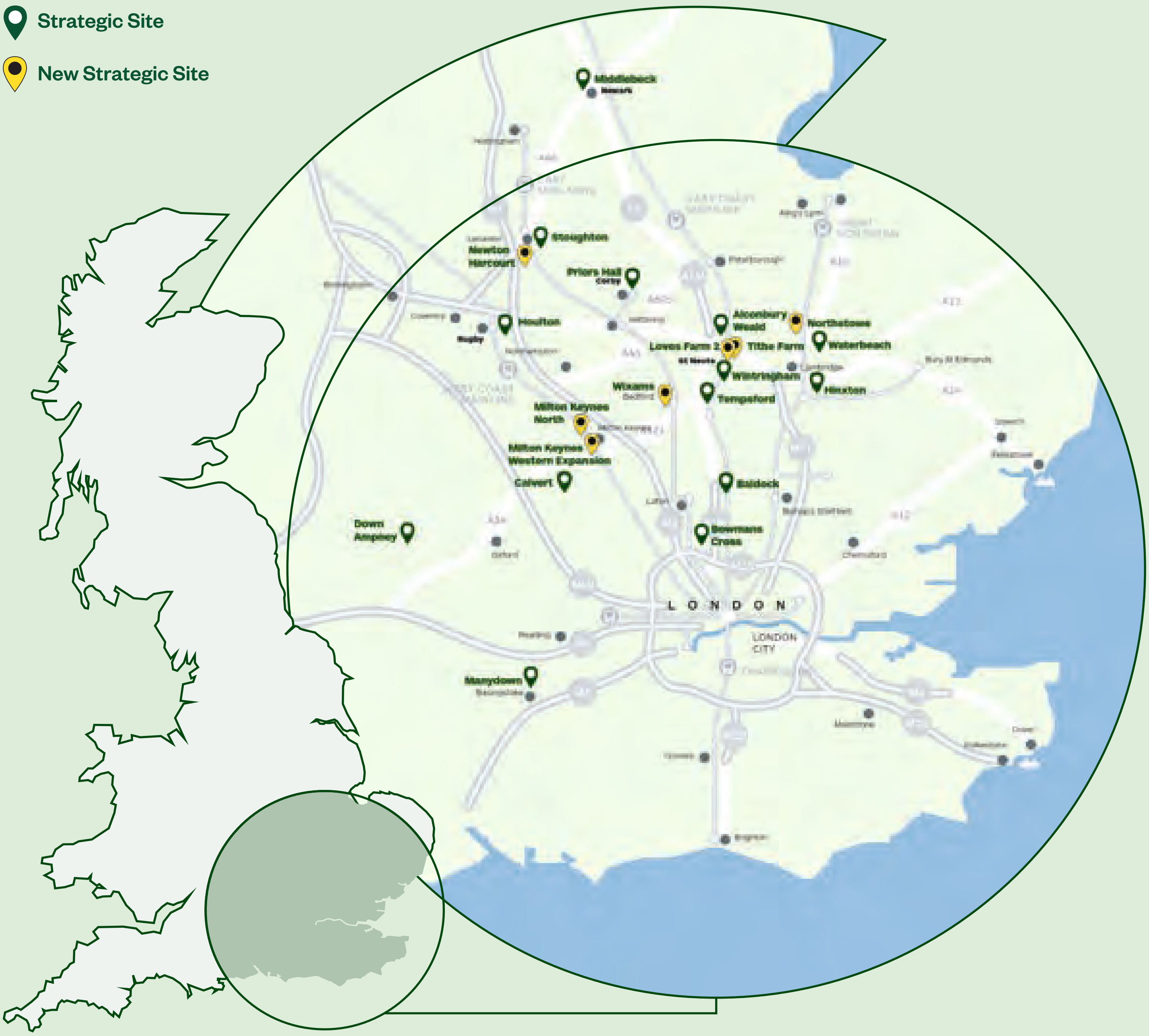
Strategic report

Heritage Day, Alconbury Weald

The UK's leading Master Developer

We are the UK's leading Master Developer, having been specifically created 14 years ago to disrupt the established approach to the promotion and delivery of large scale residential led Strategic Sites. Now owned by the Wellcome Trust we are committed to delivering on our purpose, vision and values and achieving our strategic objectives.

Following our recent acquisition of L&Q Estates, our Strategic Sites have increased from 16,000 acres to over 18,000 acres of land but remain almost all within 100 miles of London, in key growth locations with strong transport links and with delivery and returns achieved over ten to twenty years per site. The acquisition, whilst complementing our existing locations, also brings us into new geographies such as Milton Keynes.



38,000
consented homes

7
secondary schools

26
primary schools

2,000+
acres of open space

28km+
of cycleways

11m ft²+
employment floor space

20 sites: 11 in delivery

Alconbury Weald · RadioStation Rugby · Middlebeck Newark · Priors Hall Park · Wintringham St Neots · Waterbeach Barracks · Manydown Basingstoke · Hinxton Cambridgeshire · Milton Keynes Western Expansion · Northstowe · Wixams

12 partners

Homes England · Nuffield College · Hertfordshire · Ministry of Defence · Aviva · Wellcome · Claydon Estate · Milton Keynes City Council · Caledon Estate · Hampshire County Council · Basingstoke and Deane

22 stakeholders

Basingstoke and Deane · Bedford Borough Council · Buckinghamshire Council · Greater Cambridge Partnership · Cambridgeshire County Council · Central Bedfordshire · D2N2 · Hampshire County Council · Huntingdonshire District Council · Milton Keynes City Council · Manchester City Council · Newark & Sherwood District Council · North Northamptonshire Council · North Herts Council · North Hertfordshire District Council · NHDC · Nottinghamshire County Council · Rugby · South Cambridgeshire District Council · Three Rivers District Council · Warwickshire County Council · Warwick District Council

34 housebuilding customers

4 Absolute Holdings · Abbey New Homes · Avant Homes · Barratt Homes · Bellway · Bloor Homes · Bovis Homes · Cala Homes · CB Campbell Buchanan · CivicLiving · Crest Nicholson · Countryside · dandara · Davidsons Homes · David Wilson Homes · Durkan · Etopia Corby · Francis Jackson Homes · Hopkins Homes · Jelson Homes · Lagan Homes · Larkfleet Homes · Lodge Park Homes · Lovell Homes · miller homes · Morris · Mulberry Homes · Redrow · Stonebond · Tilia Homes · TopHat · Taylor Wimpey · William Davis · Vistry Group

In addition to our Strategic Sites:

Catesby

Our Catesby business predominantly focuses on smaller scale land promotion, achieving predominantly planning uplift-based returns. The acquisition of L&Q Estates has significantly increased the size of Catesby with the absorption of both sites and team members.

No. of sites	Total acres
155	11,605

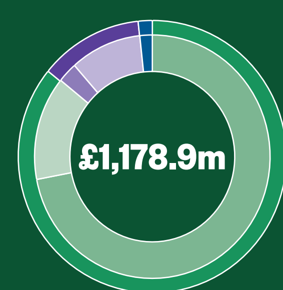
Commercial

Our commercial sites comprise farming operations and a small number of bespoke city centre developments targeting de-risked shorter-term returns.

No. of sites	Total acres
3	68

Portfolio value by segment

At 30 September 2024



Strategic Sites: £1,012.6m 85.9%
- Existing sites: £849.2m 72.0%
- Acquired L&Q sites: £163.4m 13.9%

Catesby: £146.5m 12.4%
- Existing promotions and small sites: £31.5m 2.7%
- Acquired L&Q promotions and small sites: £115.0m 9.7%

Commercial: £19.8m 1.7%

Our business model

Our business model drives shareholder and wider stakeholder outcomes by delivering serviced land parcels on large scale Strategic Sites where our customers want to build and where their customers/employees want to live and work. This requires a number of key and consistent ingredients which feed a Master Developer approach that is underpinned by our purpose, vision and values and addresses three universal sustainability challenges. The acquisition of L&Q Estates is entirely complementary to this model.

Our key resources

Land
Large scale unbroken blocks of land within 100 miles of London are the essential foundation of our Master Developer model with smaller scale sites targeted by our Catesby business.

Employees
Our growing team has significant expertise throughout all elements of site acquisition, funding, planning, development, project management, sustainability, community engagement and estate management.

Funding
Our Strategic Sites and Catesby business are underpinned by our returns and strongly supportive shareholder together with long-dated funding provided by Homes England.

Partners
Large scale sites require long-term trusted partnerships with a wide range of stakeholders. Our hard earned reputation and demonstrable track record of delivery allow projects to progress with a shared belief and expectation.

Leadership
We constantly search for better, more efficient and more sustainable ways of doing things, and are proud to be judged by our quality and stakeholder support.

The Master Developer approach – infrastructure led sustainable communities

As Master Developer, we take responsibility for obtaining planning and delivering the sustainable green, grey and community infrastructure to establish high quality places within which we market fully serviced land parcels to housebuilders. Throughout this process we establish a strong governance structure and empowered community.

Raw land
Large blocks of land acquired directly or through partnerships

1,400
acres of raw land

Planning
Application of a flexible and innovative planning structure underpinned by extensive engagement

Universal challenges:
CLIMATE CHANGE
BIODIVERSITY

Physical

The SEN school opens at Alconbury

https://www.urbanandcivic.com/media-library/case-studies/send-school-opening/

Social

Houlton Festival fun and fundraising

https://www.urbanandcivic.com/media-library/case-studies/houlton-festive-fun-raises-2000-pounds-local-charity/

Economic

The Alconbury Weald Beer Festival

https://www.urbanandcivic.com/media-library/case-studies/beer-festival/

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Purpose
We work at scale and with partners who value quality, to create infrastructure led, beautiful, sustainable and community focused places where housebuilders want to build and people want to live.

Vision
As the leading Master Developer of large scale Strategic Sites, we strive to be proud of the sustainable communities we are crafting, the quality of placemaking we are delivering and the challenges that we are overcoming through shared innovation and passion. We believe that doing things right means creating value for our shareholder and for our wider stakeholders. We are committed to keeping our promises, maximising our investment and delivering across an increasing range of sites.

Delivery

Green infrastructure
Early delivery of a significant and sustainable green infrastructure framework

Grey infrastructure
Creation of pipes, wires, cycle lanes, pathways and primary roads

Community infrastructure
Establishing quality and cohesion via the early delivery of community facilities

Serviced land (product)

Housebuilders add the homes; businesses add the commercial spaces

We work with:

- National housebuilders
- SMEs
- Affordable housing providers
- Build to Rent developers
- Leaders in modern methods of construction

15
acres of serviced land

HEALTH AND WELLBEING

Natural

Nature-based solutions at Waterbeach and COP

https://www.urbanandcivic.com/media-library/case-studies/nature-based-solutions/

Human

Transform Middlebeck

https://www.urbanandcivic.com/media-library/case-studies/transform-middlebeck/

Sustainability Framework
Our Sustainability Framework addresses the three universal challenges of climate change, biodiversity and health and wellbeing via a holistic Five Capitals approach throughout the planning, delivery and occupation stages. Key metrics are assessed to drive continuous environmental and social improvements.

Read more on our approach to sustainability and environmental outcomes on pages 42 to 61 and via our website: **www.urbanandcivic.com**

Stakeholder outcomes

Shareholder
EPRA NTA
£1,014.7m (+36.5%)
EPRA NTA annual return
16.1% (2023: -7.7%)

Employees
% of employees undertaking ten or more hours of non-mandatory learning and development
100% (+5.3%)

Customers
Plot completions
993 (-29.5%)

Suppliers and contractors
Average Considerate Contractors Scheme score by contractors employed by Urban&Civic
41 points (-2.4%)
(representing "excellent")

Partners
Property valuation uplift for joint venture partners since start of partnerships
37% (2023: 35%)

Local communities
% by total value of direct contracts placed with local contractors
90% (+80%)

Government
Number of site visits hosted by Urban&Civic
41 (2023: 55)

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> The Board is delighted with the acquisition of L&Q Estates and is firmly of the view that the purchase serves to consolidate the platform advantage enjoyed by Urban&Civic as the UK's leading Master Developer. Our market position has indisputably strengthened."

PETER PEREIRA GRAY —
CHAIRMAN

Absolute conviction in the consistency of our approach, staying true to our values

In line with the optimism I expressed in last year's Annual Report and Accounts, I am pleased to report meaningful and objective progress during the year. We have delivered positive returns for the year and now have an asset base that is significantly larger as a result of our acquisition of L&Q Estates. We are now unequivocally the UK's leading Master Developer and are well set for the economic and political challenges ahead.

Urban&Civic is a long-term business. As with all businesses, it relies upon the balance between demand and supply. At the current time, political and economic considerations continue to weigh on the UK's private housing market in terms of demand, which is the backbone to our business. UK economic confidence began to falter ahead of the UK General Election in July and has declined further. Growth of just 0.1 per cent in the three months to the end of September 2024 represents a marked slowdown from the average of 0.6 per cent in the first half of the year. There has been much for home movers to digest in recent months, and they remain in a reflective mood. There was some negative framing of the economy after the election, which accounts for some of the gloom and was not helpful. Our housebuilders report that pre-Budget jitters have turned into post-Budget disappointment. Previously recovering site sales rates have dipped accordingly. In the short term, the speed at which mortgage rates come down looks to be key in determining short-term activity levels.

Set in that context, housing, with its long lead times, is unusual in the extent to which asset pricing fails to fully adjust to supply demand imbalances. The target of the new Labour administration is to build 1.5 million new homes in England over the course of this Parliament. The Office for Budgetary Responsibility (OBR), however, currently projects that only 1.3 million homes might be built in the UK, with 1.1 million homes in England, a sufficient challenge in itself, but one that Urban&Civic is perhaps better placed to provide the serviced land for than any other business in the UK at the current time.

It can be argued that the structural shortage of houses impacts rents far more than market prices. Rents are at record highs across the UK and Savills estimates that, on average, rents have climbed by 4 per cent in the current year and predicts a further 18 per cent rise between 2025 and 2029. That would mean rent increases continuing to outpace wage growth with consensus forecasts for a 15 per cent increase in average incomes over the next five years.

Soaring rental prices since the pandemic ultimately stem from Britain not building enough homes to keep up with whole population growth. Market sales may be subdued but residential properties are letting 20 per cent faster than they were before the pandemic. Unsurprisingly, there is a deep pool of institutional investor capital allocated for new Build to Rent (BtR) homes, especially single-family housing. We are looking to expand our own BtR programme for onward sale to those investors as a modest contribution to meeting the shortfall, as well as raising output across our projects.

SEEING IS BELIEVING

Make Your Mark hosted at Alconbury

The Make Your Mark event, designed to inspire young women to pursue a career in the development industry, was first held in Waterbeach a few years ago. This year it was hosted by the Alconbury team and saw 70 female year 9 students from five secondary schools across Huntingdonshire take part. Talks from across the sector, a design workshop on Runway Park and a tour of the site highlighted some of the skills needed to create a new community like Alconbury Weald.

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The Make Your Mark event was a real eye-opener for our students, who had a great day and have come back absolutely buzzing and full of excellent feedback. It was fantastic for them to hear from female role models in senior positions within the development industry and I think it's fair to say that some of our students will be looking into careers that they hadn't previously considered."

CORINNE WHEELER
ASSOCIATE ASSISTANT PRINCIPAL AT SAWTRY VILLAGE ACADEMY

https://www.urbanandcivic.com/media-library/case-studies/make-your-mark/

Supply sits on the other side of the equation. Here the immediate recovery prospects appear decidedly brighter and Urban&Civic is very well positioned with multiple Strategic Sites at various stages of delivery. The OBR forecasts take no account of an overhaul of the planning system, which was an unequivocal commitment in the Labour manifesto. The Government has acted swiftly to address the systemic blockages that inevitably arise in the absence of fixed housing targets. Local authorities are beginning to react in anticipation of changed inspector and, in last resort, Secretary of State determinations. We can anticipate this will only improve. Catesby, our land promotion business, finds that its pipeline, as enlarged by our timely acquisition of L&Q Estates, should benefit almost immediately. Ensuring local planning authorities have sufficient resource to deal efficiently with the expected increase in applications will be key.

It is now crystal clear and officially recognised that it is simply not feasible to meet burgeoning housing demand in South East England without a greater contribution of housing provision from large sites. This has been the Urban&Civic mantra from inception and the very foundation on which our business has been built. The New Towns Taskforce, chaired by Sir Michael Lyons, is deliberating over locations for new settlements or extensions capable of sustaining 10,000+ new homes. We are in the fortunate position to be able to nominate a number of strong candidates from within our existing portfolio. In this, our objectives align directly with those of government. Our existing projects provide a real-time demonstration that numbers can be set below the task force minimum without giving up amenity led imperatives and advantages.

The Board is delighted with the acquisition of L&Q Estates and is firmly of the view that the purchase serves to consolidate the platform advantage enjoyed by Urban&Civic as the UK's leading Master Developer. Our market position has indisputably strengthened. This is all the more consequential when that broad required skill base is becoming increasingly recognised and rewarded. There are a multitude of benefits arising from the acquisition and these are detailed elsewhere in this Annual Report. None would have been possible without the exceptional support of our shareholder. We are commensurately determined to justify that faith going forward.

Whilst the realisation of our grounds for optimism may have been deferred by economic uncertainty, they are far from abandoned and we have used the hiatus to further cement our position at the top table. We have much to do, but travel with great optimism that we are in the right place at the right time with the right people and the right business model. We have absolute conviction in the consistency of our approach, and will stay true to our values of delivering high quality sites with design and sustainability at their core. The advantages of a supportive shareholder could not have been made more clear as we continue to build the business.

Once again, I would like to thank my fellow Board members and all colleagues for the manner in which they have approached the many challenges the year has brought. I am also conscious of the extent to which the acquisition of L&Q Estates added to workload. My Board colleagues and I are delighted to warmly welcome incoming team members to join our motivated band of committed colleagues to further advance our ambitions.

Urban&Civic will continue to do what we do best: making great new places where people actively want to live. Never has that been more pressing or appropriate.

Peter Pereira Gray
Chairman
22 January 2025

SEEING IS BELIEVING

An Olympic and Active Travel event – Away Day 2024

Building on the success of the last five Employee Away Days, this year's event was hosted at the amazing YMCA Activity Village at Newark. The Away Day provides us with the opportunity to disseminate news and key messaging from across the business including sustainability, the acquisition of L&Q Estates and the changing planning landscape.

This year our theme was active travel, and we were joined for our panel discussion by Graham Grant of Active Travel England, Julian Scriven of Brompton Bicycle, Rachel Toms of Sustrans and Matt Lamb of Newark and Sherwood District Council all of whom acknowledged our work to date and encouraged us to go even further.

The fun was provided by a range of films starring the team in conversation on a range of topics and a race from Newark station to the YMCA via different modes of transport. On the second day we let our inner athletes loose around the YMCA's sporting facilities for an homage to the Paris 2024 Olympics.

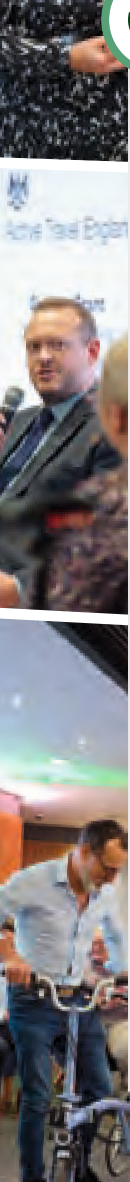
Link to values:

- Passion
- Innovation

Link to Sustainability Capitals:

- Human
- Social

https://www.urbanandcivic.com/media-library/case-studies/away-day-2024/



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All Urban&Civic experience is that well planned scale development in areas seeking amenity improvement commands increasing support through delivery."

NIGEL HUGILL —
CHIEF EXECUTIVE

The introduction of L&Q Estates has enlarged our number, enriched debate and unquestionably created new opportunities

Commentary

Urban&Civic has grown to become the UK's leading Master Developer, having been created 14 years ago specifically to rethink Strategic Site delivery in areas of high residential demand. The model was founded upon an infrastructure first approach and aligns absolutely with the Government's ambition to increase housing delivery. Notably, the business has been able to attract patient capital investment. We were taken private by the Wellcome Trust in 2021, now our sole shareholder, which continues to underpin our expansion, most recently through the near £151 million purchase of L&Q Estates that completed in August.

The barriers to entry to the UK housing market are becoming progressively higher. The major housebuilders now very obviously regard competitive efficiency and supply chain management as affording the most effective operating protection. The recently completed merger of Barratt and Redrow is evidence of an inexorable trend in industry consolidations. Urban&Civic provides a recognised counterweight in creating new amenities within accelerated and high quality housing delivery.

The Urban&Civic team brings together the significant expertise and experience necessary in developing sustainable new communities. By operating at scale and with partners which value quality, we have created a strong and replicable delivery platform, making highly livable, sustainable and community focused places where housebuilders want to build and people want to live. We benefit enormously from having a shareholder that could not be more supportive of our aspirations and intentions. In turn, I had hoped that the platform advantage arising from unparalleled large site expertise, backed by an organisation conducting world leading research in healthy lifestyles with a triple A covenant, would have given rise to new strategic opportunities. On my more optimistic days, I was given to thinking that the strength of that combination could help navigate pipeline projects through exceedingly challenging planning waters.

Patience has certainly been tested but there are now real signs that the tide has finally turned. We are yet to see much in the way of prospective new projects but the acquisition of L&Q Estates speaks directly to the high standing of our business. Moreover, the incoming Government has been unequivocal in its determination to "get Britain building again" and is addressing the complex problems of planning reform with apparent vigour. We were naturally delighted to host the Prime Minister and Deputy Prime Minister at Alconbury to coincide with the announcement of the revised NPPF, with the reintroduction of mandatory housing targets and large site presumptions. Seeing is believing and the work at Alconbury, as with all Urban&Civic strategic projects, provides unequivocal demonstration that building new houses and securing substantial environmental net gain need not be mutually exclusive.

Acquisition of L&Q Estates from London & Quadrant Housing Trust

The reported results for the year to September 2024 are most positively impacted by the purchase. Moving through £1 billion EPRA net tangible assets (NTA) for the first time represents a significant milestone for the business and due reward to our shareholder. The financial review that follows this commentary describes the acquisition accounting in detail but, to my mind, the advantages and significance are beyond simple economics. L&Q Estates styled itself with good justification as "the original placemaker". Having been acquired in 2017 by the second largest of the G15 housing associations, the plan was for expansion away from L&Q's metropolitan core. In the event and post Grenfell, the attentions of the parent group necessarily became focused elsewhere.

Our platform advantage came into play when L&Q identified Urban&Civic as a logical purchaser to keep faith with the expressed intention of boosting housing output across South East England and into the Midlands. Consequently, we were afforded the opportunity to acquire L&Q Estates, a like-minded business, through an extended negotiation. Urban&Civic was seen as the best in class purchaser by a respected and motivated institutional vendor. I am correspondingly delighted that we were in pole position to keep our side of the bargain.

We have demonstrated in recent years that two business streams, Strategic Sites and technically led, smaller land Promotions, can be mutually reinforcing. The purchase presents a singular opportunity to integrate complementary projects and expertise, whilst also expanding our strategic portfolio into key target geographies, most notably Milton Keynes and the broader pro growth Bedfordshire region. Set against the September 2024 CBRE valuation, the acquisition terms constituted a 39.8 per cent discount to fair valued NAV. The price was agreed earlier in the year before the General Election pitched housing growth, with an emphasis on new town and strategic extensions, front and centre in Labour Party campaigning. As such, the exit multiple was not demanding and the balance of prospective further advantage is judged to stand very much on the upside. As well as quality team additions, there will also be a saving in combined overheads. The platform has been correspondingly reinforced, whilst also improving short-term term prospects.

At the heart of the Urban&Civic business are the now 20 locations in which we are currently bringing forward over 18,000 acres of land, all but one within 100 miles of London. Some 38,000 new homes have been built or consented across our Strategic Sites, with a further 40,000 in the pipeline. Furthermore, L&Q Estates and its precursor have been responsible for more than 10 per cent of all homes in Milton Keynes, the fastest growing and most successful of the post-war new towns. This startling statistic is one that we are intent on maintaining.

Our Catesby land promotion segment has effectively doubled in size through incorporation of the remaining sub-strategic Promotions and freehold ownerships in L&Q Estates. Catesby is now one of the three largest independent land promoters in the country. As at 30 September 2024, 155 contracted Promotions or own account holdings were being progressed with an estimated total of 60,000 new homes. The first post-acquisition consents and sales have already been recorded. Looking to the future, L&Q Estates is particularly well represented in the East Midlands and in some southern areas where Catesby was less active. The resulting geographic concentration is quite exceptional and makes for fully manageable integration. The vast majority of aggregated interests are south of Birmingham into the Home Counties, which would not be the case with our competitors. The head office of L&Q Estates, at Leamington Spa in Warwickshire, was only 18 miles from Catesby's base at Houlton. All land personnel have now moved over and the old office is in the process of closure.

Results for the year to 30 September 2024

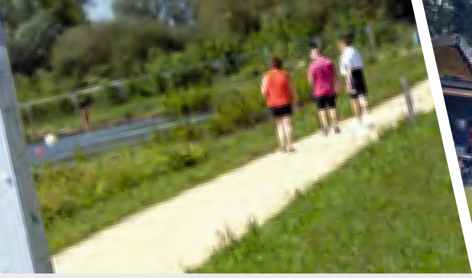
Our strengthened market position was accompanied by a return to real balance sheet growth such that EPRA NTA at 30 September 2024 was up an impressive 36.5 per cent at £1.015 billion (30 September 2023: £743.4 million). The £150.7 million acquisition of L&Q Estates was entirely shareholder funded, so the better measure by which to track progress is EPRA NTA per share, calculated at 374.0p per share at 30 September 2024 (30 September 2023: 331.1p). The 36.5% improvement in EPRA NTA mostly arose from fair value adjustments which resulted in £99.6 million of negative goodwill on acquisition. Much of the remainder came from revaluation movements on unconsented holdings, notably at Stoughton in Leicestershire, where the planning prospects were appraised as enhanced by the expected NPPF changes and higher housing targets. The valuation of existing Strategic Sites in delivery was little changed.

Commensurate with our highest net assets to date, the extent of the deferred tax adjustment much exceeds earlier years. The 30 September 2024 EPRA NTA figure netted off £47.9 million of deferred tax, equivalent to 17.6p per share (30 September 2023: £23.8 million deferred tax provided, equivalent to 10.6 p per share). The deferred tax provision is shown as a deduction in the Group consolidations, which is unlikely to be payable under existing tax legislation on future realisations for as long as Urban&Civic remains owned by a charity.

The low reported pre-tax profit for the year ended September 2024 of £7.6 million reflected a continuation of the difficult trading conditions experienced during 2023. The headline near £15 million decrease is somewhat misleading. Pre-tax profits last year recognised £27 million from the sale of two major Farmcare agricultural estates transferred into Urban&Civic from Wellcome and not considered to carry planning potential. The reality is that we have experienced two years of tough underlying trading. Housing sales across our sites are recovering slowly, whilst remaining well below long-term averages. Selective price cutting during the past year to rid slow moving stock impacted upon our licence participations such that incremental overage above the contracted minimums was reduced. Taking MHCLG official figures as a more general indication of a flat national market: new build completions in England over the 12 months to 30 June 2024 were estimated at 162,710, a 4 per cent decrease as compared with the year to 30 June 2023. House prices were basically unchanged.

The consensus expectation was for a rebound in private market demand but that is proving anaemic, such that land buyers remain in no hurry. RICS member returns showed residential buyer enquiries increasing markedly month on month moving into last spring. That upward trend reversed as election uncertainties followed by the grim fiscal tone of the new Government weighed upon prospective purchasers.

Further confirmation can be found in official statistics: new build dwelling starts in England were estimated to be 87,650 in the 12 months to June 2024, a stomach churning 54 per cent decrease compared with the equivalent June 2022 to June 2023 period. Major housebuilders are not carrying large buildable holdings but it is little wonder that they only began looking to acquire new land in the second quarter of the calendar year.



SEEING IS BELIEVING

Bringing the lake to life

With the first residents settling into their new homes and the weather warming up, Waterbeach celebrated the summer by hosting a series of events to start opening up the development's 23 acre lake.

We appointed Cambridge Sports Lake Trust (CSLT), based at Milton Country Park, to operate wild swimming and paddleboarding taster sessions on the lake on selected days, with the team providing equipment, supervision, training and coaching.

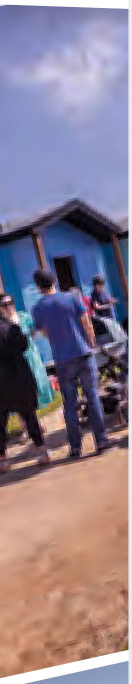
Part of selecting CSLT was to ensure what came forward did not compete with but complemented them as a local business and popular provider. Feedback from these open days is helping the team develop permanent approaches and facilities to support the right activities on the lake, happening in a safe way for all.

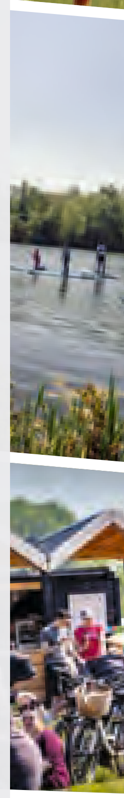
As part of this activation, the New Meaning Foundation which is a Cambridge charity that offers training and employment opportunities to individuals living in poverty or otherwise disadvantaged, was commissioned by the Waterbeach team to design and build three colourful beach huts for changing and storage by the lakeside.

The New Meaning Foundation has a workshop on site at Waterbeach for building SPACE Micro-Homes for ex-homeless people and has undertaken other commissions for the development.

> "Having a workshop at the Waterbeach development, it's great to be able to use local projects to give our learners practical experience of construction projects of varying sizes. The beach huts were a great project to work on. They look amazing and we've had really positive feedback from everyone who has seen and used them."

JOHN EVANS, CEO
NEW MEANING FOUNDATION

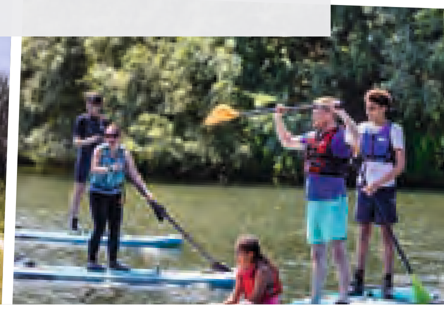




Link to values:
Innovation Passion Partnership

Link to Sustainability Capitals:
Social Physical

https://www.urbanandcivic.com/media-library/case-studies/lake-activation/



Meanwhile, Catesby suffered the double whammy of snail's pace processing of existing applications and the continuing frustration of contracted sales blocked by concerns around nutrient neutrality. As a consequence, the contribution to Group pre-tax profits was only marginally positive but still with an upward EPRA movement of £2.0 million for the year. Again, official statistics set the bleak context. ONS figures for April to June 2024 showed the number of new applications submitted and those under consideration granted as lower even than those in the immediate aftermath of the 2007–2008 global financial crisis. The outlook could only get better and it has. Significant sales and new consents were secured last October and December such that the enlarged Catesby pipeline looks robust well into the current year.

Notable project advances

The Urban&Civic model concentrates on bringing forward strategic development to meet housing demand in areas of employment and population growth, not highest prices. To our mind, programming an algorithm to bring down prices in areas of maximum unaffordability is the wrong and unrealistic priority. The success of the country depends upon employment growth and improved productivity. We target areas where prices are most affordable relative to demand, not the most expensive locations, building where we are welcome, improving amenities and reinforcing economic contributions. Nor is it our way to duck responsibilities; we are prepared to take the risks on new infrastructure delivery where others shy away.

Working on those instincts, we normally get there in the end. Timings are much less certain. Three milestone achievements during the year provide clear illustration.

Notable project advances continued

First, Grange Farm planning at Alconbury: 411 acres of freehold land were purchased in 2011 to link the Cold War airfield back into Huntingdon. The land was within the red line allocation when outline planning permission was granted to commence development at Alconbury in October 2014. Integration of Grange Farm changed the status from new settlement to urban extension. Plans for 1,500 new homes, alongside a 155-acre country park, were submitted in 2019 and approved just the five years later. Unlike Houlton, the rate of sales at Alconbury has suffered through not having two sufficiently distanced fronts of new housing being brought forward simultaneously. The target now is to have detailed applications from first housebuilders on Grange Farm submitted and consented during 2025.

Second, in October 2024 (outside the year in review but nevertheless marking a considerable advance), the conditions to contractual arrangements with our Basingstoke and Deane District Council and Hampshire County Council partners were finally satisfied. The councils acquired the freehold to Manydown North, which adjoins the modern town of Basingstoke. Contemporaneously, our joint venture arrangements with the councils were refreshed, primarily to reflect the purchase of the land through negotiation but also, in part, to simplify governance and controls which to date have proved a throttle on pace.

Urban&Civic, then partnered with the Wellcome Trust, was selected as Master Developer at Manydown in February 2018. The original planning application for up to 3,520 new dwellings predated our involvement. With our assistance, a resolution to grant planning consent was secured in July 2020 and planning consent was granted in December 2021, following the negotiation of an admittedly complex tiered section 106 agreement. That proved the straightforward part. However, following new agreement with the freeholders, I am pleased to report that the Manydown arrangements are fully formed, with the contractual conditionality cleared and business plan for its first phase adopted. With the unfreezing of budgets, the project team is now fully engaged in catching up on time lost.

Such has been the time and effort expended that it is easy to lose sight of why we bid in the first place. Manydown will prove another ground-breaking project for Urban&Civic. Designated as a London overspill town in 1967, Basingstoke reflects the design presumptions of that era. We can and will lead a step up. The area has excellent topography, strong employment growth and lower average house prices than surrounding Hampshire. Manydown opens up a new strategic geography for us. We are very hopeful of repeating our previous pattern of securing additional projects from first regional footprint.

Third, at Middlebeck, Newark, on the East Coast Mainline in Nottinghamshire. Work is not yet completed but progressing well and demonstrating the preparedness of Urban&Civic to assume infrastructure risk in furtherance of project delivery. We inherited a planning consent originally granted in 2011 for up to 3,250 new homes on the acquisition of Catesby in 2015. The consent conditions included the construction of a new link road between the A1 and A46, which will materially improve wider network connections well beyond the Middlebeck scheme. Early ambitious road expenditure estimates were of the order of £20 million. That proved to be the actual cost of only the Phase 1 works.

Detailed design and Transport Authority scope changes combined to lift the total outcome closer to £120 million, such that the project stalled at an amended 650 homes. We kept our side of the community bargain by building and relocating Christ Church primary school during the Covid-19 pandemic despite the project being unviable at that stage. In 2023 Urban&Civic took responsibility for the remaining roadworks, including new links into an upgraded A46. The final funding package comprises grant and National Highways contributions, redirected loans from Homes England and an increased contribution from us, all held together by Urban&Civic taking the client role. As an early attempt to bridge the initial gap, a proportion of the grant was first allocated in 2015. Our being able to keep those awards in place for more than eight years whilst the full funding package was put together is testament to the relationships built and our evident commitment to delivery.

NPPF revisions

The announcement of intended changes to the NPPF within four weeks of the new Government taking office showed real understanding of the necessary prioritisation of new build housing. The planning environment over the past two years has been quite the most difficult in my entire professional lifetime. The soup of uncertainty and ambiguities typified by the formal dropping of mandatory housing targets in December 2022 translates directly into the current record low applications and determinations. The consequences fall not just on inadequate housing supply in areas of highest employment demand. The productivity of UK plc has become compromised. There are other contributors to low numbers, of course, but consistent and transparent decision making in the planning system against recognised targets represents the base on which all else is secured.

The NPPF as now implemented includes unequivocal affirmation of mandatory housing targets. We could not be more supportive of the direction of travel. The odds have been stacked so heavily against in recent times that the concern now is only of overreaching. With a further review of planning guidance around viability to follow quickly and the near back to back publication of a working paper on development and nature recovery, the Government is addressing a range of issues that have held the sector back in recent years. We are seeing the establishment of strong presumptions for delivery whilst simultaneously dealing with external shocks, such as nutrient neutrality, which can serve as unintended devices in an otherwise legitimate process of arbitration.

There are clearly some headwinds looming which will take political determination to see through. The commanding five-year Labour parliamentary majority in Westminster does not extend to local authorities in middle England. The swathe of councils having turned from Conservative to no overall control, Labour or Liberal led over the last two years could just as readily swing back with first elections coming in May 2025. Unitary authorities have the advantage of vesting local responsibilities in a single place but, as with planning reforms, support for change is not universal. Tactical prevarications may not be long away.

The New Towns Taskforce

Commentaries lauding the record levels of housebuilding during the 1950s and 1960s invariably point to the amount of local authority construction. Just as significant was the extent to which additional homes were built in new towns or as strategic extensions. Those numbers were predicated on large site access. Alongside the NPPF revisions, the Government has signalled a determination with the creation of the New Towns Taskforce to bring forward significant new settlements over 10,000 units. We stand ready with existing land holdings in Milton Keynes and at Tempsford in Bedfordshire, around Cambridge and in Huntingdonshire to play our part in direct delivery at that scale. Having taken six and a half years from initial selection to getting started on the first phase of Manydown, designated a new garden town west of Basingstoke in Hampshire, we shall concentrate on immediate walking but the authorities might well run with the identified scope for infrastructure and amenity led expansion to include a new hospital.

All Urban&Civic experience is that well planned scale development in areas seeking amenity improvement commands increasing support through delivery. Strategic Sites demand community involvement and afford the potential for social and environmental upgrades – new schools and health facilities most obviously but also enhanced flood defences, Biodiversity Net Gain and improved utility resilience – to an extent that infill never can. Properly stewarded, the scale and longevity of investment also benefits local communities through opportunities, partnerships, jobs, apprenticeships and training.

Broader demographics can be addressed in the process. School rolls are becoming redistributed away from London and the North East. Strategic Sites provide an obvious means of rebalance whilst internalising peak traffic generation and encouraging walking and cycling. They do not need to be as big as 10,000 units: 1,500–2,000 new homes are sufficient to support a primary school whilst 6,000–6,500 would justify construction of a secondary school. Schools provide great glue in community building. We are starting to build a body of evidence to address the scepticism of transport officers looking to maximise road contributions. We would equally encourage government to strengthen the presumption for and/or specifically recognise the importance of Strategic Sites under 10,000 units.

Prospects

Ultimately, the pace of sales on our sites reflects prevailing markets. On that basis, one has to think that 2024 will mark the low in new housing output, although the upswing is unlikely to be as fast as we had all hoped. The closest long-term proxy for house price growth is the increase in net disposable income. In marked contrast with rents, house prices have fallen materially relative to wage settlements after hitting record highs in August 2022. Median household incomes are trending up again after recording a 2.5 per cent decrease between September 2022 and September 2023. With wage growth softening, all eyes are now on interest rates. The first cuts in Bank of England base rates for more than four years, successively in August 2024 and then again to 4.75 per cent in November, had been factored already into five-year swap rates. Unfortunately, a general estimation that the Budget measures will add 0.5 per cent to inflation has caused those rates to edge out. A consequent move up in mortgage offers is likely to push more buyers into waiting until the spring.

Deposit accumulation remains terribly difficult for young purchasers without the backing of the Bank of Mum and Dad. Housebuilders complain that there is no financial support for house buyers for the first time in 60 years. On the other hand, current UK population growth is approaching 1 per cent per annum, often more again in the high growth areas in which we operate. The most recent ONS predictions are that the total population will exceed 70 million in 2026. New housing starts are nowhere close to matching those numbers. We are not building fast enough to absorb population increases, still less make inroads into preceding shortfalls. The trend in new build has to be up.

The planning outlook is looking much more positive. It could scarcely be otherwise. We applaud the clear government intent and determination. In many ways, our experience over the past 14 years constitutes a common journey with what has now become policy. The political mathematics are such that it is simply not possible to hit housing targets in the wider South East England without the greater involvement of large sites. Just as important: plan making with fixed targets has to be mandatory to get housing numbers up. No question. Our concerns are only about transitioning and allowing conscientious local planning authorities to bring forward Strategic Sites through local plans, rather than being punished by outside inspectors allowing disputed infill sites on appeal.

Development licences remain integral to the Urban&Civic approach and help level up what has otherwise often become an impossibly challenging playing field for SME builders. We are also accelerating Build to Rent output to lift volumes across our sites and help meet continued rental demand for family housing near to good schools and leisure facilities.

Planning determinations are beginning to reflect the new realities. As well as the attention on Strategic Sites, the recent resolutions to grant secured by Catesby and sales prices achieved offer grounds for renewed optimism. I am pleased to be able to predict with confidence that the results for the enlarged Catesby in the current year will be much improved. The reasonable expectation is that the acquisition of L&Q Estates will become seen to have been well timed.

Growing stronger

The introduction of L&Q Estates has enlarged our number and enriched debate. New colleagues have embraced our passion and values. In turn, we benefit from fresh eyes and are learning from some different approaches and perspectives.

Change is never easy. I want to record thanks to those that have joined us for their entirely constructive approach and, just as much, to our existing team for extending such a warm and positive welcome.

The combination is strong and will only grow stronger.

Nigel Hugill
Chief Executive
22 January 2025

Strategic objectives

Our strategy reflects our scalable business model which is structured to be consistent and resilient throughout economic cycles such as this one. The Master Developer approach generates alignment with stakeholders across the entire lifecycle of delivery and is therefore capable of responding to both opportunities and challenges. With the support of our shareholder, the Wellcome Trust, and as illustrated this year by the acquisition of L&Q Estates in particular we are committed to:

1

Securing additional Strategic Sites/consents

As the market leading Master Developer for the delivery of Strategic Sites we continue to focus on identifying and promoting further sites within 100 miles of London, predominantly through off-market negotiations and through public procurement.

Progress by the end of 2024:

- The acquisition of L&Q Estates has added over 3,000 consented plots and over 13,000 unconsented plots to our portfolio of Strategic Sites.
- The partnership arrangements with Hampshire County Council and Basingstoke and Deane Council to deliver the 3,520 units at Manydown are now fully in place.
- Outline planning permission has been secured for a 1,500 unit extension at Alconbury Weald on Grange Farm.
- At Baldock good progress has been made with onsite surveys and archaeological investigations alongside work on securing technical approvals which form part of the strategic masterplan and subsequently the planning application.
- Submissions made to Regulation 18 stages of the Local Plans for Hertsmere in relation to Bowmans and both Oadby and Wigston/Harborough in relation to the joint landholding we have with Homes England south of Gartree Road on the edge of Leicester.
- We have been engaging actively with MHCLG and the New Towns Taskforce on the merits of large scale sites such as Milton Keynes North and Tempsford.

Objectives for 2025:

- Submit and have approved the strategic masterplan for Baldock and submit the outline planning application.
- Review the opportunity presented by the combined land holdings at St Neots following the acquisition of L&Q Estates and progress the planning for Tithe Farm.
- Progress and support Bowmans and the Stoughton sites through their local plan processes.
- Respond to the report of the New Towns Taskforce in the context of the potential for large scale Strategic Sites at Milton Keynes North and Tempsford.
- Secure Phase 1 planning consent for the Wellcome Genome Campus, Key Phase 3 approvals at Alconbury, Key Phase 4 approvals at Houlton and Key Phase 2 approvals at Wintringham.

2

Accelerating the volume of serviced residential and employment parcels for the market

The combination of our own capital and additional funding provided by Homes England and local stakeholders continues to allow us to accelerate the delivery of sustainable green, grey and community infrastructure across our Strategic Sites, bringing forward additional points of sale ahead of those previously appraised.

Progress by the end of 2024:

- Planning approvals for the first site access at Manydown has now been secured with technical approvals well progressed for the other principal entrances.
- Key Phase and reserved matters submissions have been made which are necessary to facilitate development for new Key Phases at Alconbury Weald and Wintringham.
- Earthwork movement from Key Phase 1 to Key Phase 4 is now complete at Houlton.
- All former barracks buildings at Waterbeach required for the first phases of delivery have now been demolished with earthworks for the extension to Key Phase 1 underway.
- The final technical approvals were secured to complete the link road at Middlebeck, joining the A1 with the A46. Over 50 per cent of the road is now complete and upon completion it will open up a second front for housing delivery.
- The transport hub at Waterbeach has been completed alongside the Mere Way cycle route.
- Commenced on site infrastructure works including the renewable energy generation facilities at the Wellcome Genome Campus expansion, Hinxton.
- Challenging market conditions resulted in one parcel sale – at Newark – to Miller Homes for over 250 units.
- A Scope 1 and 2 carbon reduction in excess of 40 per cent was achieved due to the shutdown of 12 old transformers at Alconbury Weald and other energy efficiency initiatives across the Strategic Sites.
- 2030 Scope 3 intensity target aligned with SBTi agreed pending update to the Map to Net Zero.

Objectives for 2025:

- Enter into contracts for over 1,750 additional units across 13 serviced land parcel releases to housebuilders at Houlton, Waterbeach, Middlebeck, Priors Hall and Alconbury as well as the opportunity to bring forward an early housebuilder parcel on Loves Farm 2, Wintringham and the Milton Keynes Eastern extension.
- At Waterbeach, commence the A10 multi-modal bridge, linking the site with the Mere Way cycle and pedestrian route into Cambridge and the proposed Park & Ride facility.
- At Waterbeach, progress design and planning for Key Phase 2, to include the road linkage to the proposed new rail station.
- Complete delivery of the initial construction access junction at Manydown and secure all requisite technical highway approvals for the permanent site access junctions.
- Commence works to the southern gateway of Alconbury Weald, allowing a second sales front, alongside the construction of the primary route linking all phases of the scheme.
- Look to maintain or indeed accelerate the inherited L&Q Estates land sales programme.
- Achieve the 2025 targets set out in our current Sustainability Framework and undertake a review to refresh our metrics for the 2026–30 time horizon.
- Incorporate L&Q Estates into our net zero planning.
- Continue implementing carbon reduction initiatives in pursuit of achieving net zero for Scope 1 & 2 emissions by 2030 on an intensity basis (dependent on grid decarbonisation) and confirm the Scope 3 intensity reduction target.

3

Enhancing the quality of sustainable placemaking

The sustainable credentials and quality-driven placemaking continue to be recognised by the market as a point of differentiation for stakeholders and our housebuilding customers. We will integrate this approach into the additional sites acquired this year.

Progress by the end of 2024:

- Local authority funding support has been agreed to expand the delivery of the next primary school in zone 2 at Priors Hall Park to a three form of entry facility.
- The Prestley Wood Academy Special Educational Needs School in the heart of Alconbury Weald opened its doors earlier this year to its first pupils from the wider community.
- At Waterbeach, further placemaking has continued with the delivery of a lakeside café creating a community focal point alongside lake activation events for swimming and paddle boarding.
- An agreement is now in place with David Lloyd Health Clubs at Wintringham to form one of the anchors for the local centre.
- Houlton has been further strengthened by the addition of The Paddle – a local independent pizza outlet – supplementing the already established food and beverage offer.
- Quality of Life surveys were completed at Wintringham and Middlebeck with feedback now built into our ongoing community development strategy.

Objectives for 2025:

- Complete arrangements with a major food store operator to co-anchor the local centre at Wintringham alongside David Lloyd. Additional retail units are also proposed at Alconbury Weald with design and planning to be progressed by the next year end.
- Secure planning approval and additional funding for the next primary school and commence delivery at Priors Hall Park. Approvals are also being sought with education stakeholders to expand Houlton Secondary School, with a new two form primary, into an all-through school.
- Open the first GP health facility at Alconbury Weald.
- Install Waterbeach's first shop to form a cluster of social infrastructure by the lake for the first residents.
- Progress proposals for the District Centres at Wixams and Milton Keynes.
- Finalise the adoption of the link road at Houlton.
- Repeat Quality of Life surveys to be carried out at Houlton, Alconbury and Middlebeck to enable the tracking of any trends across the three sites and provide further feedback for our community development teams.

4

Identifying and delivering further trading opportunities

The Catesby business continues to be the main focus of our shorter-term projects across a wider geography. Other legacy shorter-term projects are being concluded.

Progress by the end of 2024:

- The acquisition of L&Q Estates has added over 80 sites to the Catesby portfolio.
- Catesby have secured planning permission for 464 units with consents at Minster Lovell, Latchingdon and Pulborough.
- The change in planning policy has identified further opportunities for the Down Ampney site, within the Farmcare portfolio, which are now under consideration alongside securing the consent for minerals extraction on part of the site.
- Planning approval was secured for 144 BtR houses at Wintringham with construction now underway and first lettings envisaged by September 2025.

Objectives for 2025:

- Secure first lettings for the BtR scheme at Wintringham. Subject to Board approval, secure planning for 90 BtR units at Waterbeach, procure delivery and commence construction.
- Continue to seek a strong pipeline of new land to promote, accepting that 2025 will continue to present both challenges and opportunities.
- Minimise future business risk by continually evolving the planning and community engagement strategies to promote sites through the local plan process, seeking allocations and gaining consents at a local level where possible.
- Building on the acquisition of L&Q Estates, continue to enhance brand awareness and relationships with identified key influencers within the sector, helping to ensure we are the land promoter of choice for those landowners seeking land promotion partnerships.

5

Delivering returns for our shareholder and other stakeholders

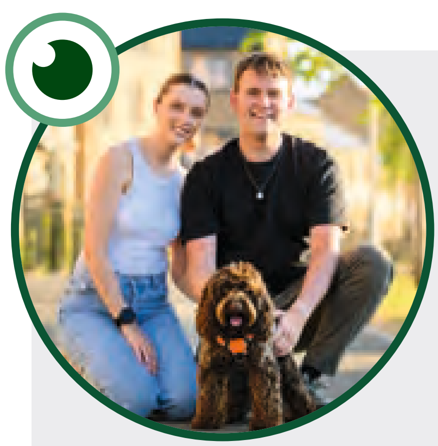
Our business model targets growth in EPRA metrics to underpin shareholder return whilst delivering a real difference to the communities in which we are working. This principal measure remains consistent under the Wellcome Trust's ownership.

Progress by the end of 2024:

- The acquisition of L&Q Estates has added £250.2 million of additional value to our EPRA NTA.
- All the necessary JV business plans for Manydown are now approved with the first joint WIP funding drawdowns completed to start delivery.
- Completed extension and expansion of the Group's expiring £40 million revolving credit facility with HSBC to £80 million.

Objectives for 2025:

- Secure Homes England funding for a Build to Rent site and at Manydown to accelerate delivery of early infrastructure.
- Complete extension of the £7.9 million loan facility within the Manchester New Square joint venture.
- Integrate L&Q Estates' financial systems into Urban&Civic's.
- Repay the Homes England Houlton facility within the Aviva joint venture (£5.1 million balance at year end).



SEEING IS BELIEVING

Will and Zoshia move to Wintringham

Will and Zoshia moved from a small London flat to a new home at Wintringham allowing Mabel to join the family.

Find out what made them move.
https://www.urbanandcivic.com/media-library/case-studies/will-and-zoshia

Measuring our progress

During the year, the Board has had an increasing focus on EPRA NTA annual return, which calculates the annual return on opening EPRA NTA, adjusting for payments to and receipts from the Group's shareholder. This measure better reflects the timings of flows to and from the shareholder than the previous EPRA NTA adjusted KPI, which is no longer monitored by the Board. Otherwise, the Group's key performance indicators have remained stable in nature throughout the year. Sustainability targets continue to evolve in order to hit our Net Zero objectives. Further details of our sustainability targets can be found on pages 48 to 60.

Link to strategy:

1 Secure sites 2 Accelerate delivery 3 Sustain quality 4 Identify opportunities 5 Deliver returns

Financial

EPRA NTA

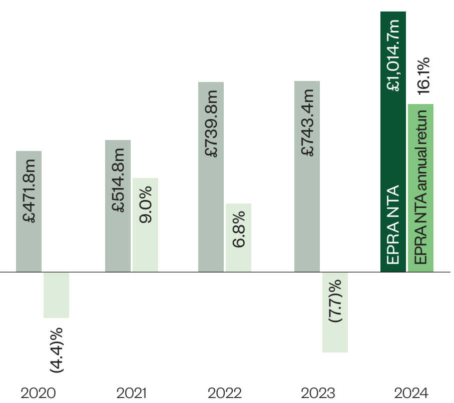
+36.5%

EPRA NTA annual return

16.1%

Link to strategy

1 2 3 4 5



Definition EPRA NTA (which sets out the net asset value attributable to equity shareholders adjusted for revaluation surpluses on trading properties net of associated tax provisioning) and EPRA NTA annual return (which calculates the annual return on opening EPRA NTA, adjusting for payments to and receipts from the Group's shareholder) are the predominant measures used to assess the Group's changes in value.

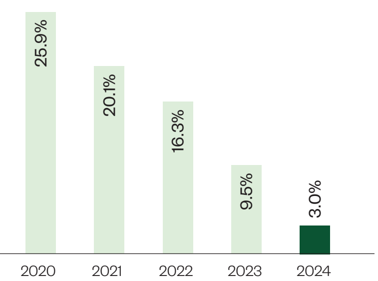
Performance EPRA NTA rose 36.5 per cent over the last year and EPRA NTA annual return for the financial year was 16.1 per cent, predominantly due to fair value property uplifts (over book values) on the acquisition of L&Q Estates.

Gearing – EPRA NAV

3.0%

Link to strategy

1 2 3 4 5



Definition Urban&Civic's only material external gearing covenant (40 per cent limit) is based on borrowings (on a non-look-through basis) divided by EPRA NAV (a non-standard metric detailed in note 23 of these financial statements).

The Group also has shareholder and self-imposed borrowing limits of 20 per cent LTV (defined as net debt divided by property values on a look-through basis) and 30 per cent gearing (again based on net debt on a non-look-through basis).

These limits ensure the Group does not take on more borrowing than it can afford to service but allows some borrowing capacity to enhance returns. The Group has maintained its policy of not borrowing to acquire land or fund the cost of constructing infrastructure at its Strategic Sites, except where these borrowings are from government sources.

Performance At 30 September 2024 the Group's net debt position was £31.9 million comprising external borrowings of £173.4 million and cash reserves of £141.5 million, producing a net gearing ratio of 3.0 per cent on non-look-through EPRA NAV basis. Of the external borrowings, £173.8 million (or 98.9 per cent) gross of borrowing cost is with Homes England.

Cash generations from plot completions

£106.6m

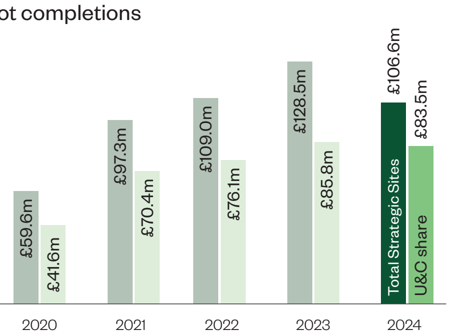
(total Strategic Sites)

£83.5m

(U&C share)

Link to strategy

1 2 3 4 5



Definition Strategic Sites continue to account for a significant proportion of Urban&Civic's value (86 per cent of the Group's property portfolio value at 30 September 2024 compared to 87 per cent in the prior year) and therefore cash generation from these sites remains a focus for the Group as cash allows Urban&Civic to gauge how well the sites are maturing, provides overhead coverage, generates capital for future investment and yields a return for the Group's shareholder which can be reinvested into its charitable activities.

Performance U&C's share of cash generation has broadly been maintained in a relatively quiet sales year, thanks in part to contractual annual minimum receipts that accounted for around 60 per cent of the receipts.

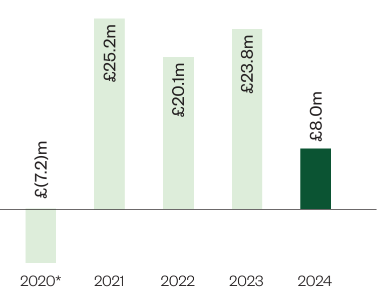
The £106.6 million of total cash receipts came from 993 plot completions (U&C share: £83.5 million), compared to £128.5 million generated by 1,408 plot completions last year (U&C share: £85.8 million).

Profit after tax

£8.0m

Link to strategy

1 2 3 4 5



Definition Profit is predominantly used to provide an indication of how the Group's Strategic Sites are maturing and/or growing in number, and quantify how much the Commercial (incorporating Farmcare) and Catesby business segments are contributing to the Group's profits.

Performance Profit after tax was down 66.4 per cent (or £15.8 million) to £8.0 million in the financial year, predominantly as a result of last year's sale of two farms by Farmcare (which contributed £27.0 million to the results). The loss of farm sale profits was compensated for by £5.7 million of higher profits from property sales, including discount unwinds.

* 2020 restated to FRS 102.

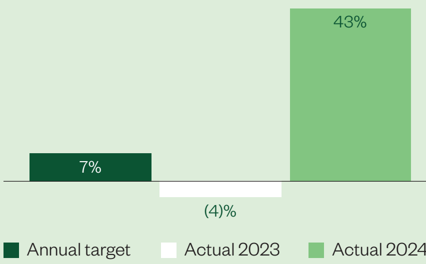
S

Non-financial

Carbon footprint

43%

Annual decrease in Scope 1 and 2 carbon emissions



Link to strategy

1 2 3 4 5

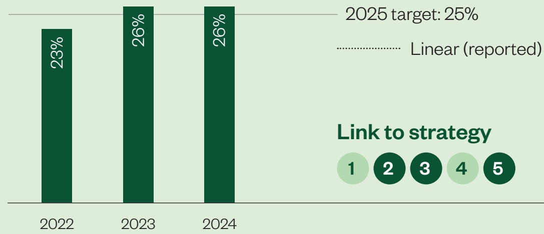
Definition Urban&Civic has set an annual target to reduce the carbon emissions from the direct consumption of electricity, gas and fuel in vehicles (known as Scope 1 and 2 emissions) across our portfolio by 7 per cent. This sets the pathway to achieve the 2025 target of a 28 per cent reduction compared to 2021 data. We are required to disclose our Scope 1 and 2 emissions in accordance with the Streamlined Energy and Carbon Reporting requirement and this forms the basis for demonstrating performance against our annual and 2025 reduction targets.

Performance Urban&Civic's Scope 1 and 2 carbon emissions (including the U&C site office at the Wellcome Genome Campus expansion but excluding Farmcare) decreased by 43 per cent in 2023/24 compared to the previous year. At the start of the financial period, Urban&Civic made significant changes to the high voltage ring main system at Alconbury Weald by removing old and oversized transformers. This reduced the substantial electrical losses from oversized substations, which significantly reduced the onsite electricity consumption. A monitoring survey of the substations also provided more reliable consumption data for the site, in comparison to previous reporting periods. Urban&Civic has also continued to implement the recommendations of the energy audits undertaken to comply with the ESOS Phase 3 scheme which was submitted during the year. Further opportunities will be actioned going forwards.

Enhance biodiversity

26%

Average Biodiversity Net Gain performance across seven sites in delivery



Link to strategy

1 2 3 4 5

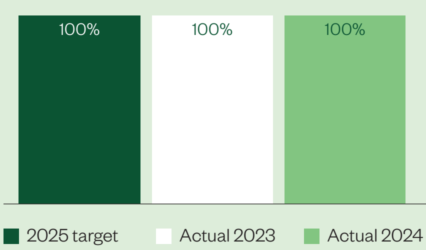
Definition Urban&Civic uses the Biodiversity Net Gain (BNG) metric to assess the positive impact on ecological value created across our Strategic Sites. We previously used and reported against the BNG metric set by Warwickshire County Council; however, all sites were reassessed in 2022 in accordance with the BNG metric method released by Defra. This is now the required methodology to be used to demonstrate compliance with the Biodiversity Net Gain legislation introduced in 2024. Consequently, we increased our 2025 target from 12 to 25 per cent given the methodology change and uplift in performance across all sites so that now our target is significantly above the mandatory minimum of 10 per cent.

Performance The average BNG score has increased by 0.3 per cent in the past year across six of the sites in delivery (excluding the Wellcome Genome Campus expansion) which have had their BNG assessed thereby continuing to exceed our 2025 target. Four out of the six sites measured are currently exceeding the 25 per cent target.

Health and wellbeing

100%

Percentage of sites with over 200 homes occupied that have a robust biennial resident survey in place



Link to strategy

1 2 3 4 5

Definition Urban&Civic aims to create distinctive places embedding high ecological and social value which serve to enhance physical and mental health and improve the quality of life for all. We have partnered with the Quality of Life Foundation to develop and deliver a resident survey across our Strategic Sites with more than 200 occupied homes, the findings of which are used to improve resident engagement and experience. The Quality of Life survey will then be rerun every two years to ensure the continuous improvement of community wellbeing.

Performance The three Strategic Sites which had the initial Quality of Life surveys undertaken in 2022 (Alconbury Weald, Priors Hall Park and Houlton), were again resurveyed in 2024. The results of these surveys, expected by the end of 2024, will indicate if the actions taken by the sites teams have improved the views of residents. All five Strategic Sites with over 200 occupied homes have now had surveys conducted, thereby achieving the 100 per cent target.

Employee engagement

Link to strategy

1 2 3 4 5

91%

Measure of employee engagement

Key indicator	Question	Response favourability		
Pride	I am proud to say I work for U&C	93%	5%	2%
Care	I care about the future of U&C	95%	4%	1%
Longevity	I would still like to be working at U&C in two years' time	86%	9%	5%
Advocacy	If asked, I would recommend to friends and family that U&C is a good place to work	89%	9%	2%
Endeavour	Working for U&C makes me want to do the best I can	93%	4%	3%

Agree and strongly agree | Neither agree nor disagree | Disagree and strongly disagree

Definition We conduct a biennial Employee Engagement survey, with the aim of taking the temperature of the Group's workforce; identifying the pros and cons of working at Urban&Civic and providing ideas as to how we might improve our working environment, practices and culture. Between each survey, actions (in response to employee feedback) are formulated and implemented as appropriate, in time for new feedback to be captured in the next survey.

Performance The results from our last survey in September 2023 are set out above. In response to the survey and as part of our People Strategy, we have enhanced our Commitment to Lifelong Learning for all, creating and developing career frameworks across the business, supported by learning and development opportunities promoting growth in our roles.

Additionally, with the support of our Health & Wellbeing Committee, initiatives to promote positive work life balance and workload management have been put in place.

We continue to focus on our value and recognition initiatives, which now facilitate real-time employee appreciation through awarding KUDOS in support of our Company values. Employee annual Value Awards continue to form a key part of employee recognition.

Improvement in inter-department communication was another key focus from the survey and the senior management team are now responsible for improvement leadership, supported by appropriate training.

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"Whilst 2024 has been a relatively quiet year in terms of plot transactions, we have been extremely busy and productive both internally and externally."

ROBIN BUTLER —
MANAGING DIRECTOR

Positioning ourselves for growth

2024 has been a year where we have faced a still cautious and reactive market at both the housebuilder and house buyer levels. Equally it has been a time where, backed by our shareholder, we have further demonstrated our long-term confidence by investing and positioning ourselves for growth.

With the political changes and economic uncertainty caused by both the extent of the deficit and proposed tax changes as well as the inflation and interest rate movements, it is perhaps not surprising that house buyer footfall has slowed. What remains reassuring, however, is our disproportionate capture of that footfall in a tight market, reflecting the excellence of our green and community infrastructure which supports our housebuilder partners.

House prices have gently drifted upwards but with a marked differential in demand for the smaller sized units which maximise bedroom to space ratio. In some cases this has disproportionately impacted SMEs which have found the sales market "soft" for the larger units with overall volumes reduced. The PLCs, by contrast, have enjoyed greater flexibility to vary house types to suit market demand.

Land sale prices, on the other hand, have remained off their peak and, benefiting from the resilience of our forward sales, we have, as anticipated, broadly stayed out of this weaker market. This is in contrast to our ambitions for next year where our forward planning envisages a significant upswing in land sale volumes.

There is no doubt that construction cost inflation has taken a respite with civils costs broadly flat and a relatively modest inflationary uplift on house construction. The continued labour shortages may become a concern if market capacity becomes more of an issue.

As our sites mature, we have experienced an increasing demand for complementary uses. This includes the leisure market where the David Lloyd facility at Houlton is now fully subscribed with planning in the advanced stages for another facility at Wintringham. We are also seeing elder care facilities starting to offer land values equivalent to residential. Equally, retail demand is strengthening with mid-range food stores and local businesses aggregating effectively. We are getting close to delivering a new health surgery at Alconbury and we will look to replicate this across our sites which will only strengthen the dynamics further.

A significant structural addition for which we see great potential is the single family Build to Rent market. As discussed last year, this is of increasing importance across all of our sites. We have already delivered schemes at Alconbury and Houlton totalling over 200 units. Letting demand here has proven resilient regardless of the weaker selling market and, in parallel, we have benefited from collecting increasing evidence of design enhancements that accelerate the pace of lettings.

SEEING IS BELIEVING

Woodland regeneration – Wild Woods play space

At the heart of Waterbeach's first new homes is Waterbeach Woods, a park with green space for people to enjoy and nature to flourish. It is also the setting for the Wild Woods play area, which takes children from the forest floor into the canopy above through a series of play features that grow in scale and complexity.

The woodland is part of the rich legacy, inherited from the Royal Engineers who planted up dense woodland to help their training in the 1970s and 1980s. The trees were originally planted as a uniform woodland block, with a limited number of fast-growing species to support armed forces training. This high-density planting meant the trees fought for light and resources resulting in diseased and failing trees. To create a sustainable and healthy woodland legacy, the team worked with the Forestry Commission on a management plan to replace the diseased trees and create a more natural woodland.

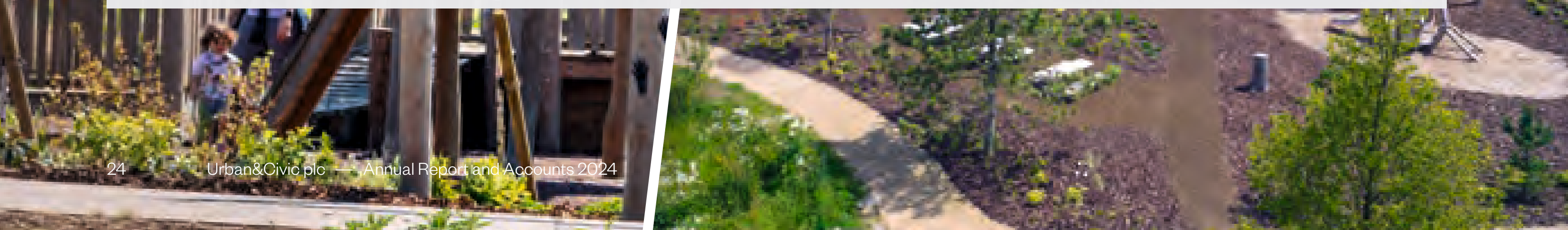
New planting included over 340 trees (69 mature, 218 semi-mature and 56 whips), 417 woodland shrubs and 63 woodland climbing plants. The species have been chosen to reflect local woodland species and ensure greater resilience to climate change.

The new woodland includes a more diverse species of varying canopy heights which will, in turn, encourage more varied flora and fauna to flourish as well as providing a lovely setting for the play area, close to homes and the first primary school. Together with log stacks, deadwood monoliths and bird and bat boxes this has also enabled us to create habitats for a wide variety of species.

Link to values: Integrity · Passion · Partnership · Quality

Link to Sustainability Capitals: Social · Physical · Natural

https://www.urbanandcivic.com/media-library/case-studies/wild-wood-play-space/



We now have a very strong forward pipeline of identified parcels for such rental product across our portfolio and construction is already underway at Wintringham for 144 units. At present our model is to sell the completed schemes which will mean additional land revenue with an embedded development margin. We see this pipeline being delivered using a mixture of traditional and modular construction with both self-delivery and third party partners. There is also a real opportunity to incorporate additional sustainability measures into these houses as we control the design, with occupiers receptive to such innovations.

The planning system has for the most part continued to present choppy waters for both strategic scale applications and reserved matter processing. The latter should be straight forward on our sites but can now drift into unreasonable delays. The grant of consent for an additional 1,500 units at Grange Farm, within the existing consented area of Alconbury Weald, was a major triumph for the team and illustrates the importance of working with local stakeholders. Recent government announcements in respect of the planning system are encouraging and we are feeding into that process as much of our large site experience as we can. Any change will create local political ripples but we are well placed to navigate those waters.

There is no doubt that the continuing and much welcomed support from Homes England, as one of its trusted partners, has allowed us to progress infrastructure during weaker markets. This, in part, has enabled us to prime our forward pipeline of serviced parcels for market strengthening as well as respond quickly to consents and opportunities as they arise.

One such opportunity is the long awaited confirmation that Manydown will be able to move forward in 2025 having finally completed the land acquisition jointly with Basingstoke and Hampshire councils. Given we first pitched on this through procurement in 2017, it has proved a labour of love at times, and that we are now moving forward is a tribute to the perseverance of partnership colleagues.

The acquisition releases 3,520 units in a formidable location and we anticipate that housebuilder demand will be as strong as anything we have previously seen, further increasing our roster of housebuilding customers. This is in part due to that location but also our growing reputation as a Master Developer with many builders in the south east which don't normally contemplate consortium sites. Discussions are already underway with Homes England to provide "acceleration funding" with enabling works and infrastructure starting early next year and first houses anticipated for release in 2027.

In addition to the focus on our existing portfolio the acquisition of L&Q Estates is clearly transformational in terms of sites, scale and resources. The rationale for the investment is described elsewhere in these accounts and the integration, having been well planned for, is now fully underway. Colleagues from across Urban&Civic and Catesby came together for the due diligence process and have continued seamlessly post-acquisition. A thoroughly professional and sure-footed approach has been adopted by new and old colleagues alike and I pay tribute to all involved.

We will be closing the L&Q Estates office in early 2025 and the portfolio, with corresponding team members, is being absorbed into three different parts of our business. Smaller sites and land Promotions have been taken by Catesby, making it the third largest promoter in the UK. Large consented sites under construction are now reporting through the Urban&Civic strategic sites team, giving it responsibility for around 40,000 consented plots which is on par with Bellway and only 30,000 less than Barratt David Wilson prior to its recent merger with Redrow. The large scale sites moving through the planning system now form part of an enlarged team focused on strategic planning both in existing and new key geographies. This transition has already enabled us to generate early receipts in accordance with or above the acquisition business plan.

In part, the ongoing integration of L&Q Estates reflects the maturity of the Urban&Civic business model which can handle growth through its increasingly refined and effective management processes. Our internal committee structure which reports through to the Board, via the Executive Management Committee, has strengthened and plays a pivotal role in the operation of the business. This is particularly noticeable in the speed and efficiency of key management decisions, the progression and focus on business plan evolution and review, and the integrated assessment of risk management. A consistently influential component of that committee structure is the Employee Advisory Group which reflects the thoughts, ideas and concerns of employees into wider decision making and which has this year particularly focused on sustainability and health and wellbeing.

I am therefore delighted at the progress made by the whole team in respect of health and safety and sustainability which continues to strengthen in the internal and external culture of the business. The new Sustainability and Health & Safety Committee chaired by Rosemary Boot, one of our Non-Executives, means that we have a clear line of sight for strategy and execution through the business to the Board. This is helping with our ability to prioritise and plan so that we are now achieving most targets with a clear emphasis on major factors such as carbon and Biodiversity Net Gain.

The inaugural Sustainability Champions, an idea originated through the Employee Advisory Group, were nominated from across the business and celebrated at our away day. All the nominations emphasised how deep this issue now goes within the business and how each and every member of the team can make a difference. Active Travel was this year's theme at our away day. The creative and diverse ways that teams from across the business presented initiatives and successes were also a great testament to our strong and positive culture.

So, whilst 2024 has been a relatively quiet year in terms of plot transactions, we have been extremely busy and productive both internally and externally. L&Q Estates is a material acquisition which we are very well placed to capitalise on going forward within existing and new geographies. Manydown and Grange Farm are now unlocked and delivery will feed into a recovering market. The planning system has the potential to recover from a politically induced hiatus and there is a growing recognition that large sites will form a significant part of the growth required. I would like to take this opportunity to thank all my colleagues for their commitment and energy this year and look forward to the opportunities that lie ahead.

Robin Butler
Managing Director
22 January 2025

"In addition to the focus on our existing portfolio the acquisition of L&Q Estates is clearly transformational in terms of sites, scale and resources."

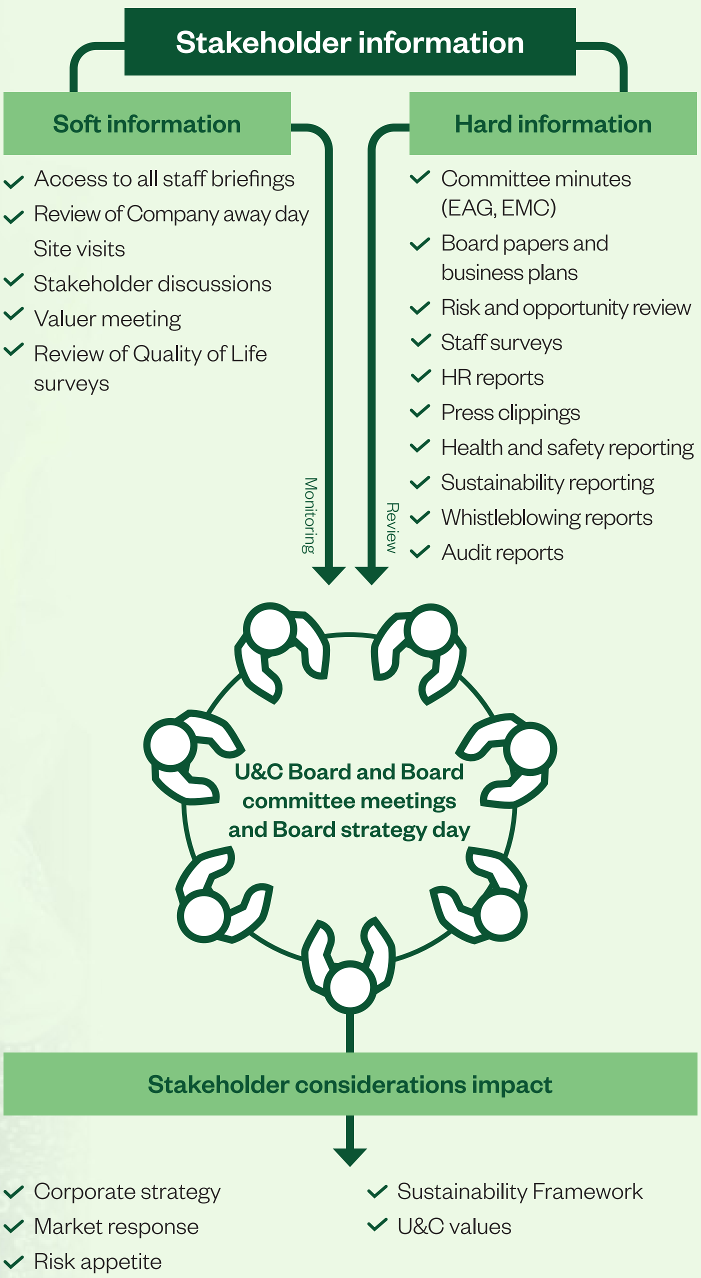
Strong stakeholder relationships and strategic partnerships

Brownies' Blooming Marvellous event, Wintringham

The long-term success of our business is critically dependent on the way we work with a wide range of stakeholders. From our earliest days, we have believed in doing things right and creating value for all our stakeholders, not only in the way we do business but in the places we craft. The long-term alignment created by the ownership and delivery of our Strategic Sites means that our relationships are built and nurtured to last. This mutually supportive approach is particularly important during more challenging economic times.

Section 172 statement

The Directors continue to have regard to the interests of the Company's wider stakeholders, in accordance with section 172 of the Companies Act. Below we have sought to illustrate the information provided to the Board and how it addresses stakeholder considerations as well as describing how stakeholder engagement takes place throughout the business.



A wider consideration of the decisions taken by the Board is set out in the Governance section from pages 70 to 98.

During 2024:

- Our Non-Executive Board members have met with a range of our stakeholders and had the opportunity to discuss the way in which our team works with them, what works well and where we could improve. These meetings have included:
  - Peter Pereira Gray met with the managing partner of one of our law firms as well as a senior development director of one of our private sector joint venture partners.
  - Lisha Patel joined a tour of our sites with the chief operating officer of a major housebuilding customer.
  - Rosemary Boot met with the head of development services of a statutory provider and the area director of one of our contractors with which we place construction contracts for schools and other infrastructure.
  - Bill Holland met with the deputy chief executive of one of our public sector joint venture partners and our relationship manager and the head of infrastructure finance from Homes England, from which we borrow to accelerate infrastructure and are working alongside on one of our Strategic Sites.
- We also held one of our Board Meetings at Priors Hall in Corby where the Board was given a detailed briefing on the development by the site team as well as a walking tour of the first zone and a predominantly off road visit to Zones 2 and 3 which are under construction.

Reflecting on these meetings and visits, our Board commented:

Peter Pereira Gray: Engaging in this way enables the Board to take the pulse of the business with a range of stakeholders and hear their feedback first hand as well as providing the opportunity for them to explain their key priorities going forward. The site visits emphasise the importance of our mantra that, for large scale Strategic Sites, seeing is believing.

Lisha Patel: Looking at our sites alongside a major customer reinforced the importance of our Master Developer approach to placemaking and quality. These are clearly valued and identified as a key market differential which helps underpin demand for our serviced land parcels.

Rosemary Boot: There was a clear recognition that we think things through for the long term and have a strategic focus and attention to detail and quality that are appreciated by those we work with. It was particularly encouraging that our commitment and practical approach to sustainability and how this extends to the earliest stages of a project were identified as key strengths.

Bill Holland: Our stakeholder relationships are clearly strong with those that I spoke to valuing the team's open and transparent approach. We are known for delivering on our commitments which is valued by our public sector stakeholders given wider governance and political considerations. Seeing the extent of the earthworks and landscaping undertaken at Priors Hall reinforced our stakeholders' views and demonstrated our ability to operate at scale.

Employees

We aim to maintain an open, diverse and inclusive working environment and encourage strong links between employees, management and the Board.

Why are they important?

It is essential for the performance and growth of our business to support and develop all of our employees, retain experience and broaden our base with new talent. We want all of our employees to understand the origins and support the values of our business so that our entire team are ambassadors for our vision and objectives.

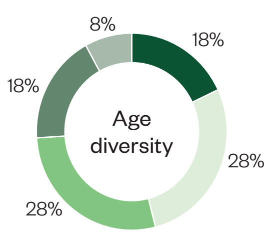
What do they want from us?

- Fair compensation and benefits
- Comprehensive reward and recognition systems
- Positive work environment, culture and working relationships
- Clear expectations, goals and feedback
- Learning, development and career progression
- Challenging and engaging work
- Positive work-life balance

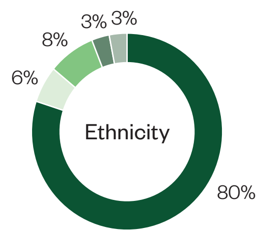
Methods of engagement

Employee engagement is an essential part of our people strategy and is something on which we keep a sustained focus throughout the business. We have formal structures such as the Employee Advisory Group (EAG) and Health & Wellbeing Committee as channels to support employee voice and our Performance and Development Review process encourages 360° feedback for line managers, career conversations and check-ins on workload and wellbeing. We have a number of reward and recognition practices including the giving of Kudos and the annual Employee Values Awards. There is a strong U&C narrative with entire business briefings via Microsoft Teams every fortnight led by our Chief Executive and Managing Director and our intranet dashboard is full of real-time news from across the business. The annual away day presents another opportunity to provide Company updates and our Christmas event will always include a business bulletin. Communication to and with our employees is paramount and is endorsed by regular team meetings at a project level. Company events provide for the whole business to get together and are complemented by some fabulous corporate volunteering initiatives as well as site and office socials across the year. Investing in the growth of our employees is another way in which we support engagement and reinforce our culture. We have a fantastic and extensive learning and development offering to encourage all employees to grow and develop in their roles.

We have an extensive onboarding process at both the corporate and local level including a Company induction led by either the Chief Executive or Managing Director. We also run a biennial employee engagement survey to track our engagement over time and to gain valuable feedback and actionable insights from our workforce. The Board is kept fully informed of survey results as well as reviewing the minutes from EAG committee meetings. Culture is regularly discussed and reviewed at the Board strategy day and at Nomcom. Non-Executive Board members also conduct site visits and hear from employees directly.



- 16–29: 22 employees
- 30–39: 35 employees
- 40–49: 34 employees
- 50–59: 22 employees
- 60–69: 10 employees



- White/British: 98 employees
- White/other: 7 employees
- Asian/Asian British: 10 employees
- Mixed or multiple ethnic groups: 4 employees
- Black/African/Caribbean/Black British: 4 employees

How we engaged in the year

The EAG met four times during the year with attendance by the Managing Director at all of these meetings. The minutes of the EAG were presented in person by its rotating Chair to the Executive Management Committee and were also included in the Board papers. We reported on the employee engagement survey undertaken in 2023 which included, at the Board's request, specific questions around culture as well as diversity and inclusion to help drive future workstreams in this area. The annual Company away day was held in Newark and included not only updates on the business but opportunities for the whole business to be together in sport as we marked an Olympic year. The Employee Values Awards continue to be a huge success with the 2023 winners and how they used their prize being celebrated and shared during the year. This year we also introduced the Employee Sustainability Awards which asked the business to highlight sustainability champions from across the Company.

Outcomes

Our Employee Engagement Survey is undertaken biennially. This year has focused on the actioning of the 2023 survey results and the specific feedback around our careers framework; supported by opportunities to learn and grow with clear development pathways; improving inter-department communications (endorsing this to be comparable to our top-down communications); maintaining our focus on positive work-life balance and effective workload management; and enhancing employee value and recognition.

Key initiatives from the EAG this year include its championing of an electric car scheme and an online employee suggestion box (itself resulting in some positive changes). The EAG was also instrumental in changing the Performance and Development Review, streamlining the supporting documentation and encouraging career conversations as part of the process.

Employee numbers, excluding 44 employees taken on through the acquisition of L&Q Estates, increased slightly over the year (net gain of two accounting for joiners/leavers in the period). 100 per cent of employees achieved our target of undertaking at least ten hours of non-mandatory Company provided or sponsored learning, training or professional study during the year.

SEEING IS BELIEVING

Mental Health Awareness Week – encouraging U&C to move together!

Now into our second year as an employee collective, the Health & Wellbeing Committee were keen for the Company to get behind the fantastic nation-wide initiative of Mental Health Awareness Week. With this year's theme of movement, a range of activities were organised across our offices to inspire employees to get on their feet, get involved and get active! From bike rides to step challenges, morning stretches and even some hoola-hooping, we wrapped up a fantastic week with a Company-wide walk, encouraging everyone to step outside together, connect with colleagues and enjoy some time in nature.

https://www.urbanandcivic.com/media-library/case-studies/mental-health-awareness-week-encouraging-u-and-c-move-together/

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Shareholder

Since 21 January 2021 Urban&Civic has been owned by the Wellcome Trust as an investment within its investment portfolio.

Why is the Wellcome Trust important?

The aim of the Wellcome Trust's investment portfolio is to maximise returns over the long term to ensure that the Wellcome Trust continues to have sustainable resources for its charitable activities. Wellcome's investment strategy also targets companies that take their environmental, social and governance responsibilities seriously. The Urban&Civic business model aligns strongly with this strategy and investment horizon. Furthermore, we are directly working with our shareholder to bring forward the extension of its globally renowned Wellcome Genome Campus at Hinxton.

What do they want from us?

- Strong governance and risk management
- NAV growth
- Profit growth
- Shareholder returns
- ESG leadership
- Transparency
- Timely and accurate reporting
- Clear strategy and execution

Methods of engagement

Our Board has two nominees identified by the Wellcome Trust. There is regular dialogue throughout the year with bilateral presentations to spread further knowledge and understanding. We have approved shareholder reserved matters and we act as development manager for our shareholder in the context of Hinxton.

How we engaged in the year

The Wellcome Trust has been highly supportive throughout the year as we have finalised the acquisition of L&Q Estates. With regular updates to our Board and reporting transparency through to the Wellcome investment team we were able to keep all parties up to date on the key movements in the deal as it moved to exchange and then completion. With the changes announced in the planning system, we have been in dialogue with the Wellcome Trust as the Board revisits the disposal of the Down Ampney farming asset. We have also supported the Wellcome Trust as it has continued to evolve the management structures for the Wellcome Genome Campus. Urban&Civic sought shareholder approvals in line with reserved matters in respect of significant acquisitions and disposals and financing.

Outcomes

The Wellcome Trust has full visibility of our business and is strongly supportive of our strategic objectives and our purpose, vision and values. This year we have distributed via gift aid £5.4 million to the Wellcome Trust whilst the Wellcome Trust has fully funded the acquisition of L&Q Estates into Urban&Civic. With the stepping down of Nick Moakes as Chief Investment Officer, after 17 years, we are delighted that Lisha Patel, who sits on Urban&Civic's Board, became Managing Partner on 1 October 2024 and will become Co-Chief Investment Officer from April 2025. Equally, Peter Pereira Gray, the former Managing Partner and Chief Executive Officer of the Wellcome Trust, continues as Chairman of Urban&Civic ensuring strong visibility and understanding of our shareholder's objectives and operations.

SEEING IS BELIEVING

Board meeting at Priors Hall

www.urbanandcivic.com/media-library/case-studies/planting-foundations-hinxtons-future-landscape/

Customers

We work with a range of national and SME housebuilders, housing associations and Build to Rent investors to bring forward high quality homes across our sites as well as exploring new and innovative approaches with emerging providers and investors.

Why are they important?

As the leading Master Developer, whose product is serviced land, understanding and delivering on the needs of our customers is key to ensuring value and repeat business and attracting new customers.

What do they want from us?

- Integrity
- Serviced land supply
- Quality
- Sustainability
- Site marketing
- Jobs and skills support
- Health and safety support
- Equality

Methods of engagement

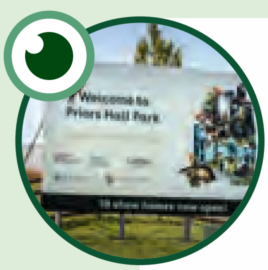
We are constantly engaging with our existing customers in the context of ongoing delivery and with potential customers for future parcels to ensure that our product is optimised to meet their requirements. Whilst active on site, we hold portfolio meetings to focus on health and safety and sustainability. We actively encourage our customers to both participate in and contribute to community events and initiatives to further leverage the delivery investment for the community. The Board receives regular updates on delivery rates and housebuilder performance in terms of health and safety. The mix of housing type/tenure and provider is reviewed during the Board strategy day and market considerations are considered through updates and risk discussions. Board visits to site also provide an opportunity to see the housing in context.

How we engaged in the year

Sales levels have moved in line with economic confidence and whilst we have only completed one parcel contract this year, given that we don't need to sell into a weak market, we have continued to discuss future requirements on existing and newly emerging sites like Manydown and are therefore targeting 13 parcel disposals to a range of housebuilders in 2025. We have continued to deliver high quality infrastructure, landscape and placemaking ensuring that our sites remain well placed for market recovery and had a number of consortium marketing meetings with our housebuilder customers. Lisha Patel attended a site tour with Stephen Boyes of Barratt Homes and our Board visited Priors Hall to see the new homes being delivered in Zones 2 and 3. There are now around 42 housebuilders and contractors involved in our five-star health and safety engagement programme and there have been 77 consortium health and safety co-ordination meetings held across our portfolio of sites during the year. We have also hosted sustainability forums with various housebuilders which works across a number of sites to share sustainability best practice and identify opportunities for collaboration.

Outcomes

Construction activity has increased year on year as sales rates move towards long-term averages. Engagement with housebuilders at a site and Group level has delivered improvements in health and safety with quarterly league tables produced and issued to senior managers. Active engagement has continued from the perspective of future demands to the incorporation of the wider L&Q Estates portfolio. We have been in discussions with the full spectrum of housebuilders, from national volume providers to small scale innovative and environmentally sustainable developers, with the ambition of ensuring a diverse and high quality housing offer is maintained across our sites going forward.



SEEING IS BELIEVING

Collaborating to strengthen place marketing

www.urbanandcivic.com/media-library/case-studies/houltons-housebuilder-consortium-brings-our-customers-together/

Suppliers and contractors

We work with a broad spectrum of specialist and principal contractors, consultants and utility providers at various stages of the Master Developer process.

Why are they important?

Working at scale and to a consistently high quality across a range of sites means that we value the flexibility and innovation that comes from being a trusted client of our specialist and principal contractors, consultant teams and utility companies. We encourage them to take ownership of what they do whilst also being cognisant of how their actions impact on others.

What do they want from us?

- Certainty of payment
- Regularity of work
- Flexible procurement and innovation
- Clear instruction and communication
- Inclusion in the wider team
- Strong technical expertise

Methods of engagement

We are constantly engaging with our existing suppliers which are often operating across a number of sites. Regular dialogue ensures that they are fully apprised of project and corporate objectives including health and safety, modern slavery and sustainability. In particular our Net Zero ambitions are reliant upon reductions made in our supply chain and therefore on capturing data from our supply chain. We also work with them on joint initiatives where we can leverage our combined involvement to promote employment and training opportunities, volunteering with stakeholders and engagement generally through leisure activities. All this engenders the trust and team spirit which are the hallmarks of our sites. The Board is kept up to date on performance issues throughout the year as well as safety and sustainability considerations. Counterparty risk is actively assessed, both in terms of ongoing and new contracts.

How we engaged in the year

Close working relationships and active financial and performance monitoring significantly supported our ability to continue delivery across our sites in 2024. This was a key focus for the Board given the challenging market conditions. As with our housebuilding customers, civils and building contractors have been actively supported through the five-star health and safety programme and the health and safety co-ordination and collaboration meetings. Working with Breheny Civil Engineering we have jointly held Health and Safety Opportunity Workshops in order to identify potential areas of improvement and innovation. 2024 has afforded us the opportunity to engage with contractors in relation to bridges at both Hinxton and Waterbeach. Hinxton has also seen us engage with consultants and contractors in relation to off and on site infrastructure and buildings including basement car park, residential, research and translation and office space. There has also been engagement on innovative utility solutions, such as ambient loop and microgrids. Sporting events included the annual five-a-side football tournament with Breheny Civil Engineering Limited, which this year included participants from BMD landscape architects, David Lock Associates and Stantec.

Outcomes

We have further strengthened our working relationships and furthered our approaches to health and safety and sustainability. We entered into contracts with Breheny Civil Engineering Limited, ECL Civil Engineering Limited and a first contract with Natta Civils Limited. The submissions from these parties demonstrated their understanding of our vision and business model.

Partners

Our partners include local authorities, landed estates, government bodies, Homes England and investment funds.

Why are they important?

Working with the right partners who value quality and legacy is critical to establishing the alignment which underpins the promotion and delivery of large scale sites.

What do they want from us?

- Transparency
- Timely and accurate reporting
- Cost control and efficient budgeting
- Delivery
- Quality
- Legacy
- Recognition
- Design
- Values
- Sustainability

Methods of engagement

We have both structured and informal engagement with our partners during the year. Each partnership has a formal reporting mechanism with regular meetings to review progress, discuss options and agree strategy. These are then supplemented with informal updates, site visits and opportunities to share observed best practice. The Board is able to track the progress of these partnerships via our strong linear development and risk reporting and is kept apprised of partner issues and requirements.

How we engaged in the year

Following the acquisition of L&Q Estates we have had extensive engagement with our existing partners to explain the rationale behind the transaction and what this means in respect of individual projects. Equally we have been meeting with the partners of L&Q Estates projects to explain the process of integration and how those projects will be resourced and progressed in line with either the Urban&Civic or Catesby methodologies. Working with our partners at Basingstoke and Deane District Council and Hampshire County Council we have collectively unlocked the land position at Manydown which is a major milestone and will now enable the delivery of that project to move forward.

Outcomes

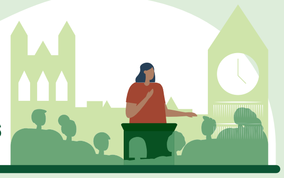
The long-term alignment sought and earned through our partnerships has been evident in the way in which decisions have been taken during the course of the year. Clear communication and strong project knowledge have allowed us to collectively update business plans to accommodate changing economic circumstances. It has been encouraging to see both the positive market reaction and in particular the positive partner reaction to the acquisition of L&Q Estates by Urban&Civic.

SEEING IS BELIEVING

MHCLG Away Day at Houlton

It was a pleasure to host over 40 members of the planning and housing policy teams from the Ministry of Housing, Communities and Local Government at Houlton School for their away day which included a site visit around the wider Houlton.

https://www.urbanandcivic.com/media-library/case-studies/hosting-day-out-mhclg/



Government and regulators

We work with the Government and its agencies like Homes England, Sport England and Natural England along with local authorities to deliver more quality homes in highly sustainable environments.

Why are they important?

Working at scale means that the proposals we bring forward will have a material impact on the delivery targets of central and local government as well as the consequential requirements, such as schools, highways, landscapes and the health of a range of statutory bodies.

What do they want from us?

- Sustainable delivery
- Quality
- Market leadership
- Long-term alignment
- Jobs and skills
- Meaningful community engagement

Methods of engagement

In addition to the formal planning processes, as the leading Master Developer, we actively engage with national and local government and wider government agencies to identify ways in which the planning and delivery of large scale developments can be improved. Senior team members often lead tours of our sites for government stakeholders or speak at national conferences. We are actively engaged in supporting government stakeholders in the promotion of their key functions through contributions to publications and highlighting how we have been able to meet their objectives on large scale Strategic Sites.

How we engaged in the year

The General Election has created a significant change in government strategy and approach which is rippling down through both local government and statutory agencies. There is a very strong pro growth mantra which is operating across departments as new Secretaries of State and Ministers settle into position. The NPPF review was an early example of the changes envisaged to the planning system and we have provided a detailed response both in writing and in various meetings with Ministers. We have also sought to highlight the impacts and challenges some of these changes will have on the planning for and delivery of large scale sites. Following on from last year's inclusion of Houlton as a case study into Sport England's Active Design principles it was great to be able to welcome Chris Boardman, the chair of both Active Travel and Sport England, to Houlton with his team for a site visit. Graham Grant of Active Travel England also joined our Away Day Panel to explain, alongside representatives of Newark and Sherwood Council, Sustrans and Brompton Bikes, why the delivery of active travel options and networks is so essential. We have hosted a range of visits to our sites including an away day for the planning and policy team of MHCLG as well as knowledge sharing visits for Essex County Council and the New Towns Taskforce.

Outcomes

We are finding that there is an emerging consensus across the political spectrum that infrastructure led large sites are an appropriate and acceptable way to bring forward new communities and meet housing need in South East England. Urban&Civic's existing sites in delivery are regarded as best in class and Sport England used Houlton as a case study to illustrate how large scale Strategic Sites can meet all ten of Sport England's Active Design principles. Our Sustainability Framework is taking our delivery beyond regulatory requirements with our target of achieving 25 per cent Biodiversity Net Gain across our sites by 2025. This is giving us valuable insights which we are able to share with Defra and Natural England as they bring forward the statutory requirements.

Image credit: Simon Dawson

SEEING IS BELIEVING

National Planning Policy Framework launch

Urban&Civic were pleased to host Sir Keir Starmer and Angela Rayner for the launch of the Government's overhaul of the planning system in the newly published National Planning Policy Framework today (Thursday 12 December).

Prime Minister Keir Starmer and Deputy Prime Minister and Secretary of State for Housing, Angela Rayner, visited the 6,500-home development to see the strategic development under way on the former brownfield site.

Whilst at Alconbury Weald, the Prime Minister and Deputy Prime Minister had a walking tour through parts of the first phase of development and enjoyed a cup of tea with resident Cassie Treadwell and baby Bella, before going on to see housebuilding under way by David Wilson Homes and meet some of the apprentices working with them.

> "I could not be more delighted that the Prime Minister and his Deputy chose an Urban&Civic project for the launch of the crucial NPPF reforms, which includes a reinforced presumption for well planned new strategic housing delivery. The reintroduction of mandatory housing targets is the absolute foundation for higher numbers and a workable system. The quality of design, community-first amenities and access to green space at Alconbury Weald demonstrates what can be achieved when building on the new Government presumptions."

NIGEL HUGILL
CHIEF EXECUTIVE FOR MASTER DEVELOPER
URBAN&CIVIC

Link to values:
- Innovation
- Partnership

Link to Sustainability Capitals:
- Physical
- Economic

https://www.urbanandcivic.com/media-library/case-studies/national-planning-policy-framework/

Local communities

We passionately believe in the importance of ongoing engagement and ensure that the scale and longevity of our investments benefit local communities through opportunities, partnerships, jobs and training.

Why are they important?

Engaging with local communities at every stage from pre-planning through to delivery is fundamental to the Master Developer model. From the earliest opportunity, the voice of the community provides insights into a local area, what's working and what isn't, together with concerns about development which can be addressed and opportunities which can be enhanced. Those voices change and grow as the development comes forward but are just as important, especially as the management of the community assets needs to be considered and sustained. Neighbours can become supporters and residents often become ambassadors.

What do they want from us?

- Meaningful and ongoing community engagement
- Keeping our promises
- Sustainable delivery
- Quality
- Long-term alignment
- Jobs and skills
- Opportunities
- Green spaces
- Amenities, schools, district centres, playgrounds and health centres

Methods of engagement

Across the lifecycle of the project our team actively engages with the local communities initially around our sites and then with the emerging community on site. Early engagement focuses on the proposals and evolves into ways in which we can support community initiatives and ensure communities benefit from investment in jobs and skills. As our schemes evolve into delivery, working with the local community to monitor and reduce impacts from construction and remediation works enables a strong foundation for information sharing and ongoing discussions. The welcome packs, newsletters, community and resident forums, attendance at parish councils and Quality of Life Surveys all provide us valuable connections and insight into our communities as they evolve.

How we engaged in the year

Growing and deepening our connections to our communities has been a focus this year especially in Houlton, Priors Hall and Alconbury Weald where capacity for leadership and autonomy from the site residents is strengthening. As well as a near-independent organisation of annual summer events, movements towards Parish Council establishment at Houlton and Priors Hall are a clear example of developing local governance. Across all sites, a focus has been to engage with local politicians in a year that has seen changes at local and general elections. Wintringham residents have been shaping both the District Centre and Key Phase 2 designs, which will see key future amenities as well as the next homes come forward. The opening of green infrastructure has been well received in Zones 2 and 3 at Priors Hall and we have worked with housebuilders to hold hyper-local events around these spaces for new residents. At Alconbury Weald, the team has been working hard with local health partners to deliver early facilities to meet changing local needs, ahead of the planned permanent health provision in the future town centre as well as helping shape the development's second set of community allotments and contributing to the future Runway Park which will provide a stunning green and blue space at the heart of the development. Our team continues to support engagement for the significant strategic link road project at Middlebeck which affects no less than six neighbouring communities and parishes.

Outcomes

These new communities, in part through the work of our teams, continue to grow and offer positive opportunities for both resident and neighbour engagement both in their evolution and their operation. Our role is moving to one of support in more mature communities as community champions take on running events as well as wider governance. Our people are at the heart of the work we do in this space and we continue to retain and recruit passionate and talented individuals. Our focus on asset-based community development – working with our people and places and building on the strengths we have in each site whilst supporting them with the challenges – remains at the heart of all we do.

SEEING IS BELIEVING

People of Houlton

Houlton now boasts 29 active community groups which is wonderful when you think this growing community didn't exist just seven years ago. Our new residents and their families are enjoying an array of activities, clubs groups and events – on their doorsteps from Girl Guiding and the Women's Institute to the Men's Mental Health Walking Group to the Allotment Society and Community Gardens Group.

To actively engage with all 29 community groups and the wider community of Houlton we have established 'People of Houlton'. This is an umbrella organisation where all community leaders involved in their respective groups can come together to share ideas, challenges and collaborate as well as find out about work to develop Houlton in the future and play a meaningful role in our work. We provide training, events, promotional support and brokerage – and ensure they all have our support to thrive.

“

People of Houlton has been a huge asset to assisting our group in elevating our reach. From hearing development updates to collaborating with other leaders and groups to benefiting from the various training and initiatives such as social media and crisis comms sessions, I can't imagine a Houlton without the consortium now!”

DANIELLE WORDEN

LEADER OF THE HOULTON EVENTS TEAM AND PART OF PEOPLE OF HOULTON

https://www.urbanandcivic.com/media-library/case-studies/people-houlton/

S

A framework fit for an expanding business

Risk signpost

Corporate governance structure
pages 78 and 79

Board risk oversight
pages 81 to 83

Audit Committee activities on risk framework and internal control
pages 86 and 87

Principal risks
pages 36 to 41

Risk environment

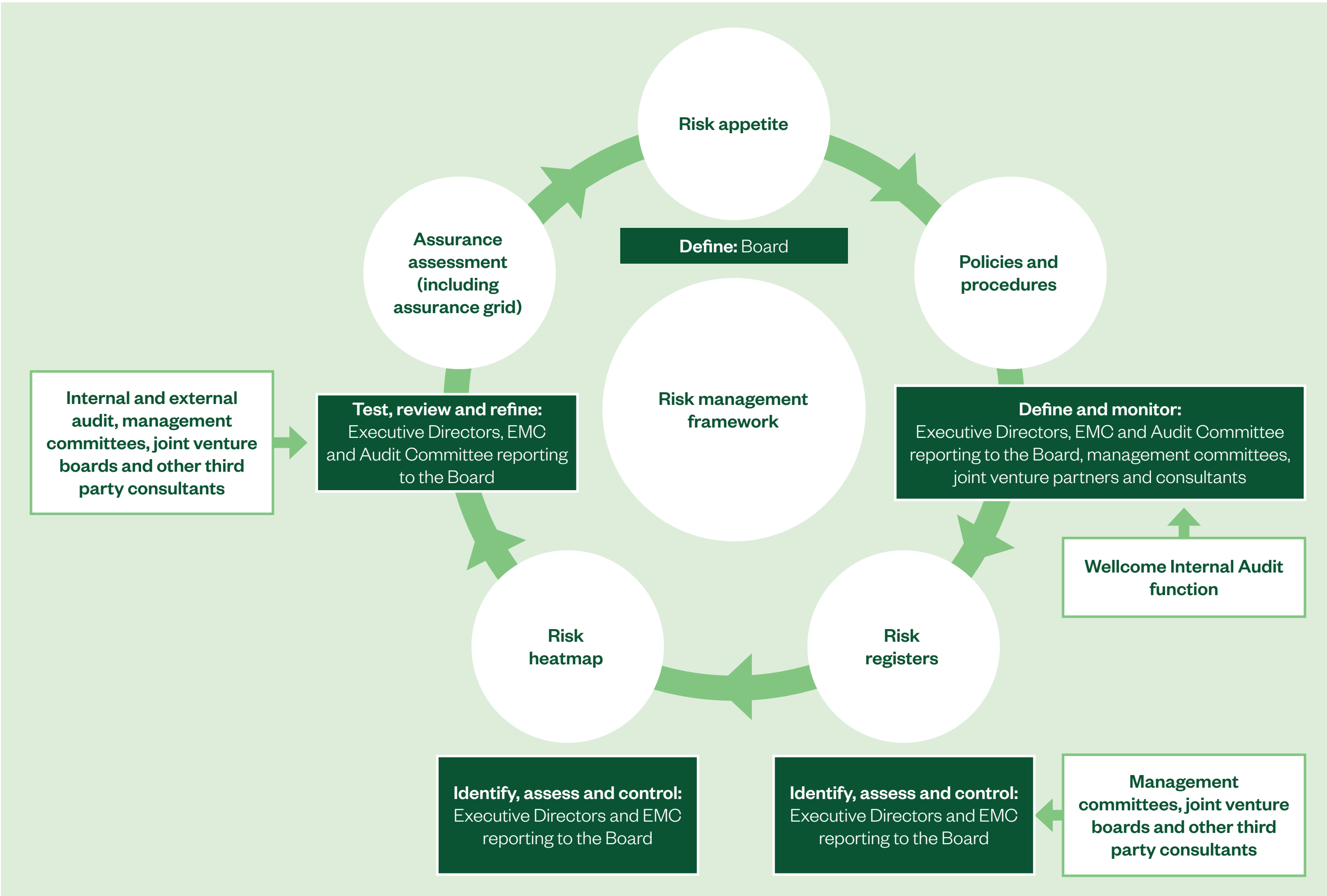
Urban&Civic's risk management framework is established, monitored and managed in the knowledge that:

- a significant proportion of the Group's operations facilitate regional housing development and delivery in the UK;
- housing markets, and therefore land markets, are typically cyclical;
- Urban&Civic's customers (predominantly housebuilders and Build to Rent investors), and the housebuilders' and Build to Rent investors' customers (homebuyers, housing associations and rental tenants), are influenced by mortgage availability, interest rates, job security and disposable income (amongst other matters) when deciding to buy, rent (or build) homes;
- the political environment surrounding residential delivery is often in a state of flux, particularly in respect of planning consents, which are heavily influenced by planning policy (including housing targets), which in turn is set by government and implemented by local authorities;
- changes in legislation and regulation impact the way the Group operates, both directly and indirectly. Changes in sustainability legislation, for example, could reduce profitability through increasing specification, and therefore the cost, of infrastructure and housing delivery;
- the ability to acquire development sites and bring them forward, so that homes may be built, is heavily dependent on not only land availability (which tends to be more evident in times of distress), but also our in-house skillset, meaning that a high quality and stable workforce is a key part of Urban&Civic's business model; and
- disrupting factors, such as wars or pandemics, may physically and/or financially halt or slow house delivery and reduce profitability in a way that may not be fully predictable (through rising input prices, for example).

Delivering strategic objectives through its risk management framework

Urban&Civic delivers its strategic objectives (on behalf of its stakeholders) through operating a Board led and Audit Committee reviewed risk management framework, which comprises:

- **defined risk appetites:** for identified strategic areas of Urban&Civic's business. These appetites are reviewed at least annually by the Board and the current appetites have been highlighted on the risk heatmap on page 35;
- **risk assurance grid and policies and procedures summary:** setting out the Group's key controls, policies and procedures, based on the Institute of Internal Auditors' three-lines-of-defence model. The assurance grid, which contains an evaluation of these key controls, is monitored by the Executive Directors, Executive Management Committee (EMC) and Audit Committee before being reported to the Board. The Executive Directors, with the assistance of the EMC, management committees, joint venture partners and consultants (including Wellcome's internal audit function) design and implement mitigating actions, controls and procedures;
- **risk registers and risk heatmaps:** identifying and assessing top-down and bottom-up risks applicable to the Group's strategy and operations (both existing and emerging). Both the registers and heatmaps incorporate bottom-up input from Group committees, and joint venture partners; and
- **assurance assessments:** testing the effectiveness of mitigating actions, controls and procedures, typically through internal and external audit. The Executive Directors, assisted by the EMC, management committees, joint venture partners and consultants, and overseen by the Audit Committee, will regularly review and refine the controls and procedures to address any weaknesses, with the remedial actions being reported to the Board. Internal audits are undertaken for the group by Wellcome Internal Audit. These reports are provided to the Audit Committee and management undertake remedial actions as necessary.

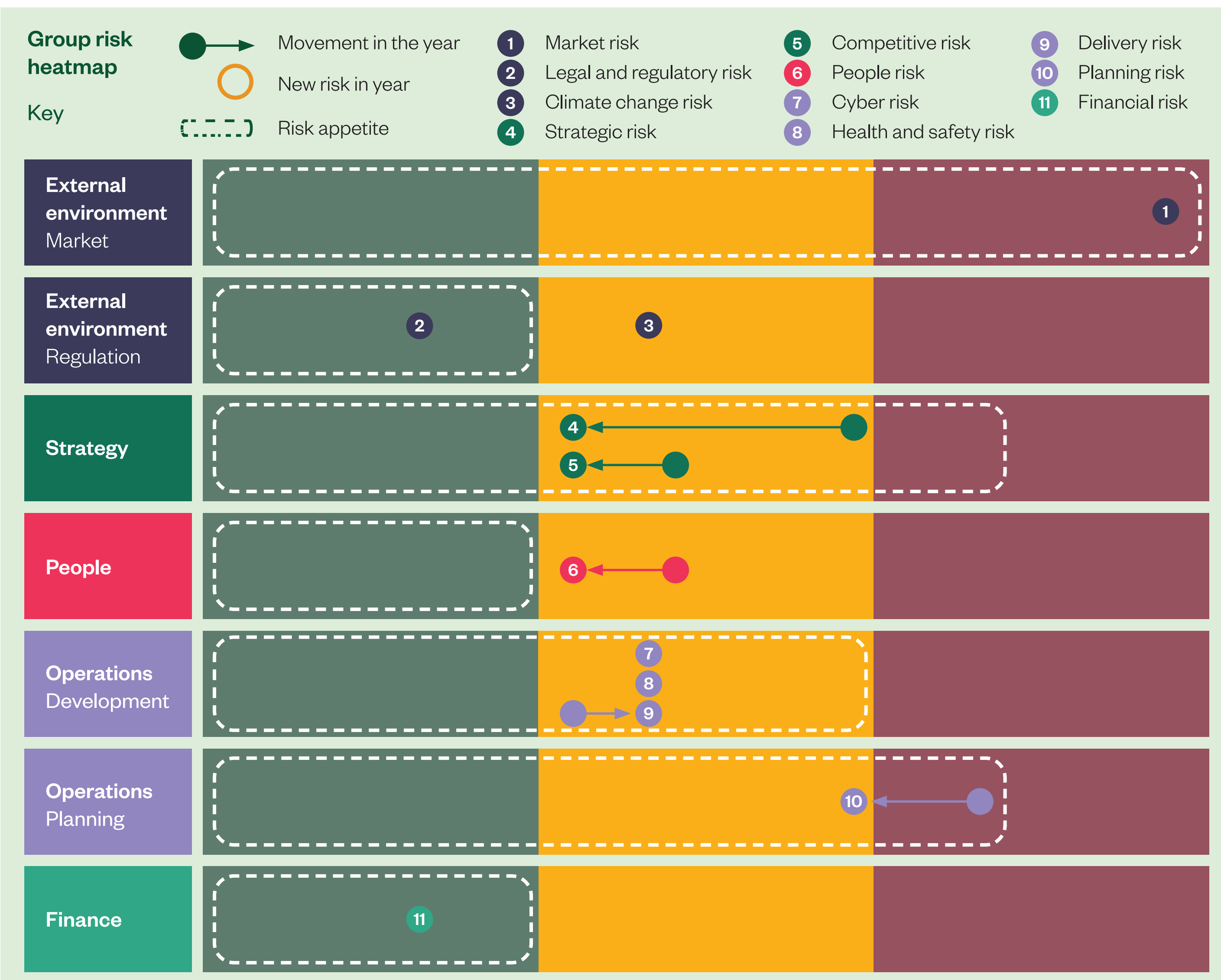


Principal areas of focus in 2023/24

The following reviews or improvements to the Group's risk management framework were undertaken or implemented during the financial year:

- The Board monitored world events and the political and economic environment at each Board meeting. Consideration was given as to the effects of the ongoing wars (where pressures caused by the war in Ukraine, on farming operations in particular, eased), the change in political leadership in the UK (which appeared to have a more pro-housing delivery agenda) and falls from recent peaks in respect of interest rates, material prices and energy prices. These reviews considered short, medium and longer-term time horizons.
- The Board and EMC, and where applicable business segment or joint venture boards, reviewed a summary of corporate and project/business segment level risks (including emerging risks) at each meeting, focusing on those risks that exceeded risk appetite or were designated red risks post-mitigation. All reviewers had access to supporting risk registers and where applicable third party experts or consultants.
- The Board deployed a risk managed approach to the acquisition of L&Q Estates, which included due diligence procedures (to a defined scope, assisted by Grant Thornton in respect of financial and taxation due diligence, Eversheds on legal and HR matters and CBRE with regards to material valuations), internally assessed risk registers, regular meetings and timetables and investment memorandums and approvals (in line with the Group's delegation of authority and matters reserved for the Board and shareholder).
- The Group continued to embed the relatively new Sustainability and Health & Safety Committee (which makes recommendations on, and oversees the implementation of, the Group's sustainability and health and safety philosophy, strategy and policies). This new Committee, which had full NED attendance together with two Executive Directors (and will continue to do so until the Committee has been fully embedded and sustainability standards become more established and stable), met twice during the year.
- Under the Audit Committee's supervision, the Wellcome Trust's in-house internal audit function, which took over from Grant Thornton in the current financial year, undertook reviews of the Group's HR controls, risk management and compliance frameworks, and Catesby land promotion activities and procedures, as well as assessing IT systems (through penetration testing) and management controls at the Hinxton project (where Urban&Civic acts as development manager for the Wellcome Trust). All audits were graded "some improvements needed" or better, which was deemed a good outcome.

- Urban&Civic's joint venture partners at Wintringham completed testing on the partnership's process and procedures (which Urban&Civic administers) around revenue billing and collection (with the assistance of third party internal auditors). No material matters were raised. Such additional governance helps provide an alternative point of view and can lead to further improvements to the Group's risk management framework.
- The Audit Committee agreed a new internal audit programme, to be carried out by the Wellcome Trust's internal audit function (on behalf of Urban&Civic) following its independent risk assessment of Urban&Civic's operations. The 2024/25 programme will see the Group's new finance system reviewed, as well as a third party's risk management framework, the Newark project, the Group's cybersecurity and financial crime prevention and detection measures and finally its culture. Additionally, in early 2025, Wellcome's internal audit function will provide embedded assurance regarding L&Q Estates' integration (following its acquisition in the current financial year).
- The Audit Committee reviewed and commented on the framework underpinning the Executive Directors' assurance over internal controls. This review included oversight of the Group's three-lines-of-defence assurance grid, which outlines the key controls and processes attaching to the key risks as well as the Executive Directors' evaluation of these key controls and processes. Additional work to document key processes and procedures, which supports the assurance grid, continued during the year, although as a result of the acquisition of L&Q Estates completion is now anticipated in 2025.
- The Head of Health and Safety and third party consultants (Systems Concepts) oversaw periodic reviews of the health and safety practices at the Group's sites and offices.
- The Head of Sustainability oversaw compliance with applicable sustainability laws and regulations as it continues to implement current and emerging best practices.
- The continuation of employee induction programmes, away days and learning and development to help reinforce the Group's risk appetite and frameworks and policies and procedures.
- Ongoing monitoring and reporting on financial and non-financial KPIs.



Principal risks

Risks have remained stable in composition and risk appetite, but with increased ratings in one key area and a reduction in three.

Key

Risk appetite:

- Low
- Medium
- High

Risk rating after mitigation:

- Low
- Medium
- High

Change during the year:

- Increase in risk
- No change
- Decrease in risk
- N New risk

Link to strategy:

1. Secure sites
2. Accelerate delivery
3. Sustain quality
4. Identify opportunities
5. Deliver returns

Read more on our Strategy on pages 18 and 19

Read more on our KPIs pages 20 and 21

External environment

1. Market risk (including political environment)

Strategic objectives 1 2 3 4 5

KPIs EPRA NTA; cash flow generation from plot completions; gearing – EPRA NAV; carbon footprint; enhance biodiversity; health and wellbeing.

Impact of risk

The business model may be affected by property market movements and changes in UK political and legislative factors (such as a new government varying tax or planning policies), as well as disruptions such as wars, pandemics and other international events (such as US interest rate decisions). Adverse movements in these external market factors increase the risk of lower stakeholder returns, although investment opportunities may be more evident.

Key controls and mitigations

- **Control:** prior to investment, detailed due diligence and financial appraisals are carried out and flexed to establish financial outcomes on downside-case bases.
- **Control:** close monitoring (credit checks, press reviews and review of financial information) of material counterparties (at procurement, during pre-contract phases and throughout the contractual period on a six-monthly basis).
- **Control:** business plan (one year) and rolling long-term cash flow forecasts (one, two, five and ten years) with sensitivity analysis are maintained.
- **Control and mitigation (in respect of security of receipts):** material forward sales receivables in respect of "oven ready" serviced land parcels, covering different tenures (including Build to Rent), with secured contractual annual minimums and/or deferred receipts, help maintain cash flow through downturns.
- **Control and mitigation:** low forward capital commitments (meaning "taps can be turned off" if necessary).
- **Mitigation:** international events and the UK political and economic environment are considered at each Board meeting and specifically at the annual Board strategy day.
- **Mitigation:** regional focus and local knowledge in areas with strong underlying economics (such as job creation).
- **Mitigation:** upfront land parcel sales at a full premium in periods of high expenditure (ensuring receipts are contracted ahead of cost commitments).

Typical risk indicators

- Change of political party or introduction of new policies.
- Increased interest rates.
- Falling real estate indices (indicative of reduced stakeholder appetite).
- Reduced sales rates and prices (homes and land parcels).
- Increased construction costs.
- Reduced property valuations.
- Press or social media narrative (may provide an early warning).
- Counterparty default/falling credit ratings/falling profitability/negative press comment.
- Variable crop prices (in respect of farming operations).
- Reduced planning consents achieved.

Movement description

- Following Labour's election win in July 2024 the new Government announced it was seeking to overhaul the planning system, introduce new (and generally higher) mandatory housing targets for local authorities, review the greenbelt to identify "grey belt" land, which might deliver more housing, and consult on, and put in place, pro-growth revisions to the National Planning Policy Framework. Although still in progress, many of these aims should be positive for housing delivery and therefore for Urban&Civic.
- Inflation has fallen over the year and interest rates have also started to reduce (albeit they still lag behind inflation rate reductions due to the remaining market uncertainties). Mortgage rates, as a consequence, have also eased, but still remain expensive for prospective homebuyers when compared to recent history. Forward interest rates are starting to trend towards longer-term levels, which could be an indicator to new buyers that normal levels are returning (which would provide them with more confidence when entering into larger financial commitments, such as buying a new home).
- Cost inflation in respect of infrastructure delivery has remained stable in the year, although an ageing construction labour market remains a concern.
- Sales rates (homes and land parcels) have remained low but stable in the year, although housebuilders are becoming more active in bidding processes.
- Farming crop prices and subsidies have remained stable, at reduced levels (when compared to years past).

The risk rating has remained within last year's banding and within risk appetite, although it is held at nearly the highest score possible (reflecting that market influences contribute significantly to Urban&Civic's risk environment).

S

2. Legal and regulatory risk

Strategic objectives

1 **2** 3 4 **5**

KPIs EPRA NTA; carbon footprint; enhance biodiversity; health and wellbeing.

Impact of risk

Non-compliance with current or emerging regulations could have financial and reputational consequences for Group strategies and operations over the near and longer term, leading to an inability to raise finance, to benefit from stakeholder support or co-operation, or to obtain planning consents, as well as leading to project delays, penalties, fines and reputational damage.

Key controls and mitigations

- **Control:** EMC and other management meetings identify operationally impactful legislation (often through the risk registers).
- **Control and mitigation:** key policies, which respond to legislation, are reviewed and approved by the Board (on the recommendation of other Board committees, the EMC or other management committees).
- **Control and mitigation:** the Group employs highly qualified and experienced employees, and specialist consultants where appropriate, to ensure compliance with laws and regulations. This includes internal and external auditors.
- **Mitigation:** key reports and announcements reviewed in draft by the Board.
- **Mitigation:** pending and emerging regulations are considered at each Board and Board committee meeting and compliance with current legislation.
- **Mitigation:** learning and development and continuing professional development undertaken.

Typical risk indicators

- Legislation enactment.
- Litigation.
- Investigations or enquiries (HMRC or Health and Safety Executive, for example).
- Frequency of reportable incidents (health and safety).
- Penalties.

Movement description

- No significant control breaches or changes to legislation evident.
- Internal auditor reviewed the Group's HR controls, risk management and compliance frameworks, and Catesby land promotion activities and procedures, and assessed IT systems (through penetration testing) and management controls at the Hinxton project (where Urban&Civic acts as development manager for the Wellcome Trust). All audits were graded "some improvements needed" or better, which was deemed a good outcome.
- External auditor performed additional procedures around accounting for the acquisition of L&Q Estates under FRS 102. Management also received further external advice on this matter from Grant Thornton.
- Although sustainability and ESG regulation continues to evolve, the Group has kept the area under review. Further details of the Group's activity in this area can be found on pages 42 to 61.
- Learning and development targets across the Group improved this year (see page 49) and courses were run on topics focused on legislation and regulations including construction law, the Construction Industry Scheme, Biodiversity Net Gain, the Levelling Up and Regeneration Act, and VAT.

The risk rating has remained within last year's banding and within risk appetite.

3. Climate change risk

Strategic objectives

1 2 3 4 **5**

KPIs EPRA NTA; cash flow generation from plot completions; carbon footprint; enhance biodiversity.

Impact of risk

Climate change, regulatory controls aimed at preventing climate change and societal attitudes create a range of possible impacts for the delivery of large scale sites including impacts on design, delivery timings, costs, values and sales rates (amongst other matters).

Key controls and mitigations

- **Control:** implement plans to reduce Scope 1, 2 and 3 emissions for Strategic Sites to set levels within specified timescales.
- **Control:** the Group maintains a network of Sustainability Champions across the business, reviewing processes and opportunities on a quarterly basis.
- **Control:** plan for greater number of "1 in 100" flooding events, extreme temperatures and extended drought periods.
- **Control and mitigation:** maintain Climate Resilience Strategy, which highlights specific climate risks and opportunities for the business.
- **Control and mitigation:** maintain and update the Sustainability Framework (including the setting of updated metrics) to ensure business-wide compliance with anticipated standards and best practice.
- **Control and mitigation:** embed sustainability goals (including Net Zero targets) and sustainability opportunities within business plans and review quarterly with the EMC and SDC and twice yearly with the Sustainability and Health & Safety Committee.
- **Mitigation:** Board oversight, supported by the Sustainability and Health & Safety Committee.
- **Mitigation:** dedicated Head of Sustainability and Carbon and Sustainability Manager (to manage and monitor implementation of the Sustainability Framework and target achievement).
- **Mitigation:** continue to deliver extensive green and climate resilient infrastructure.
- **Mitigation:** work with housebuilder customers and other third party stakeholders to direct (where appropriate and possible), influence and encourage consistent and congruent best sustainability practices.
- **Mitigation:** identify, interrogate and trial innovations and then promote and adopt where they make a difference (modular housing, for example).

Typical risk indicators

- Flooding.
- Water scarcity.
- Heat damage to structures and overheating discomfort in extreme temperatures.
- Community complaints and potential health and safety implications.
- Reduced sales levels and values.
- Local and regional planning conditions being imposed, ahead of national guidance.
- Regulatory costs, challenges or fines.
- Restricted supply of materials and increased construction costs.
- Negative press comment and public perception.
- Premature obsolescence of buildings and infrastructure (assets becoming stranded).
- Constraints on energy supply.
- Increasing carbon emissions.
- Carbon pricing.
- Effect of Carbon Border Adjustment Mechanism on material supplies.

Movement description

- Substantial reduction in Scope 1 and 2 carbon emissions exceeding 2025 target.
- Interim Targets for Scope 1, 2 and 3 carbon reduction aligned with SBTi framework set for 2030 to support progress towards long-term Net Zero.
- Financial impact of achieving Net Zero for Scope 1, 2 and 3 prepared.
- ESOS Phase 3 compliance based on energy audit and carbon reduction plans.
- Sustainability objectives, metrics and progress reviewed by the Sustainability and Health & Safety Committee twice in the financial year.
- Progress against all sustainability targets and metrics reported through each SDC and specific actions embedded in business plans for 2023/24.
- Metric performance verified internally and by third party (Hoare Lea).
- Continued embedding sustainability throughout the business via the Sustainability Champions Group, regular communications (e.g. all-staff briefings) and internal guidance (e.g. Biodiversity and Water Scarcity bitesize guides and Sustainability Handbook).
- Improved compliance with the recommendations of the Task Force on Climate-related Financial Disclosures Framework.

The risk rating has remained within last year's banding, above risk appetite.

Strategy

4. Strategic risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; cash flow generation from plot completions; carbon footprint; enhance biodiversity.

Impact of risk

Implementing a strategy inconsistent with market environment, skillset and experience of the business could devalue the Group's property portfolio or have an adverse impact on the Group's cash flows, consequently eroding stakeholder returns.

Key controls and mitigations

- **Control:** Board and shareholder reserved matters are now defined (with shareholder matters recommended by U&C Board for shareholder approval). Such matters include material changes in business strategy.
- **Control:** depending on size, investment and divestment decisions require Chief Executive, Board and shareholder approval.
- **Control:** material capital commitments, which have not previously been approved in the Group business plan, require additional Board approval.
- **Control and mitigation:** business plans are formulated bottom up (site by site) and are periodically monitored by the Board, EMC and other management committees and remedial actions are identified, approved and implemented where necessary.
- **Mitigation:** Board annually approves a business plan and reviews rolling longer-term cash flow forecasts with sensitivity analysis.

Typical risk indicators

- Adverse variances to the business plan.
- Reduced property valuations.
- Reduced housebuilder demand.
- Litigation.
- Contingency utilisation.
- Reduced debt facility headroom.
- Covenant breaches.
- Internal audit adverse findings (regarding non-compliance with reserved matters schedules).

Movement description

- Challenging market conditions, which maintained for much of the year, led to lower sales of land parcels and lower licence fee receipts. Additionally, some of Urban&Civic's SME customers, contractors and subcontractors experienced liquidity issues, although most managed to work through any pinch points. Despite, and partially as a result of these headwinds, Urban&Civic (with Board and shareholder support) underwrote its current strategy by acquiring L&Q Estates (fellow land promoter and Master Developer) at a discount (see note 25 of the financial statements for further details).
- Reforms to the planning system signal a more pro development approach, particularly in the context of large strategic sites.
- The Board (and shareholder) also agreed that Urban&Civic should undertake a Build to Rent development at Wintringham in its own right, which could provide additional occupations and revenues in times when market sales are slower.
- Market factors (discussed earlier) also underpin strategy maintenance at this time.

The risk rating has decreased, although it has remained within last year's banding and within risk appetite.

5. Competition risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; large site discount; plot completions; cash flow generation from plot completions.

Impact of risk

Competition could result in assets being acquired at excessive prices, potential assets not being acquired because pricing is too high, developments commencing at the wrong point in the cycle or sales pricing falling short of expectations.

Key controls and mitigations

- **Control:** investment, divestment and development decisions are benchmarked (against market comparables) prior to contract execution or development commencement (using in-house and third party research and advice).
- **Control:** using in-house and third party research and advice assess competition before acquiring assets (such as competing sites close to a proposed acquisition that might impact the Group's intended strategy).
- **Mitigation:** use experience and expertise to determine suitable offer prices and optimal project timings (to maximise returns).
- **Mitigation:** nurture open, honest and fair relationships with partners, landowners, agents and other stakeholders to provide the Group with a competitive advantage through enhancing its reputation of delivering on its promises.

Typical risk indicators

- Ratio of successful to unsuccessful bids.
- Adverse variances to business plans and/or investment memorandums.
- Significant or persistent abortive costs.
- Lost bids.
- Low rates of return.

Movement description

- The acquisition of L&Q Estates has provided the Group with more expertise and access to a wider network of agents, thereby improving mitigation effectiveness of some of the Group's competition controls. Additionally, the Group has a stronger pipeline, at least for a period, meaning it is less exposed to competition pressures.
- Abortive costs in respect of failed bids have been low this financial year.
- Rates of returns for assessed opportunities have remained within historical delegated limits.
- Low numbers of competitors in the strategic land market maintains, but equally so does the short supply of sites.
- Buyouts of land promoters by housebuilders and private equity, even before the acquisition of L&Q Estates, did not appear to have significantly increased competition for Catesby (Catesby's position has improved post-acquisition).
- Homes England, Barratt and Lloyds Bank have entered into thee Made partnership to act as a Master Developer, however no significant presence at this time.

The risk rating has decreased, although it has remained within last year's banding and within risk appetite.

Risk appetite:

Low Medium High

Risk rating after mitigation:

Low Medium High

People

6. People risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; cash flow generation from plot completions; employee engagement.

Impact of risk

Over-reliance on key people or inability to attract and retain people with appropriate qualities and skills, making the Group operationally vulnerable to both time delays and replacement cost.

Key controls and mitigations

- **Control:** appropriate notice periods to minimise disruption.
- **Control:** non-solicitation clauses in employment contracts.
- **Control and mitigation:** the Group offers competitive remuneration packages, including both long and short-term incentives, which are reviewed periodically using external benchmarks.
- **Control and mitigation:** Nomination and Governance Committee review Group succession plans annually.
- **Control and mitigation:** performance reviews with a development focus (to help identify skills gaps and rising stars) and exit interviews (to spotlight emerging or present issues).
- **Control and mitigation:** periodic employee engagement surveys (to spotlight and resolve emerging or present issues) with timely follow ups.
- **Control and mitigation:** reports from the Employee Advisory Group (EAG) to the Board and EMC (to spotlight emerging or present issues).
- **Mitigation:** dedicated Head of Human Resources responsible for operational employee matters.
- **Mitigation:** short reporting lines and delegated authority ensure employees feel they are contributing to the success of the Group.
- **Mitigation:** structured Learning & Development (L&D) programme.
- **Mitigation:** adequate resourcing (to prevent excessive working hours).

Typical risk indicators

- High or increasing employee turnover.
- Difficulty in filling vacancies.
- Critical appraisal, exit interview, employee engagement survey or EAG feedback.
- Complaints or grievances.
- Absenteeism or underperformance.

Movement description

- Increased level of resourcing, following the acquisition of L&Q Estates, leading to increased mitigation effectiveness; however, redundancies and reorganisations (currently in progress) will most likely cause short-term disruption/ pressures on retained employees.
- Longstanding senior employee, in the role of Group Director of Project Management, retired and was succeeded internally.
- Succession plan reviewed with no material changes proposed.
- Employee turnover stable (and roles filled without significant delay).
- Staff survey findings actioned (where appropriate) and communicated at all-staff briefing/away day.
- Structured Learning & Development (L&D) programme.

The risk rating has decreased, although it has remained within last year's banding and above risk appetite.

Operations – development

7. Cyber risk

Strategic objectives

1 2 3 4 5

KPIs Limited impact on any one KPI due to the Group's relatively low reliance on IT.

Impact of risk

Loss of business credibility due to lack of timely, accurate information. Cost of reinstatement. Cost and reputational damage of loss of information and/or breaches in data protection regulations. Reduced operational capability.

Key controls and mitigations

- **Control:** passwords, protocols and protections.
- **Control:** administration rights restricted.
- **Control:** multifactor authentication to gain network access.
- **Control:** mobile data management on all devices.
- **Control:** firewalls and anti-virus software with regular updates.
- **Control:** computer data back-up and recovery procedures and periodic testing.
- **Control and mitigation:** hardware replacement programme to reduce vulnerability.
- **Control and mitigation:** Security Information and Event Management (SIEM) and Endpoint Detection and Response (EDR) platforms implemented.
- **Mitigation:** cloud-based storage solutions (predominantly).
- **Mitigation:** limited personal data held.
- **Mitigation:** employee cyber awareness training.
- **Mitigation:** penetration testing, to identify weaknesses.

Typical risk indicators

- Server downtime.
- Loss or corruption of data.
- GDPR breaches.
- Volume of IT support calls.
- Increased volume of attempted "hacks" or phishing communications.
- Ransom demands.

Movement description

- No reported breaches.
- No server downtime.
- Internal audit penetration test undertaken in the year, with "some improvements" identified.
- Quarterly review meetings with the Group's external IT provider (to discuss network performance and work programmes).
- Internal audit recommendations implemented.
- Planned system upgrades completed.

The risk rating has remained within last year's banding and within risk appetite.

Change during the year:

Increase in risk · No change · Decrease in risk · N New risk

Link to strategy:

1 Secure sites · 2 Accelerate delivery · 3 Sustain quality · 4 Identify opportunities · 5 Deliver returns

Operational – development continued

8. Health and safety risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; large site discount; plot completions; cash flow generation from plot completions; health and wellbeing.

Impact of risk

Serious injury and loss of life could lead to development site closure, delays and cost overruns, as well as reputational damage, litigation costs and Directors' liability. Poor employee wellbeing, injury or loss of life would affect operational efficiency.

Key controls and mitigations

- **Control and mitigation:** health and safety policies and procedures, regularly reviewed by the Head of Health and Safety and annually by the EMC and Board.
- **Control and mitigation:** principal contractors and principal designers appointed in line with Construction (Design and Management) Regulations 2015 and the Building Safety Act.
- **Control and mitigation:** due diligence carried out (including appropriate references) on contractors, consultants, customers and suppliers prior to appointment.
- **Control and mitigation:** safety meetings with housebuilder customers and contractors to review engagement and performance through a league table system.
- **Mitigation:** Board oversight, in addition to Sustainability and Health & Safety Committee.
- **Mitigation:** dedicated Head of Health and Safety responsible for operational health and safety matters.
- **Mitigation:** internal audit reviews of all business segments.
- **Mitigation:** appropriate insurance cover is carried by either the Group or its contractors.
- **Mitigation:** appropriate training by Head of Health and Safety or third party consultants provided to all employees.

Typical risk indicators

- Incidents (reportable and non-reportable), including near misses.
- Penalties.
- Investigations (by the Health and Safety Executive or similar) and enquiries.
- Adverse internal audit findings.
- Litigation.

Movement description

- Increased Board oversight, with the newly formed Sustainability and Health & Safety Committee.
- Embedded and reviewed systems, policies and procedures for all parts of the Group (except the newly acquired L&Q Estates).
- Low incident rate during the year, albeit increased over last year.
- Established internal health and safety reviews/site audits and general advisory.
- Internal audit recommendations implemented.
- Integration of L&Q Estates may cause likelihood or mitigation effectiveness to increase and fall respectively – this uncertainty is viewed as offsetting the general good progress made on health and safety matters, at least in the short term until the integration is complete.

The risk rating has remained within last year's banding and within risk appetite.

9. Delivery risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; cash flow generation from plot completions; carbon footprint; enhance biodiversity; health and wellbeing; employee engagement.

Impact of risk

Ineffective delivery of projects could lead to delays, reduced build quality, increased cost pressures and reduced profitability.

Key controls and mitigations

- **Control and mitigation:** material subcontractors and customers are credit checked and performance bonds, guarantees and charges are used as appropriate to safeguard delivery.
- **Control and mitigation:** delivery is linked to prevailing economic conditions, which is made possible by relatively low unfunded forward capital commitments.
- **Control and mitigation:** projects are monitored on an ongoing basis by the Board, EMC and other management committees.
- **Control and mitigation:** internal development and project management teams manage project delivery (including procurement).
- **Mitigation:** fixed price contracts are used where appropriate.
- **Mitigation:** internal audit reviews of project delivery mechanisms are carried out periodically.

Typical risk indicators

- Customer/subcontractor complaints.
- Adverse budget variances.
- Delayed completion dates.
- Adverse internal audit findings.
- Subcontractor or customer default.
- Slowdown of sales or bidding interest.

Movement description

- Housebuilders remain cautious bidders as sales pricing and sales volumes continue be lower than they would normally expect, which has led to Urban&Civic slowing infrastructure delivery (which is a mitigation in the business model). However, recently demand from Urban&Civic's customers appears to be getting stronger following more encouraging economic data (predominantly inflation and interest rates which impact the confidence of their customers, the house buyer).
- Urban&Civic has seen stable tender pricing in respect of servicing contracts, and although no material losses were made this year in respect of contractor defaults, the Group is to remain vigilant when placing contracts.

The risk rating has increased, although it has remained within last year's banding and within risk appetite.

Risk appetite:

Low Medium High

Risk rating after mitigation:

Low Medium High

S

Operational – planning

10. Planning risk

Strategic objectives

1 2 3 4 5

KPIs EPRA NTA; cash flow generation from plot completions.

Impact of risk

Appropriate planning consents are not achieved (or not achieved in a timely manner) or are challenged once granted, resulting in:

- loss of promotion costs;
- value proposition not being maximised;
- judicial review or call-in – increasing costs or creating other issues within property cycles; and
- difficulties in arranging finance.

Key controls and mitigations

- **Control:** before significant planning applications are made, the Group, together with its advisers, undertakes detailed consultations with the relevant planning authority, statutory authorities and other stakeholders.
- **Mitigation:** internal planning expertise to navigate planning law and regulation.
- **Mitigation:** expert advice obtained before proceeding with planning work.
- **Mitigation:** increased focus on political landscape pre-investment (particularly where the local authority does not have a majority control).

Typical risk indicators

- Longer than average times to achieve consent.
- Planning budget overruns.
- Increased appeals and judicial reviews.
- Inability (at all or below expectations) to finance, build out or sell consented scheme.

Movement description

- Current difficulties and opportunities within the planning system, which are structural rather than Urban&Civic specific, have been highlighted previously in this section and in other areas of the Annual Report. Revised NPPF consultation and the change in political leadership, supporting increased housing delivery has eased concerns.

The risk rating has reduced to amber, within risk appetite.

Financial

11. Finance risk

Strategic objectives

1 2 3 4 5

KPIs Cash flow generation from plot completions; carbon footprint; enhance biodiversity.

Impact of risk

Lack of funding, increased cost of debt, or failure to adhere to loan covenants could result in financial loss or affect the ability to take advantage of opportunities as they arise.

Key controls and mitigations

- **Control and mitigation:** detailed annual business plan prepared, approved and regularly monitored by the Board, EMC and other management committees.
- **Control and mitigation:** review and appropriate approvals (by Board and shareholder) of principal terms of prospective loans prior to documentation.
- **Control and mitigation:** ongoing monitoring of covenants/ requirements to ensure compliance.
- **Mitigation:** regular monitoring of debt markets (with assistance of advisers).
- **Mitigation:** maintenance of relationships with lenders and institutional investors.
- **Mitigation:** investment funding from the Wellcome Trust (subject to the usual permissions and appraisals).
- **Mitigation:** consideration of interest rate hedging as appropriate.

Typical risk indicators

- Increased gearing metrics.
- Reduced project returns (through increased debt servicing costs).
- Covenant breaches (or reduced headroom on tested covenants).
- Reduced deal flow (reduces options to realise assets to lower debt levels).

Movement description

- Wellcome fully equity funded the consideration, and has undertaken to equity fund the anticipated follow-on capital requirements associated with the L&Q Estates acquisition.
- All due contractual minimums and deferred sales receipts from housebuilders were received in line with contractual arrangements.
- Extension of the expiring £7.9 million Manchester New Square loan facility with the Greater Manchester Combined Authority.
- Extension of HSBC RCF until December 2028 with the facility expanded from £40 million to £80 million.
- Surplus financial resources available (see financial review on pages 62 to 69 for further details).
- Covenant compliant on a look-back and look-forward basis.

The risk rating has remained within last year's banding and within risk appetite.

Change during the year:

Increase in risk · No change · Decrease in risk · N New risk

Link to strategy:

1 Secure sites · 2 Accelerate delivery · 3 Sustain quality · 4 Identify opportunities · 5 Deliver returns

Delivering sustainably

“We continue to make great progress towards meeting our sustainability ambitions through the proper consideration of how we can create positive environmental and social outcomes from our Strategic Sites whilst also empowering everyone in the business to take action through their specific job roles.”

RICHARD QUARTERMAINE —
HEAD OF SUSTAINABILITY

Bike hire at Waterbeach

Introduction

Since the formal launch of the U&C Sustainability Framework in 2022 and the adoption of the Sustainability Capitals and Metrics prior to that in 2020, there has been a continued embedding of sustainability across all areas of U&C. This year has been truly marked by the extent and variety of positive actions and outcomes by the business, a highlight of which is provided here.

A key focus for the year was enabling U&C employees, at all levels and across all sites, to take action to contribute not only to the sustainability objectives of the business but also wider societal goals. The Metrics set out in the Sustainability Framework were set with a five-year time horizon which is due to expire in 2025 and this has contributed to the embedding of sustainability into decision making, procurement and engagement.

Significant analysis was undertaken of our objective to be Net Zero for Scope 1 and 2 carbon emissions by 2030 and our aim to reach Net Zero for Scope 3 emissions by 2040 as part of the climate change universal challenge. It is imperative for U&C to "do its homework" by understanding the financial, practical and other impacts of such objectives so a detailed review was carried out. The outcome of this exercise was to confirm the business' continued alignment with its long-term Net Zero commitment, but with the introduction of SBTi aligned "interim" 2030 targets for all Scopes. This reflects the uncertainty regarding the rate of grid decarbonisation and the potential for Scope 1 and 2 emissions not reaching Net Zero until 2035. Also, further work will be needed to make Scope 3 commitments beyond 2030. We are starting on this first phase of Scope 3 reductions and will learn over the next few years. We will continue to follow the carbon reductions required as per our Map to Net Zero and respond to evolving industry standards such as the pilot version of the UK Net Zero Carbon Building Standard.

In addition to addressing our three universal challenges of climate change, biodiversity and health and wellbeing, we recognise as challenges the increasing pressure on water resources and the broader nature dependencies and impacts for the business. These challenges are firmly on our agenda and the past year has seen us undertake work in a number of ways as we seek to formulate a strategy. This has comprised closer ties with water companies to understand areas of collaboration and opportunities to reduce water consumption across our sites through resident engagement and technical solutions.

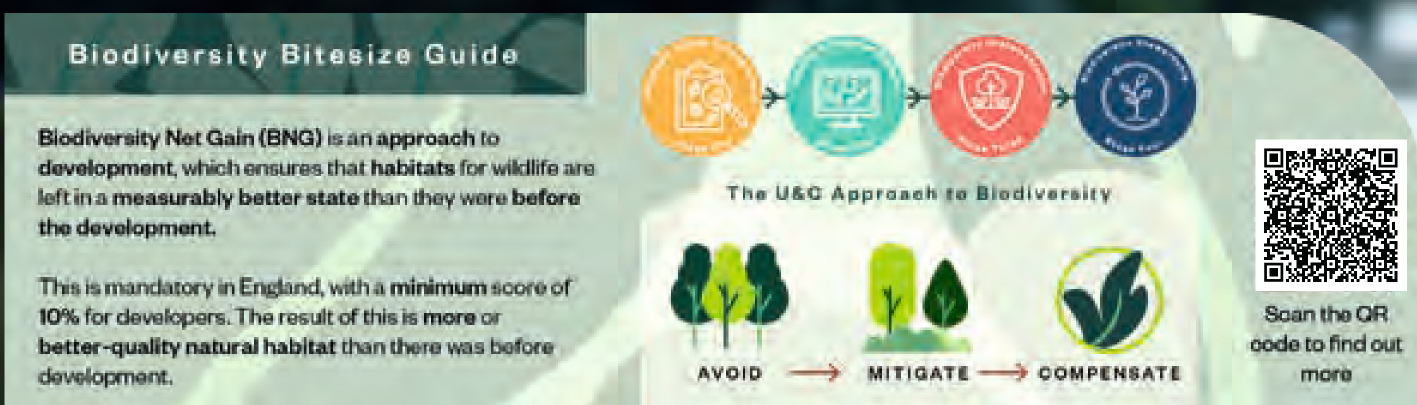
The broadening of the sustainability agenda, from both an environmental and social perspective, will be an important consideration for U&C in the year ahead as we review the relevance and appropriateness of our current Metrics and Sustainability Framework for the next time horizon of 2026 to 2030. Although the agenda is evolving quickly and we cannot exactly foresee the challenges ahead, our approach to sustainability of being flexible and ambitious and embedding a positive culture to realise worthwhile change has put us in a good position for what we need to do next.

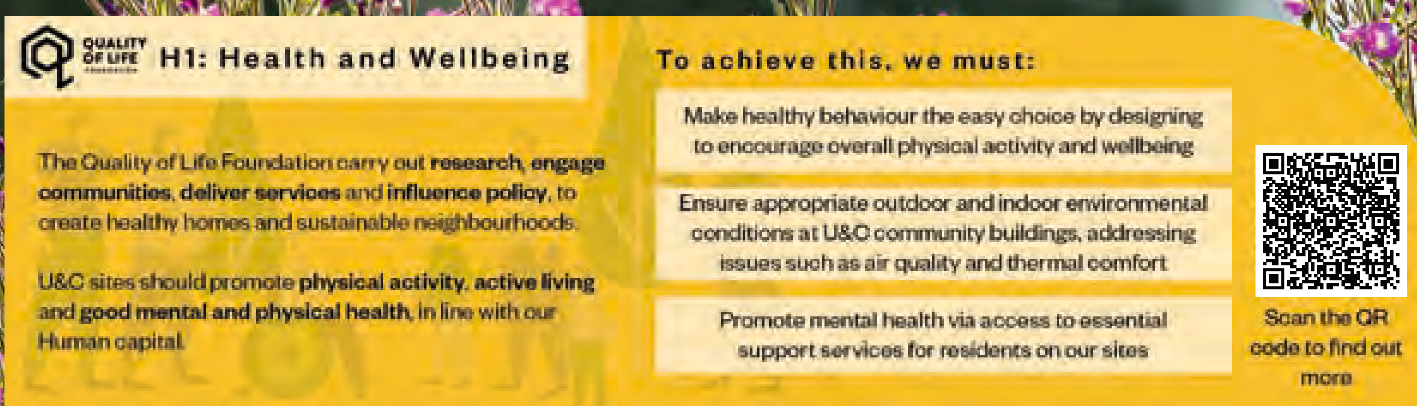
Developing a sustainable culture

Sustainability Champions Group

The Urban&Civic Sustainability Champions Group (SCG) has continued this year to encourage employees to engage with our Sustainability Metrics and commitments on climate change, biodiversity and health and wellbeing. This has been achieved through the sharing of ideas and bringing together a network of employees from various functions and locations of the business to discuss key learnings. The Champions have brought forward many suggestions on potential Company-wide initiatives that could help make a positive difference, enhance learning and development opportunities and better advocate for sustainability within the business. This year alone, there have been some great achievements by the SCG. These include the creation of a Sustainability Award to reward employee contributions towards sustainability across the business and a trial of the "Urban Worm" initiative, which turns food waste into fertiliser using vermiculture.

Last year, an educational bitesize guide focusing on "Tips for Reducing Carbon Emissions" was created. Following positive feedback within U&C, guides for "Biodiversity", and "Health and Wellbeing "in line with Urban&Civic's other universal challenges have been produced plus a "Water Scarcity" guide, given how pertinent an issue this is becoming for the business. These aim to raise awareness, improve knowledge and increase confidence in taking action for all Urban&Civic employees.





SEEING IS BELIEVING

The Urban Worm at Middlebeck

"Worms are more powerful than the African elephant and are more important to the economy than the cow."

CHARLES DARWIN

At Middlebeck, we've worked with a local community interest company, The Urban Worm, to install a double-barrelled worm farm system on the site of the popular Gannets Café. The farm is fully operational and is now taking the majority of the café's food waste each day to produce high quality compost. It is also envisaged that the local community will take an interest in how worm farming works and how they might do so themselves at home. The installation includes information boards with a QR code, to make the site engaging and educational to café customers and passers-by, and to signpost those interested towards further information.

Based on an estimate of 2–3kg of food waste per day, the 2x200 litre capacity barrel system, fully seeded with 4kg of worms, comfortably processes approximately 1 tonne of food waste per year, producing up to 100kg of high-quality nutrient-balanced compost. An exciting community event and DIY workshop are planned when it is time to harvest the first soil produced by the worms.

The worm farm is very low maintenance and easy to care for. Gannets Café staff have been trained in what food waste the worms are able to consume, and there has been encouraging early interest from visitors who are interested in becoming "worm caretakers" at home.

"We're thrilled with Middlebeck's new "worm palace", and we're delighted to have offered residents a novel solution for living sustainably which promotes community cohesion and collective direct action for an ecologically sustainable future."

SIMON MURPHY —
COMMUNITY DEVELOPMENT LEAD

Link to values:
Innovation
Partnership

Link to Sustainability Capitals:
Social
Natural

https://www.urbanandcivic.com/media-library/case-studies/middlebecks-worm-palace-sustainable-solution-urban-worm/

Q&A
In conversation with our Sustainability Award winners

Sustainability Award

This year saw the introduction of a Sustainability Award to recognise and celebrate the many sustainability contributions from across the business. Following nominations submitted by U&C employees the winners were scored by the Sustainability Champions Group based on impact on the business, level of innovation and the initiative shown to implement the idea. The nominations could be for an individual, a team or a project. There were joint winners – Scott Chalmers for his contribution to carbon positive play area surfaces and Emma McGuigan for implementing environmentally friendly practices in the U&C offices, such as the reduction of single use packaging in food and drink products and use of recycled tissue. Find out more about the inaugural award winners and their views on sustainability at Urban&Civic in the following Q&A.

Q

Can you tell us about the initiatives you've implemented which won you the award?

Scott: We have implemented the use of corkeen as a sustainable play safety surface in replacement of a standard bonded rubber mulch or other synthetic surface. Corkeen is a by-product from cork production providing a safe and stable solution for play surfacing. It is fully accessible for wheelchair users and offers high impact absorption and lower surface temperatures than comparable materials. The product has a negative carbon balance based on the cradle-to-gate approach.

Emma: The admin team has transitioned to using the most sustainable toilet paper brand available, aligning with the Company's goals to reduce our carbon footprint and support sustainable sourcing. This change is a small yet significant step towards making our workplace greener and encouraging everyone to be more conscious about resource usage.

Q

How do you think sustainability is perceived in the business, and how has this changed over the past few years?

Scott: U&C has sustainability at the forefront of the business ethos. The growth of the sustainability team and the greater emphasis on sustainability in my own role reiterates the business' commitment to ensuring sustainability is woven into the very fabric of the Company.

Emma: Over the past few years I've seen a noticeable shift in attitudes, with people not only supporting sustainable initiatives but actively looking for ways to improve them. The most significant change has been behavioural. There's a greater willingness to adopt new practices, rethink old habits, and consider the environmental impact of everyday decisions.

Q

Can you highlight any tangible actions people have taken towards our sustainability agenda, or anything you've seen which you admire?

Scott: I was particularly impressed to see the solar panel installation at the Corby office and some other great initiatives such as the worm composting of waste at Middlebeck.

Q

What do you think U&C does well regarding sustainability, and could it do more or do things better?

Scott: U&C continues to be a trailblazer in sustainability and explores innovative ways to further enhance its own strong credentials and to make a real difference in the industry. As place makers, it's great to see the focus on sustainable materials and carbon reducing processes that will make a huge difference for future generations. The business does a great job engaging staff to get their views and ingraining the process into the day to day life of the business.

Q

What do you think we should all do as individuals to improve sustainability outcomes both in our working and personal lives?

Emma: We should all aim to make conscious, everyday choices that collectively have a big impact: reduce waste and be mindful of energy use, such as turning off lights and electronics when not in use. At home, switching to energy-efficient appliances and using renewable energy sources, if possible, can make a big difference. We should continuously learn and stay informed about sustainability issues and share knowledge with others to encourage a culture of environmental awareness.

Sustainability engagement survey

In early 2024, U&C ran a Company-wide survey which aimed to measure engagement levels and attitudes towards sustainability, giving insights into the culture and understanding of the topic between different functions and sites. The results of the Most Sustainable Workplace Index survey were presented to the Sustainability Champions in a workshop, with the intention of agreeing an action plan to improve understanding. The plan covers topics such as developing an idea of what sustainability means to the role of each team, how to improve learning and development opportunities regarding sustainability and how to ensure consistent engagement across teams. The survey showed a collectively strong belief around the importance of taking positive action on sustainability and general satisfaction with individual contributions toward sustainability.

Sustainability performance 2023/24

Urban&Civic's **Sustainability Framework** shows how we will strive to overcome our universal challenges of a changing climate, biodiversity loss, and improving health and wellbeing. As Master Developers, we have a responsibility and opportunity to create communities which tackle these issues, improving quality of life for both current and future generations.

To do so, we must build sustainable approaches into the design, delivery and operation of our developments, foregrounding these key issues and ensuring they are a top priority. The Sustainability Framework sets out three universal challenges, and aligns with the UN Sustainable Development Goals (UN SDGs). These have informed Urban&Civic's methodology for categorising, measuring and realising sustainable value creation through the development of our Five Capitals approach and the Metrics that sit within these. We have made considerable progress towards this objective over the past four years and remain on track to exceed the majority of our 2025 targets. The year ahead is critical to ensure that we continue the positive work to date to deliver the best sustainable outcomes possible and this will be a key focus in our internal engagement plans.

Primary	Supplementary
11 SUSTAINABLE CITIES AND COMMUNITIES	4 QUALITY EDUCATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND

Key Not meeting target · Improving, not meeting target · Meeting target

Physical

NET ZERO CARBON

7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

Carbon footprint Scope 1 and 2	43 per cent decrease in absolute Scope 1 and 2 carbon emissions compared to a 2021 baseline, against a target of 28 per cent reduction (1 per cent decrease in 2023). Scope 1 and 2 carbon emissions significantly decreased in 2024 to 738 tCO_2e compared to 1,294 tCO_2e previously. This is largely due to transformer shutdowns at Alconbury Weald and reductions in gas usage at Middlehaven. Transport emissions fell due to Company vehicles being replaced by efficient alternatives. Scope 1 and 2 emissions includes buildings where we have operational control and are directly responsible for the energy consumption. This includes the U&C office serving the development of the Wellcome Genome Campus expansion at Hinxton but excludes the Farmcare portfolio.
Carbon footprint Scope 3	12 per cent increase in Scope 3 emissions compared to BAU (tonnes CO_2e), against a target of 19 per cent annual reduction (not reported in 2023). Performance excludes the Wellcome Genome Campus expansion and the Farmcare portfolio.
Connectivity	100 per cent of occupied buildings within 200m of a high quality cycle way, against a target of 95 per cent (100 per cent in 2023).
Resilience	120 litres/person/day water consumption for all new properties connected since October 2021, against a target of 90 litres/person/day (107 litres/person/day in 2023). In order to bring consumption down, U&C will work on gathering more informative data on water consumption and communicating learnings and sharing feedback internally on how to best achieve the targets. We will also work closely with housebuilders to implement more water efficient appliances and technologies and engage with residents on effective ways to reduce water consumption in their homes.

Social

Placemaking	95 per cent of homes within 300m of a public accessible green and blue space, against a target of 95 per cent (99 per cent in 2023).
Engagement and consultation	100 per cent of sites have a live post-planning, consultation and engagement strategy, against a target of 100 per cent (86 per cent in 2023).
Community engagement	Average score of 41 under the Considerate Constructors Scheme by all directly employed contractors, against a target of 39 (42 in 2023).

Economic

Promotion of local economic growth	86 per cent of Strategic Sites in delivery are actively promoting local businesses and start-ups, against a target of 100 per cent (83 per cent in 2023).
Good quality employment	100 per cent of directly employed contractors pay the Real Living Wage, against a target of 100 per cent (100 per cent in 2023).
Economic inclusion	90 per cent of the total value of direct contracts placed with principal contractors based within 40 miles of sites, against a target of 80 per cent (50 per cent in 2023).

Natural

Enhanced biodiversity	26 per cent average Biodiversity Net Gain for all Strategic Sites, against a target of 25 per cent (26 per cent in 2023). Performance excludes the Wellcome Genome Campus expansion.
Resource efficiency	98 per cent of construction and demolition waste is diverted from land fill, against a target of 95 per cent (99 per cent in 2023).
Developed landscaping	Average score of 26 new trees are planted for each house occupied, against a target of 25 (32 average in 2023). 2024 saw a drop in performance due to five sites undergoing a re-baselining exercise reflecting more accurate data. This will ensure that going forward the methodology in calculating "trees" is consistent and realistic.

Human

Commitment to lifelong learning	100 per cent of employees undertook a minimum of ten hours of non-mandatory learning per annum, against a target of 95 per cent (95 per cent in 2023).
Health and wellbeing	100 per cent of sites with over 200 homes occupied have a Quality of Life survey in place, against a target of 100 per cent (100 per cent in 2023).
Improving health and safety	Average score of 2.8 achieved by directly employed contractors and housebuilders against the 5-star health and safety rating system, against a target of 3.5 (2.7 average score in 2023). An improvement pathway has been put in place to drive better performance against this metric, looking at how to better engage, enable achievability and carry out performance reviews.

Climate change: Refining our journey to Net Zero

Since Urban&Civic launched its first Map to Net Zero in 2021 outlining the ambition to be Net Zero, significant work has been undertaken behind the scenes to establish a robust plan to achieve it.

This has included the preparation of individual carbon budgets for current and future Strategic Sites, the implementation of a Carbon Management Framework and the alignment of targets with the recommendations of the Science Based Targets initiative. This was in pursuit of the original carbon objectives set:

- **by 2030**, target to be Net Zero for Scope 1 and 2 carbon emissions, i.e. the emissions from U&C-controlled sources such as office facilities and vehicles; and
- **by 2040**, ambition to be Net Zero for Scope 3 carbon emissions, i.e. the indirect emissions in the U&C value chain (excluding housebuilder and resident emissions).

Our Sustainability Framework had also set the objective for the business to determine its baseline carbon emissions for Scope 1, 2 and 3 over the course of 2022 and 2023 with a view to signing up to the Science Based Targets initiative (SBTi) Corporate Net Zero Standard.

The focus for this year has been to rigorously stress-test the plausibility of these objectives. Considerable work was undertaken collaboratively across the business to establish what carbon saving opportunities could actually be implemented at each site and to understand what the likely carbon impact would be. The cost of implementing these actions was also important to understand including any financial savings and non-financial benefits that may accrue. Equally as important was planning when these actions should and could be implemented depending on future site build-out programmes and what effect this would have on the overall U&C carbon budget.

To inform the prospect of achieving our commitments, we have been gathering carbon data from our contractors for two years and refining our processes. Achieving these targets is conditional on how rapidly electricity supplied by the UK national grid will decarbonise going forward. It was therefore essential to test an "optimistic" and a "pessimistic" decarbonisation scenario. Recently, decarbonisation has stagnated and future projections are less ambitious than before so this has been factored into our appraisals.

The past few years have also demonstrated how quickly standards and frameworks can change, as well as government policy and wider attitudes to climate change and sustainability. Testament to this is the publication of the UK Net Zero Carbon Buildings Standard pilot backed by industry which offers a practical framework when building to achieve Net Zero.

The outcomes of the work undertaken over the year plus our latest carbon footprint data and the notable initiatives implemented are set out below. We have had to adapt our objectives to remain flexible in response to the continuously evolving Net Zero agenda and the projected challenges of achieving Net Zero for Scope 1 and 2 emissions by 2030, based on current decarbonisation forecasts. We have decided to refine our approach as follows:

- introduce intensity based 2030 "interim" SBTi aligned targets for all scopes to ensure we remain on the right pathway towards achieving Net Zero, subject to grid decarbonisation;
- continue to work towards the Net Zero timescales set originally but recognise these are challenging because there are influencing factors beyond our control, and subsequent commercial considerations;
- align with the requirements of the Science Based Targets initiative (SBTi) to 2030 but without making a formal commitment, formal target validation or being required to publicly disclose annual performance;
- undertake further analysis on Scope 3 opportunities and impacts beyond 2030 before committing to a date for achieving Net Zero; and
- undertake further work to satisfy ourselves that we stand a good chance of meeting, both technically and commercially, the science-based carbon reductions required before making a commitment under the SBTi.

The precise 2030 interim reduction targets will be confirmed in 2025 once the U&C Map to New Zero has been updated to reflect the changes to our portfolio and to capture the requirements of the Science Based Targets initiative's finalised Buildings Guidance published in August 2024.

SEEING IS BELIEVING

Electrical transformer shut-down and replacement at Alconbury Weald

The private high voltage electricity distribution network inherited at our Alconbury Weald site was originally designed for a fully operational USAF Air Base with significant capacity built in for future expansion and adaption as its requirements changed. The network within the future residential Key Phase 3 area comprised a total of 24 electrical substations, containing old and significantly oversized transformers.

This is in contrast with the far lower electricity demand required by a modern residential development given it will be built to meet stringent energy efficiency regulations.

In preparation for the Key Phase 3 residential development at Alconbury Weald and following the end of interim commercial uses of buildings, the number of substations have been reduced since 2019. In October 2023 a further 12 have been shut down leaving only five of the original transformers in place to serve the retained Heritage Area comprising the nuclear bunker and listed aircraft hangers. The removal of the transformers has led to a notable 90 per cent reduction in consumption and cost of electricity associated with running a private high voltage network on the site.

The remaining five transformers will be replaced with smaller and more energy efficient 50kVA versions during 2025.

Link to values:

Quality Passion

Link to Sustainability Capitals:

Physical Economic

https://www.urbanandcivic.com/media-library/case-studies/transformers-alconbury/

Scope 1 and 2 emissions

Throughout the year a number of the recommendations from the energy audits undertaken in 2023 for the purposes of compliance with Phase 3 of the Energy Savings and Opportunities Scheme were implemented to reduce energy consumption. Some of these initiatives are set out below.

Three new initiatives

Using the energy audit recommendations, a detailed forecasting exercise was carried out to better understand the potential impact that implementing a range of carbon reduction initiatives will have on future emissions. This modelling would indicate when Net Zero could be achieved for Scope 1 and 2 emissions plus the costs and financial savings. Two potential decarbonisation scenarios (optimistic and pessimistic) were modelled as shown in the graph.

The significant impact of the Alconbury transformer shut-down is shown between 2023 and 2024 followed by the two decarbonisation scenarios thereafter, projecting Net Zero could be achieved as early as 2030 or by 2035 at the latest. Despite the uncertainty, we will continue to pursue our objective of being Net Zero for our Scope 1 and 2 emissions by 2030, subject to grid decarbonisation.

Whilst saving carbon, these initiatives would also generate considerable energy savings, predominantly electricity, which would pay back the initial capital outlay to implement these initiatives in less than four years. These initiatives were approved and allowances made in business plans to implement them starting in 2024/25 over a period of two to three years.

Company fleet

All Company vehicles are now either hybrid or electric, reducing fuel consumption across the sites.

The new hybrids are expected to show a 70 per cent saving on carbon for the Company fleet, which is a significant reduction when compared with our previous diesel vehicles' emissions of 7,710 kgCO_2e per year.

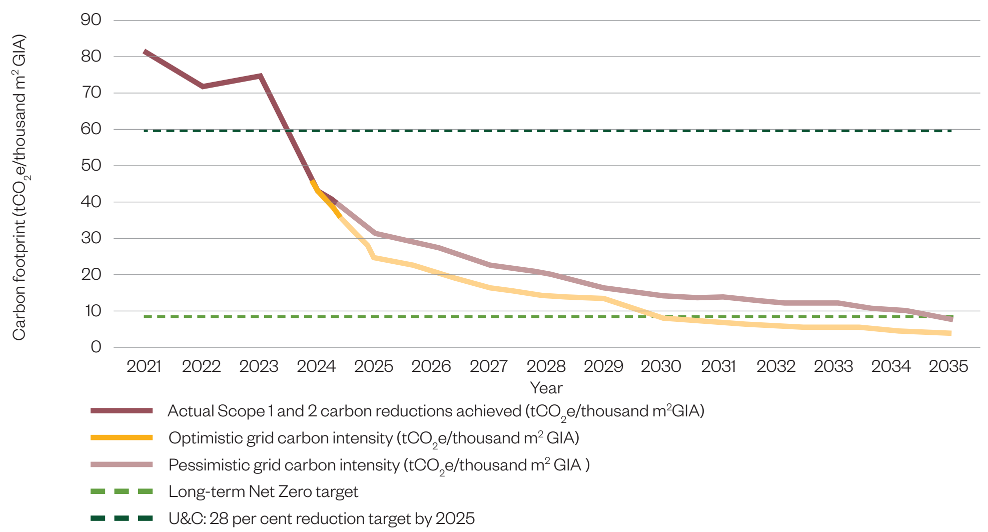
Behaviour change

A series of behaviour change actions have been implemented by teams, including the automation of heating and lighting controls, the use of motion sensors, switching off lights and monitors and more.

PV installation

Earlier this year, a PV array was installed on U&C's Priors Hall office. The switch to this renewable energy source is expected to save over 6,300 kgCO_2 per year, ensuring minimal energy imports from the grid. The scheme is expected to have a short-term payback of only three years.

Scope 1 and 2 carbon footprint projection – actual and forecast (excluding Farmcare)



Climate change:
Refining our journey to Net Zero continued

Scope 3 emissions reporting methodology

Scope 3 encompasses emissions that Urban&Civic are indirectly responsible for, up and down our value chain. This includes emissions from the construction of assets, business travel and employee commuting. Scope 3 emissions are calculated and reported on a 100 per cent "operational control" basis. This is defined as an activity where the business has the full authority to introduce and implement its operating policies at the site. Operational control as a Master Developer only begins once Urban&Civic has management and control of the land. This approach does not apply to the Wellcome Genome Campus expansion at Hinxton because U&C is only acting as the development manager on Wellcome's behalf. Therefore the data reported here does not include the Scope 3 emissions incurred on the development.

The material Greenhouse Gas Protocol Scope 3 categories being reported on by Urban&Civic are:

Category 2: Capital Goods

Using "upfront carbon" data from infrastructure and building projects we calculated the emissions in this category. This comprises the manufacture, processing and transport of materials to site plus the fuel use on site and waste incurred during the project (BS EN 15978 Life Cycle Assessment Modules A1 to A5).

Category 6: Business Travel

Private vehicle use as calculated for Streamlined Energy and Carbon Reporting purposes, and all other rail, road and air travel, using employee expense records.

Category 7: Employee Commuting

Business-wide survey is completed annually by employees for commuting data.

Category 10, 11 and 12: Processing, Use and End-of-Life Treatment of Sold Products

These categories didn't apply to Urban&Civic this year due to the fact that no assets were sold in 2024. Going forward, a 60-year life cycle will be assumed for sold buildings to determine operational emissions during use and end of life where required.

More categories will also be included where applicable, specifically Water, Waste, Fuel and Energy related activities and Transportation and Distribution.

Urban&Civic measures carbon and calculates carbon budgets for each individual Strategic Site's activities, and for the business as a whole. The budgets are broken down into infrastructure and buildings across the following periods: 2023–25 and 2026–30. At present, the budgets are only calculated up to 2030 as further work needs to be done on targets beyond 2030 in terms of decarbonisation, delivery programme and industry changes. The carbon budgets are shown as reductions against business-as-usual (BAU) emissions. For the buildings targets, three separate budgets are used: operational EUI, upfront carbon and whole life (embodied) carbon.


Brett Park, Wintringham

S

Progress to date

- Assessed Net Zero baseline year for Scope 3 carbon emissions, and set draft targets for 2030 in line with Science Based Targets initiative guidance (to be aligned with final Buildings Guidance).
- Carbon footprinting methodology for contractor works (Capital Goods) and other Scope 3 categories, such as Commuting and Business Travel, has been set out and used to report on data covering a two-year period.
- Carbon budgets set for each site and carbon performance targets for building and infrastructure projects included in all consultant and contractor briefs.
- Sustainability "cost to complete" exercise undertaken for each Strategic Site to estimate the potential capital expenditure required to achieve proposed carbon reductions to achieve Net Zero.
- Transitioning away from using gas in buildings.

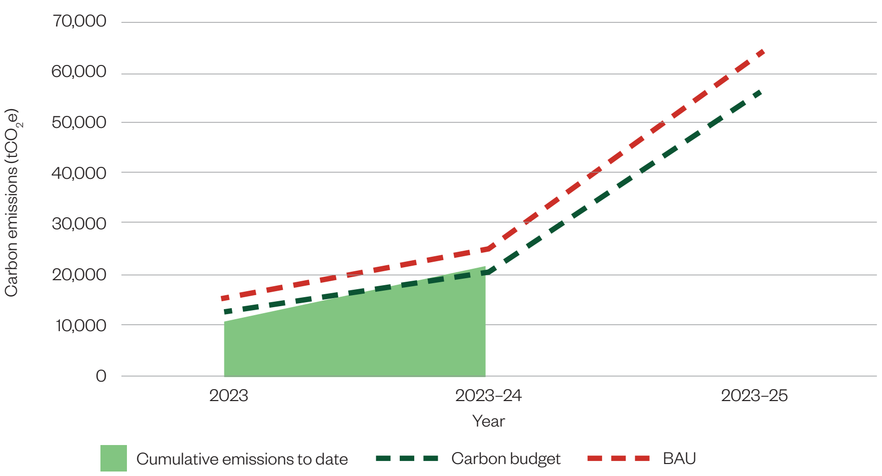
Next steps

- Increase engagement with supply chain and building occupiers to meet both embodied and operational targets.
- Finalise in-house carbon tool to amend carbon budgets to account for changes to site build-out programmes and enable greater low carbon optioneering analysis to be undertaken.
- Create an internal database to be used by sites, detailing low carbon options for materials and their specifications using Environmental Product Declaration (EPD) data.
- Continue to provide learning and development opportunities around reducing Scope 3 emissions, such as internal presentations on alternative materials and low carbon construction methods.
- All new commercial buildings to incorporate low carbon and renewable energy technologies.

Urban&Civic's 2024 Scope 3 carbon footprint (excluding the Wellcome Genome Campus expansion and the Farmcare portfolio) is 11,356 tCO_2e, making up over 93 per cent of our carbon footprint across all scopes. As expected, the majority of this (97.6 per cent) comes from the Capital Goods category, measuring upfront carbon in buildings and infrastructure completed or under construction in the year. U&C's combined emissions for 2023 and 2024 are 12 per cent below Business as Usual (BAU) emissions. For 2024 alone, however, construction emissions were 12 per cent above BAU. This can be attributed to the lack of sustainable construction practices and alternative materials or fuels on some of the larger contracts across our sites.

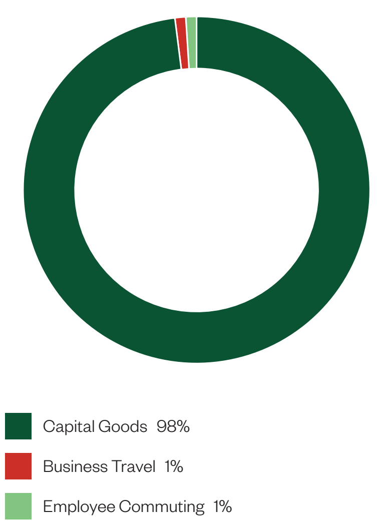
The remainder of the emissions comprise Employee Commuting and Business Travel emissions from U&C employees. The footprint excludes housebuilder and resident emissions which are beyond the U&C Scope 3 boundary.

FY 2023 and FY 2024 cumulative Scope 3 (Capital Goods) carbon emissions compared to carbon budget and business as usual*



* The Carbon Budget and BAU upturn for the period 2023-25 reflects the forecasted site build out at the time when the budgets were prepared. This will be adjusted to reflect actual work undertaken.

2024 Scope 3 carbon emissions (tCO_2e)



Climate change: Developing a resilient business

The groundswell of organisations reporting their preparedness for a changing climate and taking action continues to accelerate. And so does the evolution of the reporting standards with confirmation that the International Sustainability Standards Board (ISSB), created by the International Financial Reporting Standards Foundation, will now take over monitoring the progress of companies on their climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD).

U&C began its climate disclosure journey in earnest last year with the first report against the TCFD Framework included in the 2023 Annual Report. At the time this was very much work in progress and an attempt to capture the maturity of business operations against where it needed to be. Over the course of the year the processes and procedures have been adapted to align more with TCFD.

We are pleased to have now achieved compliance against all disclosure requirements of the TCFD framework in all but two areas as summarised in the table opposite.

1. Impact on organisation and financial planning – Although building and infrastructure construction budgets do include allowances for reducing carbon thereby contributing to meeting carbon targets, no financial quantification of potential climate change impacts across the sites is undertaken.
2. Climate-related targets – Best practice recommends incorporating an internal carbon price into business decision making, in other words, explicitly recognising the carbon impact we have in the appraisal of proposed strategies and actions. The key benefit of this is to provide an incentive and accountability for transitioning towards low carbon innovations and to de-risk the business against future carbon pricing legislation.

Developing and implementing a carbon price within an organisation needs to be both credible and appropriate to inform decision making. The work we have undertaken to review the financial impact of our Net Zero targets, especially Scope 3, will provide the empirical evidence to inform a robust and realistic carbon price. In 2025, we plan to review how a carbon price might operate, and the implications of such, at both corporate and site levels.

TCFD pillar	Recommended disclosure	Compliance
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Board oversight	✓
	b) Management's role	✓
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Risks and opportunities	✓
	b) Impact on organisation and financial planning	◑
	c) Resilience of strategy considering climate scenario analysis	✓
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Risk identification and assessment process	✓
	b) Risk management process	✓
	c) Integration into overall risk management	✓
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Climate-related metrics	◑
	b) Scope 1, 2 and 3 GHG emissions	✓
	c) Climate-related targets	✓

A fundamental aspect of our approach to ensuring that U&C is resilient to climate-related issues is embedding it within the culture of the business and in turn how we deliver our sites. Engagement with colleagues, consultants, contractors and their supply chains raises awareness and supports the flow of information on potential risks, best practice solutions and lessons learnt. This is facilitated by the sharing of the latest guidance and knowledge by the sustainability team and through frequent team meetings, workshops and training. How this process of engagement operates and the subsequent data flows are shown in the diagram and a case study on the opposite page.

Key

✓ Full compliance

◑ Partial compliance

SEEING IS BELIEVING

ECL's carbon savings on Newark's Strategic Link Road

The Strategic Link Road (SLR) project at Newark is being jointly constructed by ECL, which is aiming to embed sustainable construction practices into its site operations. The infrastructure works will connect the A46 to the A1, to unlock land for housing delivery, support the economic growth of the town, and reduce traffic congestion through the provision of cycle and pedestrian access.

Conversations between U&C and ECL regarding sustainability started at the earliest opportunity. Within the procurement packs U&C included a bespoke set of Employer's Sustainability Requirements (ESRs) with an emphasis on lowering carbon emissions and reporting performance against the relevant sustainability metrics for the project. These requirements were discussed at an early stage covering topics such as frequency and format of reporting. Essential to these conversations was the inclusion of the wider U&C project team to recognise what was required and how ECL would deliver against the ESRs.

In line with our sustainability aspirations, ECL installed a solar-powered generator, enabling it to optimise energy usage and ultimately significantly reduce carbon emissions and fuel costs associated with the project. We have since been engaging with ECL to gather carbon data and inform understanding of the impact these initiatives are having. ECL's initiatives have so far led to:

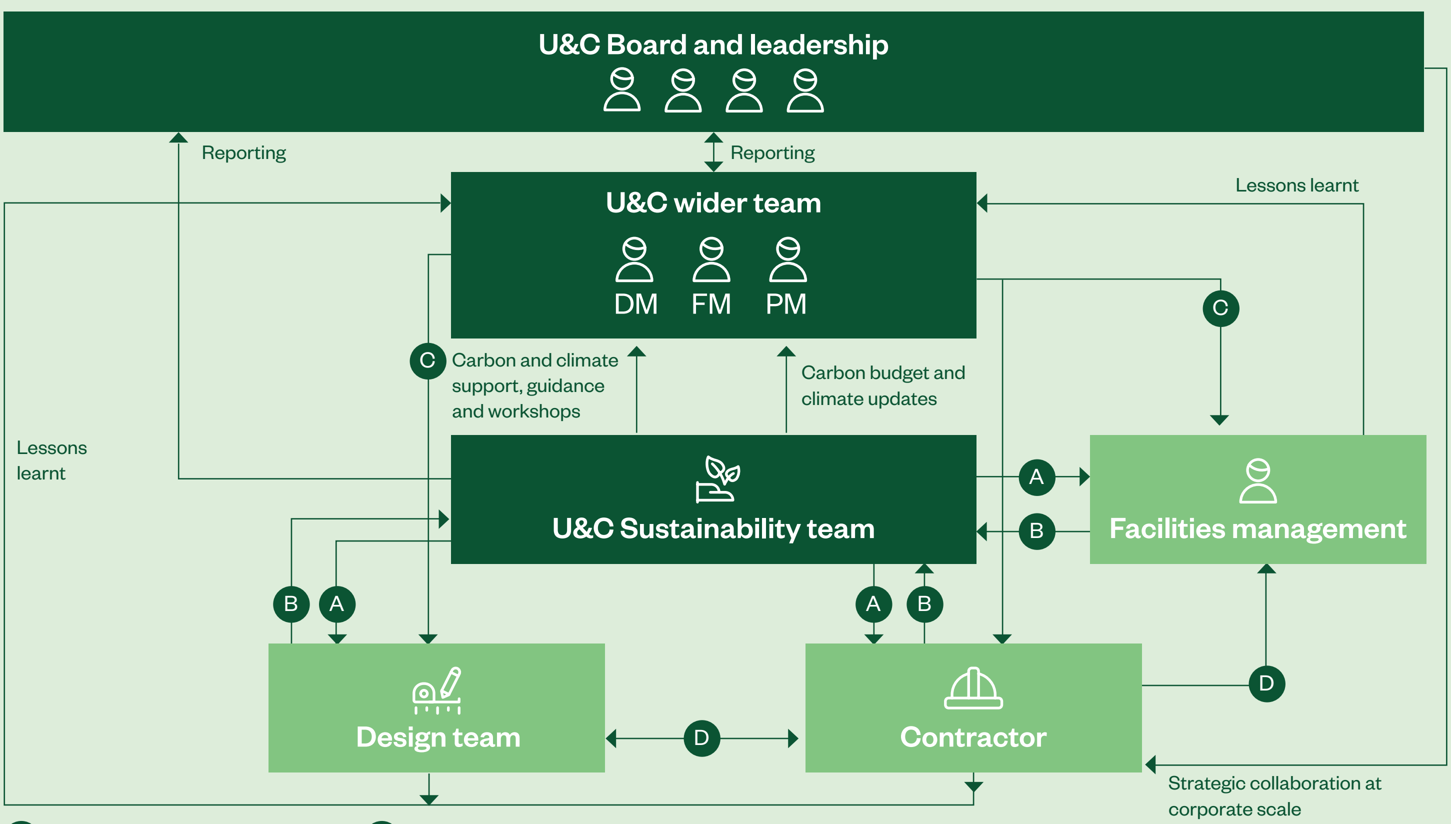
- a saving of 13,000 litres of diesel and reduced CO_2 emissions by 42 tonnes;
- at least a 90 per cent reduction in fuel emissions due to the use of HVO over diesel; and
- the use of 3,493 tonnes of recycled tarmac, with each tonne effectively reducing CO_2 emissions by 27kg.

This performance has been showcased internally, including to the leadership team, by engaging through an all-staff briefing and posting on the U&C intranet. Linking this case study back to the Sustainability Framework and in particular how it contributes to addressing the climate change universal challenge was an essential part of the feedback loop.

Link to values: Innovation, Partnership

Link to Sustainability Capitals: Physical, Human

https://www.urbanandcivic.com/media-library/case-studies/paving-way-solar-power-newarks-southern-link-road/



A Engage and upskill

B Carbon and climate data and lessons learnt

C Manage and inform

D Early engagement

Biodiversity

Achieving a mandatory Biodiversity Net Gain (BNG) of 10 per cent became a statutory requirement for major new developments in February 2024, which was long awaited after the obligations were introduced in the Environment Act 2021. This requirement was then applied to small sites from April. The introduction of the BNG regulations is a way of creating and improving natural habitats as part of the development process in an attempt to turn the tide on the worsening ecological state of wildlife habitats in the UK.

U&C has been measuring BNG for a number of years and has set an ambitious target of 25 per cent to reflect our commitment to improving biodiversity and the resilience of local ecosystems. This is in response to biodiversity loss being one of our universal challenges. Pursuing improvements in biodiversity also benefits human health and local communities through accessible high quality green space and becomes an important carbon sink too. A detailed look at how we've succeeded at this at our Houlton site in Rugby is included here to give some valuable insight into the work behind the scenes to achieve the headline BNG score.

Each year we aim to reassess the BNG of at least two sites to reflect notable design development and/or delivery of new areas of green infrastructure. Alconbury Weald and Wintringham both saw improved scores based on the updated landscaping proposals for Key Phases 3 and 2 respectively. This takes the overall U&C average to over 26 per cent (excluding the Wellcome Genome Campus expansion), continuing the progress we are making in improving biodiversity and exceeding our target of 25 per cent.

Sites	2022/23	2023/24
Alconbury Weald	25.5%	**26.6%**
Wintringham	27.4%	**28.1%**
U&C average	26.1%	**26.4%**

Beyond BNG there is now a greater awareness of the need to identify and mitigate the impacts businesses have on nature in its broadest sense, whilst reciprocally identifying what consequences this nature loss will have on business resilience. Nature recovery is gaining momentum and U&C is developing its longer term approach to supporting local and national efforts and what commitments and targets should be made accordingly.

Green Corridors, Houlton

SEEING IS BELIEVING

The journey from newts to Net Gain at Houlton

Houlton began as 'Rugby Radio Station' – a redevelopment of the 920 acre Post Office Radio Transmitter site to the west of Rugby. It now demonstrates the benefits of a considered, long-term strategy for the integration, protection and enhancement of biodiversity. Early investment in the establishment of a rich network of varied habitats is now delivering, year on year, a measurable increase in biodiversity.

Newts, ponds and wildlife corridors

The development of proposals for Houlton preceded the advent of Biodiversity Net Gain. Nonetheless, ecology was at the forefront of scheme design, with quarterly ecology workshops attended by Natural England, Warwickshire County Council Ecology and the Wildlife Trust to inform the design of the emerging scheme. The Great Crested Newt (GCN) population was the primary driver of the overall ecology mitigation strategy. To reflect this, a web of interconnected wildlife corridors were planned, weaving across the site to ensure the connection and retention of the valuable pond network. The corridors support over 100 biodiversity ponds (a fivefold increase), alongside a rich mosaic of meadow, scrub and woodland habitats which will permit uninhibited movement throughout the green infrastructure network. The mitigation strategy further benefited from an innovative approach to implementation. The planning strategy permitted detailed ecological mitigation to be designed and implemented separately to urban development, allowing the delivery of green infrastructure to be accelerated ahead of homes and schools. This front-loading of habitat delivery was supplemented by the careful selection of 'holding areas' – locations within the wildlife corridors where GCN could be retained in-situ. Once development had been completed around them, the holding areas were opened up to release the population into the extensive network of green corridors. The mitigation strategy for the Houlton GCN population has been underpinned by protected species licence applications, each of which set out detailed prescriptions to safeguard and enhance GCN populations

A learning process

The establishment of such an extensive network of wildlife corridors has not been without challenges and many important lessons have been learnt along the way. Strategies and details have been evolved as the efficacy of methods have been able to be tested 'in the field'. For example, later phases have amended planting mixes to reduce or avoid the planting of some vigorous aquatic species such as Typha, which have become dominant and challenging to manage in some of the ponds. The Phase 1 corridors are set out out to incorporate large, bespoke, concrete tunnels and headwalls that allow species to travel under the highway routes. These structures represented the 'best in class' approach at the time, as per discussions with Natural England. Subsequent monitoring of population movements and dispersal within the green infrastructure has meant that much smaller 'off-shelf' products were able to be introduced from Phase 2 onwards – reducing disruption to the existing landscape as well as excavation requirements, carbon impacts and project costs.

Involved community

As much as the scheme design and management processes are important, we have found that engagement with the public, and education about what the landscape is trying to achieve, have been key factors in the successes at Houlton. Community engagement has helped with the effective operation of the wildlife corridors. For example, engaging with the community to explain why the release of fish – which are predators to GCN – into ponds by local residents should not take place. The installation of information boards and educational resources is supplemented by active social media engagement allowing information to be widely shared with site users. Fundamentally, this multi-functional approach encourages community users to care for and understand their neighbourhood landscape, endowing them with a sense of responsibility to enjoy the green corridors in a sensitive manner.

Ongoing success

Biodiversity Net Gain ensures that habitats for wildlife are left in a measurably better state than they were before development. This is now mandatory in England, with a minimum score of 10% betterment required for developers. Houlton is scoring highly because of the initial prioritisation and retention of high-value features such as the existing pond network, new and enhanced grassland on former lower value grazed pastures and woodland planting. Houlton very simply takes the retain, conserve, enhance approach and has consistently delivered on the promises set-out at the start of the planning process. A strategy that was first underpinned by the conservation of a keystone species has blossomed into a rich and ever-evolving nature network, that continues to grow.

Link to values: Quality Innovation Partnership

Link to Sustainability Capitals: Social Natural

https://www.urbanandcivic.com/media-library/case-studies/newts-net-gain/

Health and wellbeing

Quality of life update

The communities team continues to work closely with the Quality of Life Foundation, with a second round of Resident Surveys being undertaken for Alconbury, Houlton and Priors Hall this year.

Clearly not all of these factors are within a Master Developer's control, and questions and responses include macro factors from cost of living to political engagement. However, all of these factors play a part in the insights the survey provides in terms of the lived experience of residents. The Resident Survey also provides opportunities to benchmark key statistics against ONS national statistics, as well as comparisons between sites.

Core questions also provide valuable insights into the demographics of our developments, which enables us to test and triangulate that with the on-site community team, particularly in regards to ethnic diversity and age, and includes timescale of residency and how long they plan to live in the community.

During autumn 2023, the surveys were carried out for Middlebeck and Wintringham, which had met the threshold of having at least 200 homes per development. The findings of these surveys are summarised below. There was an average 25 per cent participation rate from residents across the schemes. Both projects are tracking marginally below the national average for quality of life, sense of self and happiness, and the same margin above for levels of anxiety (0.5 per cent below for Wintringham and 1 per cent for Middlebeck). This is a change from the first round of surveys for Alconbury, Houlton and Priors Hall, which were marginally above, but is not unexpected given these communities have less doorstep amenities than the other three projects.

The Resident Survey is a core part of our Sustainability Framework metric for health and wellbeing and provides a range of insights reflecting the core themes which make up healthy and happy lives. These are:

Control

Health

Nature

Wonder

Movement

Belonging

Headlines against some of our core measures include:

+5%/+10%

Both sites score higher than the national average in terms of frequency of interaction with neighbours (+5 per cent Middlebeck and +10 per cent Wintringham).

70%/93%

70 per cent (Middlebeck) to 93 per cent (Wintringham) feel their home has a positive effect on their health and wellbeing.

>50%

Increased levels of cycling (over 50 per cent more this year than previously on both sites).

+5%

Wintringham score 5 per cent above national average for access to green space and impacts on health, although this is lower for Middlebeck (-7 per cent).

Headline findings

Across both Middlebeck and Wintringham, residents reported:

Residents liked

- Green spaces have been highlighted in both sites as important and a big positive to living in their area
- Homes on both sites had an overwhelmingly positive impact on residents' health and wellbeing

Residents disliked

- Public transport is not yet developed enough, which has served as a major barrier to residents' everyday lives
- The need for more leisure amenities as well as local shops

Middlebeck

Residents liked

- The nature walks, ponds and green spaces
- The quietness and sense of peace
- The Gannets Café

Residents disliked

- The lack of local and easily accessible amenities (shops, surgeries, pubs, etc.)
- Anti-social behaviour around Middlebeck
- Lack of easily accessible public transport options

Wintringham

Residents liked

- The amount of wild, biodiverse, green space in the neighbourhood
- The quietness in the area
- The strong sense of community

Residents disliked

- The lack of local amenities (shops, surgeries, etc.)
- The addition of new outdoor gym equipment in green spaces
- Noise and air pollution from traffic

On the back of the results, each project comes up with a shared action plan to respond to key points raised: through follow-up workshops with the community; through actions we can take on site; or through working with local authority partners. These are also part of the Sustainability Framework reporting system.

These are reviewed regularly in Project Review Meetings held for each site and key actions reported through the existing project committee meetings.

The 2024 second round Resident Surveys run at Alconbury, Houlton and Priors Hall have also seen a good participation rate, the results of which will be reported back to the business by the end of 2024. The results will provide the first full cycle opportunity to track sentiment and lived experience from the initial 2022 surveys carried out there, and to measure the impact of the responses put in place on the back of the actions agreed from the survey recommendations.

Health and safety review

During the year we have proactively maintained a focus on health and safety with our employees and across our Strategic Sites with our housebuilder partners and directly employed contractors.

With our employees we continued the work from previous years ensuring a proactive programme of training, appropriate to individual roles. In addition a Health and Safety Roadshow was given at each office for all of our employees focusing on how our behaviours can influence others and affect our own health and safety performance in a positive or negative way. Our specific health and safety training focus was to ensure that our project teams remained up to date on the Building Safety Act secondary legislation, particularly the impact of the changes to the Building Regulations and the new roles of Principal Designer and Principal Contractor.

We maintained regular consultation with our employees via regular briefings, bulletins and refreshing and promoting internal health and safety guidance documents. We reinforced this consultation further by undertaking an Employee Health and Safety Survey. 77 per cent responded to the survey which highlighted areas of strength and where further development could take place. It was extremely positive that 96 per cent of the respondents rated the health and safety leadership of Urban&Civic as being good or excellent.

The importance of driving a high health and safety culture and performance across our Strategic Sites continued with the second year of our 5-star engagement programme. The programme involved housebuilder partners and direct contractors demonstrating commitment to reviewing and monitoring their health and safety standards, responding positively to independent health and safety reviews with prompt closeout actions, demonstrating good health and safety practices and engaging with the monthly consortium meetings. To promote the consortium meeting, the content of the meetings was reviewed and improved to make it more engaging, including particular information on work interfaces and logistics updates, which on the majority of Strategic Sites resulted in an improved attendance.

To drive further improvement in the 5-star engagement programme there has been an emphasis on engaging with the senior leadership of housebuilder partners and direct contractors, producing league tables of performance and providing these on a quarterly basis to senior management and additionally inviting their health and safety leaders to regular meetings on site.

The target performance for housebuilder partners and direct contractors was set for this year at an average of 3.5 stars over the period of time on site. 53 per cent of direct contractors achieved or exceeded this target, an increase of 13 per cent over the 2022/23 target. 25 per cent of housebuilder partners achieved the target and will require increased effort to encourage higher standards and participation in 2024/25. The commitment to engagement by our housebuilder partners and direct contractors during the year was recognised with a presentation to encourage improved engagement in the coming year.

The positive health and safety standards across the business are facilitated by a planned and monitored programme of audits and reviews, together with the setting of targeted action plans. Our performance is regularly reported and monitored by the Executive Management Committee, the Board and the Sustainability and Health & Safety Committee.

Health and Safety Award Winners

Lake activation day, Waterbeach

"

Continuing market headwinds have provided Urban&Civic with the opportunity of making the value accretive acquisition of L&Q Estates, a fellow land promoter and Master Developer."

DAVID WOOD —
GROUP FINANCE DIRECTOR

Value accretive acquisition compensates for low and slow sales rates for homes and land

Introduction

Maintaining higher interest rates and an easing, but still uncertain, inflationary environment have meant that our customers' customers, remain cautious when making their decision to buy a new home. This continuing demand-side drag makes housebuilders equally cautious, in terms of build rates and consequently land purchases.

In recent months, although buying interest across Urban&Civic's sites has increased, plot completions and land sales have remained lower than normalised levels. Residential sales equivalent to 993 plots were made in the year (2023: 1,408 plots), generating £83.5 million of cash for the Group (2023: £85.8 million), respectively 29.5 per cent and 2.7 per cent lower than last year.

The Group continues to enjoy significant forward contracted sales, totalling £107.5 million at 30 September (30 September 2023: £133.9 million).

As is often the case in the real estate sector, the less than buoyant economic conditions and continuing market headwinds have provided Urban&Civic with the opportunity of making the value accretive acquisition of L&Q Estates, a fellow land promoter and Master Developer. The £150.7 million purchase price was fully equity funded by the Wellcome Trust, our shareholder, and increased the number of Group owned, optioned and/or promoted sites by over 53,000 plots. The assessed fair value of the acquired net worth on 6 August 2024, the completion date, was £250.2 million, leading to the recognition of negative goodwill as detailed in note 25 of the financial statements.

Aside from the benefit provided by this acquired negative goodwill (especially at the EPRA level), other valuation uplifts (also at the EPRA level and totalling £22.2 million) have been modest, however, this is in stark contrast to the £84.2 million write down last year. Although valuers have not factored in a strong recovery in the financial year, the general direction of travel is positive, especially for land without consent in areas that have the hope of delivering housing (pointing to the expectation of an improved planning system under a new Government). Two farms in Urban&Civic's portfolio with such hope value have delivered £12.5 million of the £22.2 million uplift this year.

Introduction continued

Profits after tax fully reflects previous comments around low and slow sales rates for homes and land, which have resulted in a 66.4 per cent or £15.8 million fall in profits to £8.0 million. Sales pricing on the other hand has been robust.

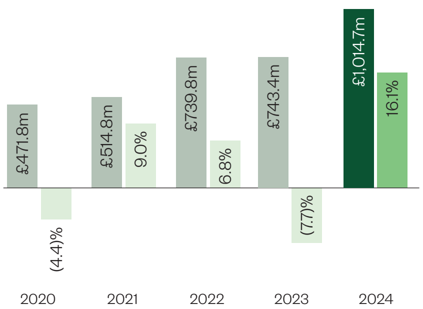
After adding back negative goodwill, and taking into account the highlighted movements, EPRA NTA annual return (a new KPI that calculates the annual return on opening EPRA NTA, adjusting for payments to (gift aid) and receipts from (equity) the Group's shareholder) was 16.1 per cent in the year (year to 30 September 2023: -7.7 per cent).

EPRA NTA

+36.5%

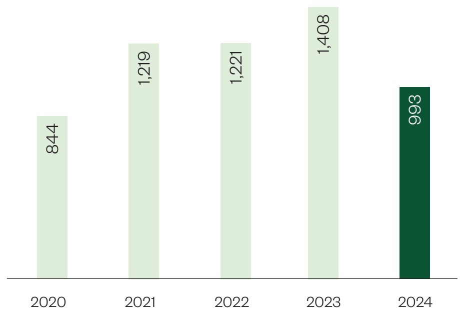
EPRA NTA annual return

16.1%



Plot completions

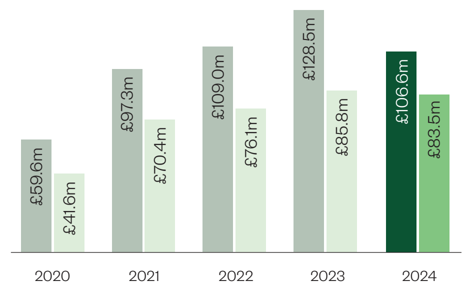
993



Cash generations from plot completions

£106.6m
(Total Strategic Sites)

£83.5m
(U&C share)



Key performance indicators

During the year, the Board has had an increasing focus on EPRA NTA annual return, which calculates the annual return on opening EPRA NTA, adjusting for payments to (gift aid) and receipts from (equity) the Group's shareholder. This measure better reflects the timings of flows to and from the shareholder than the previous EPRA NTA Adjusted KPI, which is no longer monitored by the Board. Otherwise, the Group's key performance indicators have remained stable in nature throughout the year.

The Group's principal key performance indicators, both financial and non-financial, are discussed further on pages 20 and 21.

Alongside EPRA NTA annual return, carbon footprint and enhanced biodiversity are also important measures that are used to assess the Group's progress towards Net Zero and are determining measures for significant proportions of Group-wide bonuses and Long Term Incentive Plan vesting.

	Year ended 30 September 2024	Year ended 30 September 2023	Annual increase/(decrease)
EPRA NTA (EPRA net tangible assets)	**£1,014.7m**	£743.4m	36.5%
EPRA NTA per share	**374.0p**	331.1p	13.0%
EPRA NTA annual return[1]	**16.1%**	(7.7)%	
Gearing – EPRA NAV basis[2]	**3.0%**	9.5%	
Strategic Site plot completions[3,4]	**993 plots**	1,408 plots	(29.5)%
Cash flow generation from plot completions (U&C share)[5]	**£83.5m**	£85.8m	(2.7)%
Profit after tax	**£8.0m**	£23.8m	(66.4)%

1. Represents the annual return on opening EPRA NTA, adjusting for payments to (gift aid) and receipts from (equity) the Group's shareholder.
2. The covenant applicable to the Group's revolving credit facility with HSBC.
3. Includes 754 actual plot completions (30 September 2023: 792) and land sales equivalent to 239 plots (30 September 2023: 616 plots), comprising: Alconbury: 132; Houlton: (16); Priors Hall: (76); Middlebeck: 139; Wintringham: 2; and Waterbeach: 58.
4. Actual plot completions include 146 plots at Alconbury (30 September 2023: 105); 209 at Houlton (30 September 2023: 169); 43 at Middlebeck (30 September 2023: 49); 142 at Priors Hall (30 September 2023: 165); 181 at Wintringham (30 September 2023: 284); and 33 at Waterbeach (30 September 2023: 20).
5. Represents Urban&Civic's share of cash generated by Strategic Site plot completions only.

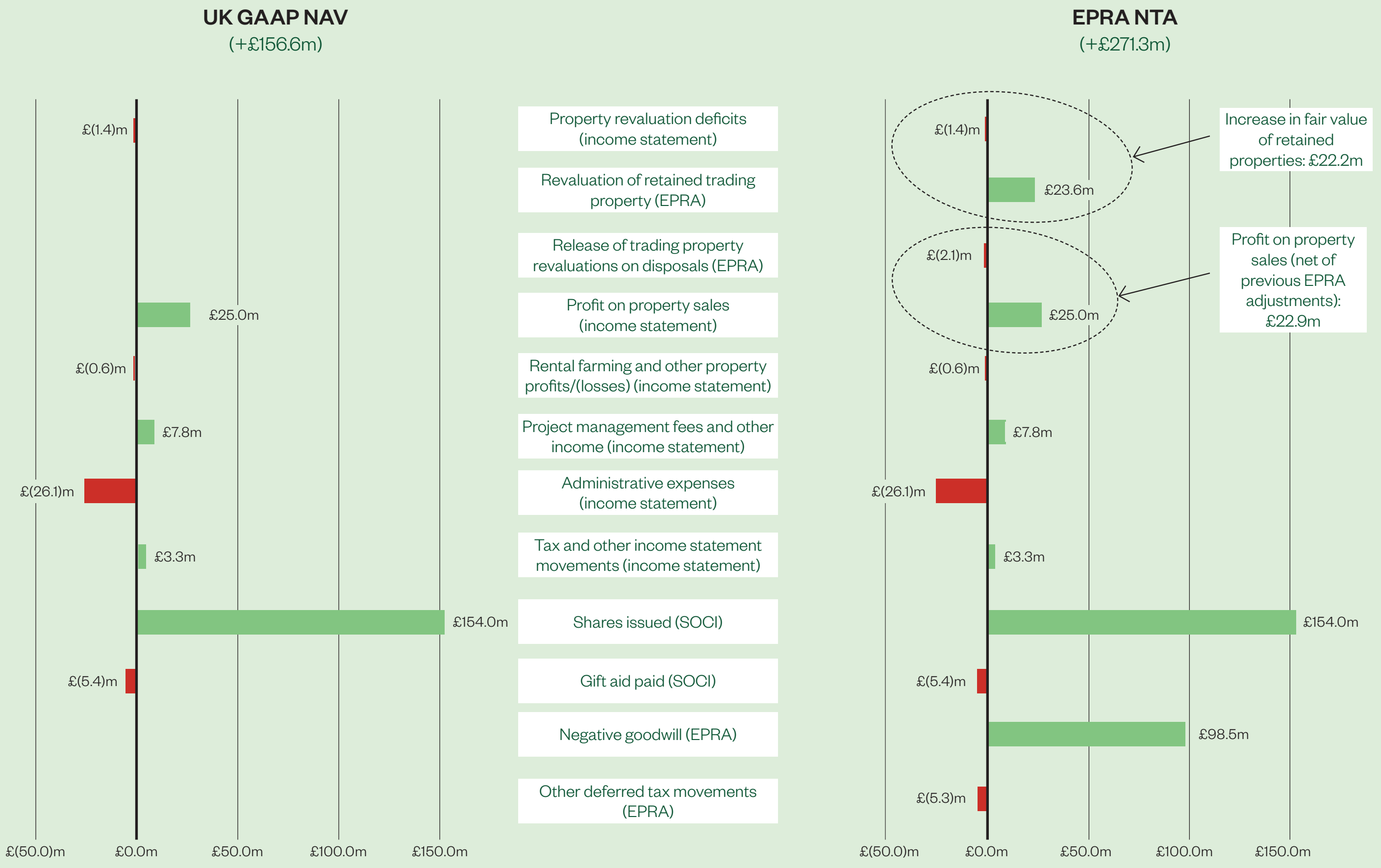
Urban&Civic continues to engage CBRE Limited to provide Red Book valuations for all its consented Strategic Sites (as well as certain other assets) and Strutt & Parker in respect of its farming assets. At 30 September 2024 91.1 percent of the Group's property interests were subject to valuation by CBRE and Strutt and Parker.

Net asset value – UK GAAP and EPRA

Presented below are two bar charts detailing the movements in UK GAAP NAV and EPRA NTA during the financial year.

Of the £271.3 million (36.5 per cent) increase in EPRA NTA in the year, £98.5 million attached to negative goodwill on the acquisition of L&Q Estates (a significant proportion of which represented fair value property uplifts above book value), £22.2 million related to revaluations of retained properties (including £12.5 million from farming assets), and £22.9 million was created through property sales. Against these increases, overheads (£26.1 million) and deferred tax on fair value uplifts (£5.3 million) were netted off.

Net asset value movement in the year



Consolidated statement of comprehensive income

Profit after tax fell £15.8 million in the year to £8 million, predominantly as a result of last year's sale of two farms at Coldham and Goole not being repeated (last year these sales contributed £27 million of profit).

The remaining £11.2 million of net improvement over last year, comprised higher profits on property sales, including discount unwinds (+£5.7 million), lower property revaluations deficits (+£11.8 million), amortisation of negative goodwill (+£1.1 million), increased overheads (-£7.9 million), higher tax charges (-£0.6 million), together with other movements of +£1.1 million.

The increase in profits on property sales included £5.9 million more of licence receipts at Alconbury (including minimum payments) and £1.6 million of additional land promotion profits.

The rise in overheads reflected an increase in headcount, bonuses and LTIP payouts and provisioning this year, and higher tax charges were driven in large part by increased tax rates and higher property valuations (which are discussed below).

The below table summarises the income statement, with joint ventures proportionately consolidated.

	Year ended 30 September 2024			Year ended 30 September 2023		
	Group £m	Joint ventures £m	Total £m	Group £m	Joint ventures £m	Total £m
Revenue	**62.4**	**9.6**	**72.0**	104.2	22.5	126.7
Profit on trading property sales[1]	**13.3**	**2.9**	**16.2**	7.4	4.1	11.5
Rental, farming, and other property profits/(losses)	**0.2**	**(0.8)**	**(0.6)**	0.5	(0.8)	(0.3)
Project management fees and other income[2]	**7.8**	**—**	**7.8**	6.4	—	6.4
Write back/(down) of trading properties[3]	**0.3**	**—**	**0.3**	(1.2)	—	(1.2)
Gross profit	**21.6**	**2.1**	**23.7**	13.1	3.3	16.4
Administrative expenses	**(26.1)**	**—**	**(26.1)**	(18.1)	(0.1)	(18.2)
Profit on disposal of investment property and freehold property[1]	**—**	**—**	**—**	27.0	—	27.0
Amortisation of negative goodwill	**1.1**	**—**	**1.1**	—	—	—
Deficit on revaluation of investment properties[3]	**(1.5)**	**—**	**(1.5)**	(9.8)	—	(9.8)
Impairment of freehold property[3]	**(0.2)**	**—**	**(0.2)**	(2.2)	—	(2.2)
Share of post-tax profit from joint ventures and impairment of investments in joint ventures	**3.1**	**(3.1)**	**—**	6.0	(6.0)	—
Unwinding of discount applied to long-term residential property sales receivables[1]	**5.9**	**2.9**	**8.8**	4.2	3.6	7.8
Tax and other income statement movements	**4.1**	**(1.9)**	**2.2**	3.6	(0.8)	2.8
Total comprehensive income – profit after tax	**8.0**	**—**	**8.0**	23.8	—	23.8

1. Classified as profit on property sales in the bar charts on the previous page: £25.0 million (30 September 2023: £46.3 million).
2. Recurring project management fees comprise £6.9 million of the total (30 September 2023: £6.2 million) and are earned through recharging administrative expenses to the Wellcome Trust (with regard to time spent on development manager duties on the expansion of the Wellcome Genome Campus, Hinxton) and joint venture partners (where Group employees are engaged in joint venture Strategic Site developments).
3. Classified as property revaluation deficits in the commentary and bar charts on the previous page: +£11.8 million movement in year reflects balances of £(1.4) million for the year to 30 September 2024 and £(13.2) million for the year to 30 September 2023.

Gift aid payments

The Group, through Wellcome's ownership, continues to enjoy the tax efficiencies associated with gift aid payments (where payments of profits to charities are not taxable). In the financial year, Urban&Civic paid £5.4 million of gift aid to Wellcome (30 September 2023: £17.0 million), reflecting lower profits in the year.

Consolidated balance sheet

The below tables reflect a summarised balance sheet, with joint ventures proportionately consolidated.

Overview

	At 30 September 2024			At 30 September 2023		
	Group £m	**Joint ventures £m**	**Total £m**	Group £m	Joint ventures £m	Total £m
Investment properties	**45.0**	**—**	**45.0**	107.2	—	107.2
Trading properties	**759.1**	**144.4**	**903.5**	391.1	138.9	530.0
Properties within PPE	**81.5**	**—**	**81.5**	76.6	—	76.6
Properties[1]	**885.6**	**144.4**	**1,030.0**	574.9	138.9	713.8
Other PPE	**1.2**	**—**	**1.2**	0.6	—	0.6
Negative goodwill	**(98.5)**	**—**	**(98.5)**	—	—	—
Investment in joint ventures and associates	**147.9**	**(147.9)**	**—**	136.7	(136.7)	—
Inventory	**1.1**	**—**	**1.1**	1.5	—	1.5
Trade and other receivables						
Non-current property[1]	**26.5**	**6.5**	**33.0**	44.2	13.1	57.3
Current – property[1]	**54.7**	**9.6**	**64.3**	40.8	12.9	53.7
Current – other	**48.9**	**4.7**	**53.6**	26.5	3.8	30.3
	130.1	**20.8**	**150.9**	111.5	29.8	141.3
Cash	**141.5**	**19.8**	**161.3**	100.6	13.2	113.8
Borrowings	**(173.4)**	**(12.5)**	**(185.9)**	(173.3)	(21.9)	(195.2)
Deferred tax liability (net)[2]	**(25.1)**	**—**	**(25.1)**	(7.2)	—	(7.2)
Trade and other payables – property[1]	**(27.4)**	**—**	**(27.4)**	(15.7)	—	(15.7)
Other net liabilities	**(127.2)**	**(24.6)**	**(151.8)**	(30.4)	(23.3)	(53.7)
UK GAAP NAV	**855.8**	**—**	**855.8**	699.2	—	699.2
EPRA NTA adjustments – property[1]	**64.3**	**14.7**	**79.0**	44.1	13.4	57.5
EPRA NTA adjustments – negative goodwill	**98.5**	**—**	**98.5**	—	—	—
EPRA NTA adjustments – tax[2]	**(18.6)**	**—**	**(18.6)**	(13.3)	—	(13.3)
EPRA NTA	**1,000.0**	**14.7**	**1,014.7**	730.0	13.4	743.4
UK GAAP NAV per share			**315.5p**			311.5p
EPRA NTA per share			**374.0p**			331.1p

1. Total property interests: £1,178.9 million (30 September 2023: £866.6 million).
2. Total deferred tax liability (net), including EPRA deferred tax: £(43.7) million (30 September 2023: £(20.5) million).

Property interests

Property interests are the most significant balance sheet component, as noted in the simplification table below.

	At 30 September 2024		
	UK GAAP NAV £m	**EPRA adjustments £m**	**EPRA NTA £m**
Property interests	**1,099.9**	**79.0**	**1,178.9**
Negative goodwill	**(98.5)**	**98.5**	**—**
Net debt	**(24.6)**	**—**	**(24.6)**
Grants classified as other creditors and deferred income	**(45.1)**	**—**	**(45.1)**
Deferred tax liability (net)	**(25.1)**	**(18.6)**	**(43.7)**
Other	**(50.8)**	**—**	**(50.8)**
Total	**855.8**	**158.9**	**1,014.7**

Urban&Civic's acquisition of L&Q Estates (which owned £248.3 million worth of property interests at completion), together with development works at the Group's Strategic Sites and current year property revaluation surpluses, net of contracted sales receipts (including trade receivables), have largely been responsible for the £312.3 million increase in property interests during the year.

Movement in property interests in year

	UK GAAP £m	EPRA adjustments £m	EPRA £m
At 1 October 2023	809.1	57.5	866.6
Acquisitions (L&Q Estates)	248.3	—	248.3
Capital expenditure and additional receivables	96.9	—	96.9
Disposals, depreciation, write downs, receipts and other	(53.0)	—	(53.0)
Revaluation of property	(1.4)	23.6	22.2
Release of trading property revaluations on disposals	—	(2.1)	(2.1)
At 30 September 2024	**1,099.9**	**79.0**	**1,178.9**

Of the £248.3 million worth of property acquired through the purchase of L&Q Estates, rolled back CBRE valuations were used to support £202.1 million (or 81.4 per cent) of the total and Directors valued £46.2 million (or 18.6 per cent). These valuations underpinned the calculation of the £99.6 million of negative goodwill (see note 25 of the financial statements for further details).

At the year end, and as previously highlighted, CBRE (valuer of Strategic Sites and certain other assets) and Strutt & Parker (valuer of farming assets) valued 91.1 per cent of the Group's property interests and, after taking into account the L&Q Estates acquisition, other additions and disposals, Executive Directors' valuations and these third party valuations, property values in respect of retained properties have increased by c.2.6 per cent (or £22.2 million).

The most significant component of this increase related to planning hope values at two of the Group's farms which generated 12.5 million or 56.3 per cent of the uplift.

Limited market sales evidence at the Group's Strategic Sites, resulted in the valuations keeping current day serviced land values and discount rates at last year's levels, which restricts uplifts to how much the valuers anticipate land prices growing faster than cost prices over time. This year, unlike last year, the valuers have assumed modest growth over the next 12 months, which has seen Strategic Sites starting to increase in value again (up 1.7 per cent as opposed to the 10.9 per cent fall last year).

Financial resources and capital management

Cash balances have increased by £47.5 million compared to last year on a look-through basis (£161.3 million at the year end compared to £113.8 million at 30 September 2023). This is predominantly the result of £65.8 million of cash being acquired in August 2024 when Urban&Civic purchased L&Q Estates (using equity funding received from the Wellcome Trust). Details of this £154.0 million share issue to Wellcome can be found in note 21 of these accounts.

In addition to the share capital subscribed in the year, cash generation from plot completions (£83.5 million on a look-through basis) and new loans (£6.1 million in subsidiaries and £Nil in respect of Urban&Civic's share of new joint venture borrowings) have been used to fund £112.5 million of capital expenditure and overheads, make £5.4 million of gift aid payments to the Wellcome Trust and repay loans of £29.9 million (£19.0 million in respect of subsidiaries and £10.9 million for Urban&Civic's share of joint venture borrowings).

The Group continues to seek sufficient and supportive funding lines in order to maintain construction activities and provide funds for opportunistic investment at any point in time. At the year end, Urban&Civic benefited from £110.9 million of undrawn facilities (including £80.0 million under a revolving credit facility) and £107.5 million of forward contracted sales (30 September 2023: £133.9 million), including £68.4 million (30 September 2023: £119.4 million), at the Group's Strategic Sites where servicing in respect of the contracted land parcels has already been completed.

The Group's net debt position at 30 September 2024 totalled £31.9 million (30 September 2023: £72.7 million), producing a net gearing ratio of 3.7 per cent (30 September 2023: 10.4 per cent) on a UK GAAP NAV basis and 3.0 per cent (30 September 2023: 9.5 per cent) on an EPRA NAV basis. Look-through gearing levels are lower due to cash held on deposit by joint ventures (awaiting recycling into further site infrastructure or loan repayment) exceeding borrowings.

Homes England continues to account for a significant proportion of Group borrowings (96.9 per cent of all borrowings on a look-through basis) with local authorities and other Government bodies accounting for a further 1.0 per cent. The weighted average loan maturity at 30 September 2024 was 5.9 years (30 September 2023: 6.4 years) and weighted average cost of borrowing on drawn debt was 8.2 per cent (30 September 2023: 7.8 per cent). All borrowings are at floating rates, mostly linked to the EC reference rate.

	At 30 September 2024				
	Group[1] £m	Proportion of Group borrowings	Joint ventures[2] £m	Look-through £m	Proportion of look-through borrowings
Homes England	**173.8**	**98.9%**	**8.8**	**182.6**	**96.9%**
Corporate RCF	**—**	**—**	**—**	**—**	**—**
Manchester New Square	**—**	**—**	**3.9**	**3.9**	**2.1%**
Huntington District Council	**2.0**	**1.1%**	**—**	**2.0**	**1.0%**
Borrowings before loan arrangement costs	**175.8**	**100.0%**	**12.7**	**188.5**	**100%**
Loan arrangement costs	**(2.4)**		**(0.2)**	**(2.6)**	
Borrowings after loan arrangement costs	**173.4**		**12.5**	**185.9**	
Cash	**(141.5)**		**(19.8)**	**(161.3)**	
Net debt/(cash)	**31.9**		**(7.3)**	**24.6**	
EPRA NAV (note 23)	**1,062.5**			**1,062.5**	
EPRA NAV gearing	**3.0%**			**2.3%**	

1. Group borrowings do not include £27.3 million of LUF, LEP and Local Authority grants given to Middlebeck, Newark, which are classified as an "deferred income".
2. Joint venture borrowings do not include U&C's 50 per cent share of the £35.5 million of amortising grant from the DfE, which is classified as an "other creditor" within the Houlton joint venture.

The Group's only gearing covenant, which attaches to the £80 million revolving credit facility with HSBC that was increased by £40 million and extended to 20 December 2028 in the year, has a limit of 40 per cent and is based on borrowings (on a non-look-through basis) and EPRA NAV (a non-standard metric).

Other principal loan covenants (which are predominantly associated with Homes England loans) are based on loan to value ratios attaching to specific property assets (which typically range between 40 per cent and 80 per cent); loan to cost ratios applicable to the Waterbeach Homes England facility (50 per cent); and loan to GDV ratios in respect of the Newark and Waterbeach Homes England facility (of between 20 per cent and 25 per cent).

The Group was covenant compliant in the 12 months to 30 September 2024 and is forecast to remain so throughout the going concern review period. Stress testing scenarios and mitigating actions have been identified and particular attention has been paid to the Group's assumptions around non-contractual receipts and non-committed expenditure. LTV covenant headroom has also been assessed.

The Group had one loan facility maturing within the next 12 months at the year end, namely the £7.9 million drawn by the Manchester New Square joint venture (used to fund the development of 351 city centre residential apartments). This facility has been subsequently refinanced as noted below.

Post-balance sheet matters

In October 2024, and in line with contractual arrangements governing the Group's 50 per cent investment in the Manydown Strategic Site, Urban&Civic Manydown Limited provided an initial loan sum of £25.5 million to its joint venture partner, which was used to acquire the freehold of Manydown North. This land acquisition satisfied the last condition attaching to the joint venture development agreement, which means the first phase of construction can commence.

On 12 November 2024, the Manchester New Square joint venture extended the £7.9 million loan facility with Greater Manchester Combined Authority by 12 months, in response to slower sales rates. The additional duration is expected to be sufficient to fully repay the loan out of remaining sales proceeds. On 29 November 2024, the £5.1 million Homes England loan facility within the SUE Developments joint venture was repaid in full.

On 19 December 2024, the Group made £24.0 million of gift aid payments to the Wellcome Trust in respect of profits generated by L&Q Estates in the year ended 31 March 2024.

David Wood
Group Finance Director
22 January 2025

The strategic report contained on pages 4 to 69 was approved by the Board on 22 January 2025.

On behalf of the Board

Nigel Hugill
Chief Executive

Governance


Board site visit, Priors Hall Park

"Good governance is important to Urban&Civic and provides our stakeholders with the assurance that it operates in a manner that is consistent with its purpose, vision and values."

PETER PEREIRA GRAY —
CHAIRMAN

Corporate governance review

This section of the Annual Report contains the following reports:

Chairman's introduction

Good governance is important to Urban&Civic and provides our stakeholders with the assurance that it operates in a manner that is consistent with its purpose, vision and values in pursuit of its strategic objectives.

For the year ended 30 September 2024 Urban&Civic continued to apply the Wates Corporate Principles (the 'Principles') for Large Private Companies, under The Companies (Miscellaneous Reporting) Regulations 2018, which are available on the FRC website:

www.frc.org.uk/library/standards-codes-policy/corporate-governance/the-wates-corporate-governance-principles-for-large-private-companies/

Aside from building an understanding of how the Group goes about its business, the six Principles help to identify where Urban&Civic is falling short or where the bar could be raised higher.

We have benefited from a stable Board throughout the year and our senior management team has only seen one change, where a longstanding senior employee, in the role of Group Director of Project Management, retired and was succeeded internally.

In addition to this experienced and supportive management team, our governance structure continues to mature. Last year a new Sustainability and Health & Safety Committee was formed, to oversee philosophy, strategy, policies, procedures and reporting in the globally significant area of sustainability, and for Urban&Civic the operationally significant area of health and safety. I am pleased to report the new Committee met twice in the year, providing the Directors with more time to focus on these key matters.

The Wates Principles signpost overleaf sets out a brief overview of compliance for each Principle and also provides a cross-reference to where you will find further explanatory detail.

Peter Pereira Gray
Non-Executive Chairman
22 January 2025

Board site visit to Priors Hall Park

Signpost

Principle	Report section	Description	Page
THE NORTH STAR			
1 **Purpose and leadership** Read more on page 6	Purpose, vision and values	What Urban&Civic primarily achieves and aims to achieve by being in business.	Pages 6 and 7
	At a glance	Portfolio and segmental overview and details of key partners, customers and other stakeholders	Pages 4 and 5
	Our business model	High level explanation of the Group's business model (approach, key resources utilised and key stakeholder outcomes).	Pages 6 and 7
	Our strategy	Details of the Group's five strategic objectives, including descriptions of progress in the financial year and objectives for 2024/25.	Pages 18 and 19
	Board's role in corporate governance	High level explanation of how the Board oversees operations so that high corporate governance is maintained.	Page 75
	Board operations and activities	Details of how the Board has applied governance in respect of strategic or operational decisions in 2023/24.	Pages 81 to 83
CHARACTERISTICS OF GOVERNANCE			
2 **Board composition** Read more on page 75	Board composition	Board expertise and biographies.	Pages 76 and 77
	Nomination and Governance Committee	Balance and diversity of the Board, senior executives and other employees, and committee membership.	Pages 84 and 85
	Audit, Remuneration and Sustainability and Health & Safety Committees	Committee membership.	Pages 86 to 95
3 **Director responsibilities** Read more on page 98	Corporate governance structure and division of committee responsibilities	Board committee structure, division of committee responsibilities and Chairman and Executive Director roles and responsibilities.	Pages 78 and 79
	Board operations and activities	Details of key activities.	Pages 81 to 83
	Nomination and Governance, Audit, Remuneration and Sustainability and Health & Safety Committees	Details of meetings (including attendance), key activities in 2024/25 and key priorities for 2024/25.	Pages 84 to 95
SPECIFIC MATTERS			
4 **Opportunity and risk** Read more on page 33	Our strategy	Details of trading opportunities in line with the Group's strategic objectives.	Pages 18 and 19
	Operational review	Consideration of actions taken during the year and the consideration of operational and strategic opportunities such as BtR.	Pages 22 to 25
	Our sustainability approach	Review of performance against our metrics and opportunities to further address our universal challenges of Climate Change, Biodiversity and Health and Wellbeing.	Pages 42 to 61
	Board operations and activities	Details of how opportunities are generated and appraised.	Pages 81 to 83
	Key risks	Details of risk environment, risk management framework, principal areas of focus in 2023/24, principal risks (including heatmap, impact of risk, key controls and mitigations, typical risk indicators and movement description).	Pages 33 to 41
5 **Remuneration** Read more on page 88	Remuneration Committee	Remuneration at a glance discloses the CEO pay ratios when last reviewed in September 2024.	Page 90
		Current approved remuneration policies for Executive Directors, other employees and Non-Executive Directors.	Pages 91 and 92
		Chief Executive's remuneration and reward scenarios.	Page 93
6 **Stakeholder relationships and engagement** Read more on page 26	Our stakeholders	Explains how we have engaged with our stakeholders at all levels of the business and provides illustrations of how stakeholder considerations have influenced decisions and created opportunities.	Pages 26 to 32
	Case studies	Examples of specific activities and innovations providing illustrations of how we have delivered on our values, striven for our capitals and achieved our metrics.	Pages 28 to 32

The Board's role in corporate governance

Introduction

The Board is responsible for setting and reviewing the Group's purpose, vision and values which help underpin Urban&Civic's strategy, business model (see pages 6 and 7) and culture.

Purpose, vision and values, as well as culture, remain important areas for the Board to consider in the annual meeting schedule. These key messages and corporate qualities are internally reinforced by management through induction programmes, annual away days, training courses, employee awards and employee surveys.

Generally, when Urban&Civic issues corporate documentation (such as bids or tenders), our purpose, vision and values have an upfront, context setting role.

The Board seeks to ensure that in pursuit of the Group's aims and objectives (pages 18 and 19), the structure and function of Urban&Civic facilitates compliance with all regulatory and governance requirements and guidelines in relation to its activities, including financial reporting and accounting matters, refreshment and diversity of the Board, succession planning, remuneration and sustainability.

During the year, a new schedule of shareholder reserved matters was adopted by the Board, which provides the Board guidance on when it should seek to notify and/or receive additional formal approvals from the shareholder. Such matters include material changes in governance and/or strategy.

Membership and meetings

The Board held four scheduled meetings during the year, five ad hoc Board meetings, one Board sub-committee meeting, a strategy meeting and two further briefing meetings. The five unscheduled ad hoc Board and Board sub-committee meetings were convened to consider the acquisition of L&Q Estates and approve the associated share issue (comprising a further £154 million of capital injected by Wellcome) as well as the 2023 Annual Report.

In addition to these meetings, Board members undertook at least one site visit.

Current Directors		Date of appointment	Date of resignation	Tenure as at 30 September 2024	Meeting attendance[2]
Peter Pereira Gray	Chairman	21 January 2021		3 years 8 months	**10/10**
Nigel Hugill	Chief Executive	22 May 2014		10 years 4 months	**10/10**
Robin Butler	Managing Director	22 May 2014		10 years 4 months	**10/10**
David Wood	Finance Director	1 July 2016		8 years 3 months	**10/10**
Rosemary Boot[1]	Independent Non-Executive Director	18 February 2021/ 10 May 2019	21 January 2021	5 years 4 months	**10/10**
Bill Holland[1]	Independent Non-Executive Director	18 February 2021/ 6 February 2020	21 January 2021	4 years 7 months	**10/10**
Lisha Patel	Non-Executive Director	21 January 2021		3 years 8 months	**10/10**

1. Rosemary Boot and Bill Holland resigned on the Wellcome Trust's takeover of Urban&Civic but were subsequently reappointed.
2. Scheduled Board, ad hoc Board and strategy meetings only (i.e. not Board committee or briefing meetings).

Board composition

Introduction

The Board comprises three Executive Directors and four Non-Executive Directors, two of whom have, or have recently had, Wellcome Trust connections and two of whom are independent of both Urban&Civic and Wellcome. The Board reviews its composition and the membership of the Board committees annually and is of the opinion that the Board and committee structure continues to operate efficiently and effectively.

The Board reviews and assesses the knowledge, skills, experience and independence of Directors and is satisfied that they carry out their duties and responsibilities effectively. A skills matrix is presented overleaf.

The balance of the Board is taken into account when considering any new appointments and the appointment process.

An experienced Board

Peter Pereira Gray
Non-Executive Chairman

N A R S

Date of appointment
21 January 2021

Career Peter retired from his executive responsibilities at Wellcome in September 2022, and from his non-executive role in October 2024. He is chairman of Premier Marinas Holdings Limited and is an honorary vice president of Cambridge University Land Society, a life member and past chairman of the Investment Property Forum, and a life fellow of the Royal Society of Arts.

External appointments Peter is deputy chair of the Bank of England Residential Property Forum, an investment committee member for Trinity College Cambridge and chair of the advisory board to the London School of Economics Master's in Real Estate, Economics and Finance course. Peter was the author of the RICS Independent Review of Property Investment Valuations in January 2021.

Robin Butler
Managing Director

E S

Date of appointment
22 May 2014

Key responsibilities Robin has overall responsibility for the operational performance of the Group's business and for the overall management of the regional offices.

Career Robin joined Elliott Bernerd in 1985 and in 1986 became a founding director of Chelsfield plc and was a main board director until the sale of the business in 2004. At Chelsfield he was involved in regeneration projects of metropolitan scale and international significance, including Merry Hill, Paddington Basin, White City (now Westfield) and Stratford City in London. He joined Lend Lease Europe in 2005 and was appointed chief executive in 2006. Robin was a founding director of Urban&Civic Limited, which was a precursor to Urban&Civic plc, with Nigel Hugill in 2009.

External appointments None.

Nigel Hugill
Chief Executive

E

Date of appointment
22 May 2014

Key responsibilities Nigel is responsible for the development and achievement of Group objectives and strategy, as approved by the Board.

He ensures effective communication with stakeholders.

Career Nigel has held numerous senior positions within the property and regeneration industry over a career spanning over 35 years, including serving as special policy adviser to Sir Bob Kerslake at the HCA. He was chief executive officer of Chelsfield plc from 1992 to 2005 and executive chairman of Lend Lease Europe from 2005 to 2008, having joined the company through the joint acquisition of the residential developer Crosby. Nigel was a founding director, along with Robin Butler, and executive chairman of Urban&Civic Limited, which was established in 2009 and was a precursor to Urban&Civic plc. He was presented with the Estates Gazette Lifetime Achievement Award in 2016 and was awarded an Honorary Fellowship by the London School of Economics in 2020.

External appointments Nigel is chairman of the respected urban think tank Centre for Cities.

David Wood
Group Finance Director and Company Secretary

E S

Date of appointment
1 July 2016

Key responsibilities David is responsible for financial strategy, treasury, management and statutory reporting and tax.

Career David previously held senior finance positions at Minerva plc, Multiplex Developments and Chelsfield plc. David is a qualified chartered accountant and has over 25 years of experience in the real estate sector.

External appointments None.

Rosemary Boot
Independent Non-Executive Director

N A R S

Date of appointment

18 February 2021 (reappointed post-Wellcome Trust takeover, having been initially appointed on 10 May 2019 and resigning on 21 January 2021)

Career Rosemary was the chief financial officer of Future Cities Catapult, one of a network of technology and innovation centres established by the UK Government. She also worked at Circle Housing Group and was involved in setting up the Government-owned Low Carbon Contracts Company and Electricity Settlements Company. From 2001 to 2011 she was group finance director of the Carbon Trust, and prior to that, she worked for 16 years as an investment banker primarily advising large, listed UK companies on mergers and acquisitions.

Rosemary's recent non-executive roles include Southern Water Services (water utility) and Green Alliance (environment think tank).

External appointments Rosemary is a non-executive director of Care REIT plc, Nido Living and Triple Point Energy Transition plc. She is also a co-founder and director of Chapter Zero, an organisation that seeks to equip and inspire non-executive directors to lead from the boardroom on climate change as a business issue.

Bill Holland
Independent Non-Executive Director

N A R S

Date of appointment

18 February 2021 (reappointed post-Wellcome Trust takeover, having been initially appointed on 6 February 2020 and resigning on 21 January 2021)

Career Bill specialised in the provision of audit and accounting services to property companies in KPMG's real estate practice for 25 years, and as a senior partner for 19 years, until August 2019. He was responsible for the audit of a wide range of property companies and funds encompassing investors, developers, housebuilders and surveyors in the listed and private sectors. He also sat on the finance committees of the British Property Federation and INREV, and on a working committee of The Association of Real Estate Funds. Bill is a fellow of the Institute of Chartered Accountants in England and Wales.

External appointments Bill is non-executive director and chair of the audit committee of CLS Holdings plc and Ground Rents Income Fund plc. He is a governor at Winchester College, chairing the estate committee and sitting on the finance committee.

Lisha Patel
Non-Executive Director

N A R S

Date of appointment

21 January 2021

Career Lisha is a managing partner of Wellcome Investments, and will be the co-chief investment officer from 1 April 2025. She serves on Wellcome's investment committee and has been at Wellcome since 2006, working across multiple asset classes including building the investment portfolio's direct private investment capability. Lisha was previously at Lazard in its corporate finance practice and read Economics and Management at the University of Oxford.

External appointments Lisha chairs the Investment Committee of Pembroke College, Oxford, and is an external member of the Investment Committee of the Honourable Society of the Middle Temple and of the Endowment Board of Imperial College London.

Expertise	Property industry	Project management	Health and safety	Environment knowledge	Governance	Finance
Peter Pereira Gray	High	Good	High	Limited	High	Good
Rosemary Boot	Good	Limited	Good	High	High	High
Bill Holland	Good	Good	Limited	Limited	High	High
Lisha Patel	Good	Limited	High	Good	High	High
Nigel Hugill	High	High	Good	Good	High	High
Robin Butler	High	High	Good	Good	High	Good
David Wood	High	High	Good	Good	High	High

High skillset Good skillset Limited skillset

Committee key

- A Audit Committee
- N Nomination and Governance Committee
- R Remuneration Committee
- S Sustainability and Health & Safety Committee
- E Executive Management Committee[1]
- Committee Chair

1. Not a Board committee.

Corporate governance structure and division of committee responsibilities

Board committee structure

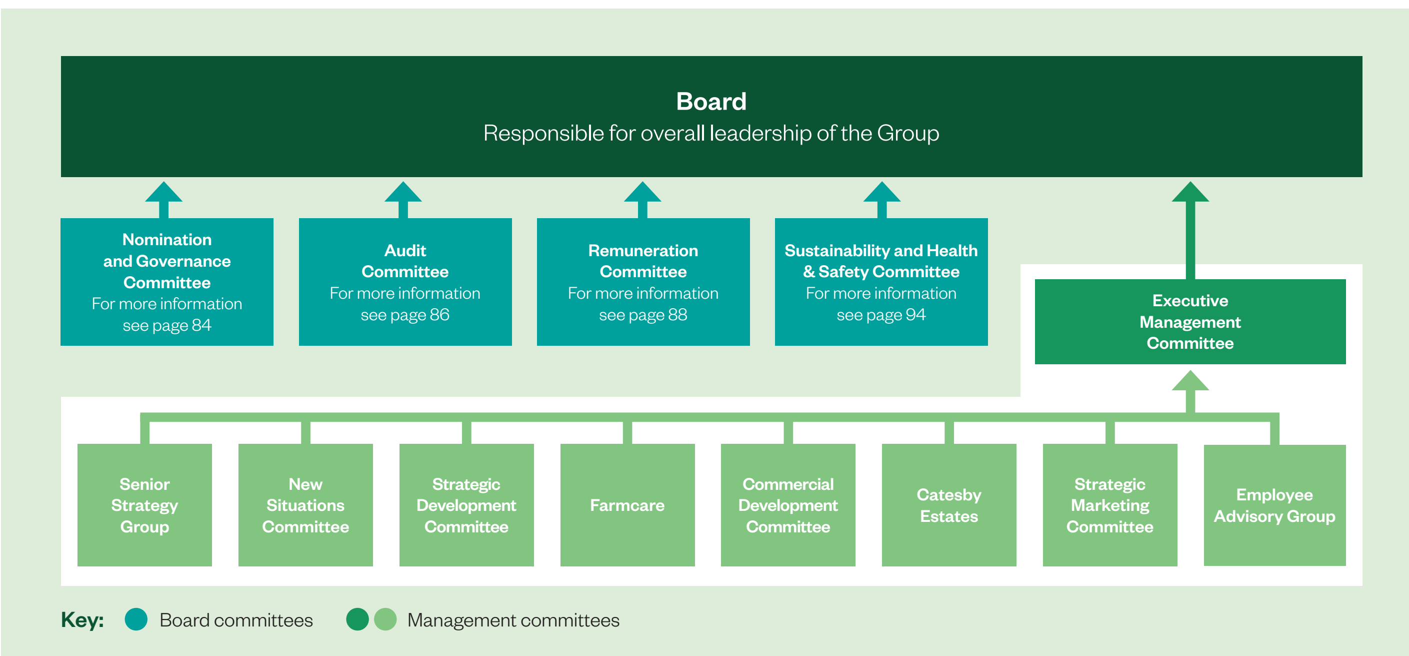
The Board has established four Board committees, the Nomination and Governance, Audit, Remuneration and Sustainability and Health & Safety Committees.

The Board delegates specific areas of responsibility to each committee, with a clear division of responsibilities in place.

Each of the committees has the authority to make decisions in accordance with this delegation, as set out in its terms of reference, which are reviewed on an annual basis, to take into account changes in regulations and/or best practice. Any amendments to a committee's terms of reference are subject to Board approval.

The Board also approves terms of reference for the Executive Management Committee (EMC), whose members represent the senior management of the Group (the composition of the EMC can be found on page 79).

No changes are considered necessary to the current corporate governance structure, following the acquisition of L&Q Estates, as that business will be fully integrated into the existing business processes and structures during 2025.



Division of committee responsibilities

Board of Directors

The key responsibilities of the Board are leadership and direction, setting the Company's purpose, vision and values as well as its aims, strategy, objectives and standards. The Board is responsible for the achievement of the long-term sustainable success of the Company and the generation of value for its shareholder, the Wellcome Trust, and its employees and other stakeholders.

A key role of the Board is to understand the views of stakeholders and to consider their interests and the matters set out in section 172 of the Companies Act 2006 in Board discussions and decision making. Further details can be found in the section 172 statement on pages 27 to 32.

The Board has overall responsibility for the financial performance of the Group, health and safety management and reporting, environmental and sustainability policies, reporting the maintenance of effective risk management and internal control systems, the approval of procedures for the detection of fraud and the prevention of bribery, and review of the Group's whistleblowing policy and related reporting.

Significant matters, such as material acquisitions and disposals, are subject to not only the approval of the Board, but also the approval of the shareholder (in accordance with an approved schedule of reserved matters).

The Board has delegated the oversight of the Group's governance framework to the Nomination and Governance Committee but retains overall responsibility for corporate governance, including the approval of all core Group policies and ESG. Further delegations to the Audit Committee, Remuneration Committee and Sustainability and Health & Safety Committee are explained below.

The Board is responsible for the assessment and monitoring of culture and seeks to ensure that policies, practices and behaviour throughout the Group are consistent with the Company's culture and values and support its long-term sustainable success. This is carried out in conjunction with all Group committees, both Board and management, and by engagement with employees.

Board committees

Nomination and Governance Committee

The key responsibilities of the Nomination and Governance Committee ('Nomcom') are to review the structure, size and composition of the Board and its committees and to manage succession planning for the Board and senior management. The Nomcom oversees the recruitment and induction process for new Directors and oversees Board performance evaluation. The remit of the Nomcom includes the development and review of the Group's governance framework and overseeing and monitoring all matters relating to corporate governance. The encouragement of employee diversity and equal opportunities is also a key focus and responsibility for the Committee.

Audit Committee

The Audit Committee (AC) is responsible for the Group's financial and non-financial reporting and for the integrity of the financial statements.

The AC oversees and monitors the risk management framework and oversees and monitors internal controls and the work of internal audit. It also supervises the relationship with the external auditor.

Remuneration Committee

The Remuneration Committee ('Remcom') reviews and recommends to the Board the remuneration policy for Executive Directors and the structure of remuneration for senior management. It oversees employee remuneration and related policies, ensuring alignment with the Directors' remuneration policy. The Remcom is responsible for the review and assessment of the Executive Directors' objectives and achievements and the determination of the remuneration packages of the Executive Directors and senior management.

Sustainability and Health & Safety Committee

The Sustainability and Health & Safety Committee (SHASC) is responsible for recommending to the Board the philosophy, strategy and new policy with regard to the Group's approach to sustainability and health and safety and for overseeing delivery.

The SHASC is also responsible for advising on sustainability and health and safety risk management and mitigation matters as well as monitoring compliance, measuring performance against targets (including remuneration targets) and seeking to ensure that emerging standards, legislation and regulations are embedded into the Group's approach.

Management committees

Executive Management Committee (EMC)

Although the Group's management committees are non-Board committees, they are overseen by Executive Directors and report to the Board through the EMC.

The key function of the EMC, which is chaired by the Managing Director, is to oversee the implementation of Board strategy and policies and to provide feedback and recommendations from the executive team and the workforce to the Board. The EMC's role is to support the Board in the performance of its duties within the authority set out in its terms of reference, which cover areas such as strategy, operational plans, policies (including HR and employee remuneration), procedures and budgets, sustainability and health and safety reporting and the monitoring of operating and financial performance against targets, objectives and key performance indicators set by the Board. The EMC will examine all investments, realisations and major capital expenditure proposals prior to recommendation to the Board and is responsible for optimising the allocation and adequacy of the Group's resources. The EMC assesses and monitors risk and internal controls and reviews the risk register at each meeting.

Other management committees

Management committees	Key role
Senior Strategy Group	Overview and implementation of Group strategy
New Situations Committee	Oversight of new and potential pipeline projects
Strategic Development Committee	Oversight and reporting on strategic land projects
Commercial Development Committee	Oversight and reporting on commercial projects
Catesby Estates	Oversight and reporting on the Group's land promotion business
Farmcare	Oversight and reporting on the Group's farming assets
Strategic Marketing Committee	Oversight of the Group's communications functions (internal, external and site wide) and marketing strategies
Employee Advisory Group	Interface between workforce and management. Employee body with Managing Director attendance by invite

Board leadership and Director roles and responsibilities

Board leadership

The Board is responsible for not only the design and operation of the committee structure noted previously, but also the appointment of the Chairs and members of Board committees and makes these decisions following recommendation by the Nomination and Governance Committee and in consultation with the relevant committee Chair.

Following each Board committee meeting, a committee Chair will provide a report to the Board setting out the activities and decisions of the Board committee and, where necessary, seeking further guidance from or making recommendations to the full Board. Minutes of all Board committee meetings, and a summary of associated action points, are also circulated to all Directors following each meeting.

Director roles and responsibilities

The Board has established a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business. Key responsibilities include:

Chairman – Peter Pereira Gray

Key responsibilities:

- Leadership of the Board.
- Ensure constructive communication between Executive and Non-Executive Directors.
- Primary responsibility for the shareholder relationship, with a view to ensuring appropriate shareholder communications and approvals (through monitoring of the shareholder reserved matters schedule) are maintained.
- Ensure appropriate delegation of authority from Board to management.
- Promotion of high standards of corporate governance.
- Ensure that new Directors participate in an appropriate induction programme and that the ongoing development needs of the Directors are met.
- Ensure that the performance of the Board, committees and individual Directors is assessed at least annually.
- Representation of the Company to other stakeholders.

Common for all Executive Directors

Key responsibilities:

- High quality leadership and management of employees.
- Ensure a strong value generation discipline across the business, with a focus on site profitability and diversification (including wider residential tenures and leisure and commercial uses) to deliver shareholder expectations.
- Embed and implement a strong sustainability culture and strategy in the business, with associated reporting metrics.
- Embed and implement a Board approved Net Zero strategy for Scope 1, 2 and 3 business emissions.
- Oversee a strong Equality, Diversity and Inclusion (ED&I) culture across the business.
- Oversee the drafting, presentation and subsequent implementation of a Board approved business plan.
- Maintain and implement the Board approved succession plan.

Chief Executive – Nigel Hugill

Key responsibilities:

- Ultimate executive responsibility for good governance practice across the business.
- Lead responsibility for the creation and maintenance of strong political connections at national and local level.
- Primary executive responsibility for capital allocation decisions across the business.
- Primary executive responsibility for the shareholder relationship.
- Primary responsibility for the implementation of the Board approved business succession plan.
- Oversight and execution of the Hinxton Development Management Agreement, in line with shareholder approved parameters.
- Primary responsibility for the relationship with Homes England (the Group's principal lender).
- Promotion of positive engagement with other stakeholders.

Managing Director – Robin Butler

Key responsibilities:

- Primary responsibility for delivering Board approved projects on time and on budget.
- Secondary executive responsibility for capital allocation decisions across the business.
- Primary responsibility for the oversight and execution of the potential rollout of Board approved alternative delivery strategies and tenures.
- Secondary responsibility for good governance practice across the business.
- Primary responsibility for good operational governance.
- Primary responsibility for the management of the relationships with external valuers and oversight of any tender process.
- Primary responsibility for the human resources plan for the business.
- Primary responsibility for health and safety across the business and at operational sites.
- Primary responsibility for housebuilder relationships.
- Secondary responsibility for the implementation of the Board approved business succession plan.
- Day to day responsibility for risk management, internal controls and health and safety.

Group Finance Director and Company Secretary – David Wood

Key responsibilities:

- Leadership, development and management of the finance team.
- Primary responsibility for the development and management of high quality Board, internal and external reporting.
- Primary responsibility for the management of relationships with internal and external auditors and valuers.
- Primary responsibility for the management of relationships with banks and secondary responsibility for the management of the relationship with Homes England.
- Secondary responsibility for the management of the relationships with external valuers and oversight of any tender process.
- Manage day to day information technology requirements.
- Fulfil Company Secretary role to the Board and its committees.

Board operations and activities

Operations of the Board

Directors receive detailed agendas and supporting papers in advance of all Board and committee meetings. The agendas for each scheduled Board meeting are based on a yearly programme (documented in the Board planner and reflecting the Board's standing responsibilities).

The Board papers contain market, property, health and safety, sustainability, financial, governance, risk and internal control updates together with other papers relating to specific agenda items, such as matters arising from previous meetings or investment opportunities to be considered by the Board (discussed in more detail below). These papers are supplemented at meetings by presentations and verbal updates by the Executive Directors, members of senior management or external advisers where appropriate. In between the scheduled Board meetings, ad hoc and transactional papers are circulated to the Directors as required. Non-Executive Directors regularly discuss the content and detail of papers circulated to the Board and provide feedback and requests to the Executive Directors where they feel that the provision of information is insufficient for their needs.

There is a culture of open communication between Non-Executive and Executive Directors and the wider workforce with reports at each Board meeting by the Managing Director on meetings of the EMC and the Employee Advisory Group (EAG).

Minutes of Board and Board committee meetings are circulated to all Directors after each meeting and are included in the following Board or Board committee pack for formal approval. This ensures the opportunity for review prior to Board approval, enabling the Directors to confirm that the minutes provide an accurate record of the discussions held and the decisions taken. Any unresolved concerns by Directors about the operation of the Board or the management of the Company will be recorded in Board minutes. During the year, no such concerns were raised.

A detailed action list (of matters arising) is circulated following each meeting and the Group Finance Director co-ordinates the agendas and Board papers for the following meeting. This ensures good discipline in tracking action points and their follow-up.

Opportunities considered by the Board

The Board seeks out opportunities, through Urban&Civic's dedicated new situations team, which are aligned to the Group's risk appetite and meet Board approved investment criteria.

This dedicated team reports to the Chief Executive, Managing Director and New Situations Committee, and has responsibility for bringing new opportunities to the EMC and ultimately the Board for review and approval if appropriate.

Additionally, the Non-Executive Directors and shareholder, on occasion, generate leads through day to day connections and operations.

The following table describes the Company's principal sources of opportunities, together with an outline of the engagement/bidding process, commonly recurring advantages and disadvantages of each process and frequency of deal flow.

Description	Engagement/bidding process/advantages/disadvantages	Frequency of flow
Government (for example local authorities)	Often conducted through "value for money" bidding processes, which, although efficient and reassuring for the vendor, can be lengthy and costly for the bidder. The outcome of such processes is also difficult to predict ahead of meaningful financial commitment. That said, such sites are often in strong strategic locations and can lead to an enhanced reputation, future bidding success and strong returns.	Low/medium
Agent led	Highly competitive process, with a large number of bidders, meaning such investments can be lower yielding. Site locations offered are often variable in quality.	Medium
Landowner	Arrangements can be time consuming to put in place and sites can also be longer dated (given these locations may have a weaker immediate planning logic). Good returns can be earned with relatively low upfront entry costs.	Low
Distressed debt positions	Likely to include stalled schemes that have commenced development. Planning risk may be lower, given the sites may have already achieved a consent; however, scheme reputation may be hard to reverse, and the sites may be in less desirable locations.	Low
Portfolios (property and promotions)	Good way of achieving scale quickly, but vendors may have high price expectations and portfolios can contain legacy problems.	Low, but increasing

Opportunities considered by the Board continued

For our most significant business segment, strategic land, investment opportunities are financially assessed using hurdle internal rates of return (IRRs), cash on cash multiples and/or profit thresholds. These investment criteria, along with the Group's investment strategies and other non-financial metrics, are considered either annually at the Board strategy day or on an ad hoc basis at Board meetings (as markets dictate). They are communicated internally, and each proposition is financially modelled and appraised in line with a set Board Investment Memorandum format, which details, amongst other matters, risks and opportunities pertaining to the proposed investment. Any investment is ultimately approved by the Chief Executive, Board (if required by the Group's delegation of authority) and shareholder on recommendation of the Board (if required by the schedule of matters reserved for the shareholder).

This process ensures that our stakeholders receive financial or other benefits throughout the long-dated durations of our projects.

A case study of the single largest opportunity considered by the Board and agreed by the shareholder in the year (being the £150.7 million acquisition of L&Q Estates) is set out on the page opposite.

Key activities in 2023/24

The Board's key activities in the financial year to 30 September 2024 included:

Strategy/operations

- Monitored world events and the political and economic environment at each Board meeting. Consideration was given as to the effects of the ongoing wars (where pressures caused by the war in Ukraine, on farming operations in particular, eased), the change in political leadership in the UK (which appeared to have a more pro-housing delivery agenda) and falls from recent peaks in respect of interest rates, materials prices and energy prices. These reviews considered short, medium and longer-term time horizons.
- Agreed and sought (and received) shareholder approval and funding for the £150.7 million acquisition of L&Q Estates (comprising 15 subsidiaries and one joint venture with interests in over 100 land promotion and Strategic Sites).
- Reviewed and oversaw the Group's 100-day post-acquisition plan for L&Q Estates and received updates on integration progress and early portfolio performance.
- Reviewed the Group's purpose, vision and values.
- Oversaw the implementation (in line with the Board approved terms of reference) of the new Sustainability and Health & Safety Committee and the corresponding evolution of the of the Group's Sustainability Framework, including consideration of Scope 3 targets (see our sustainability approach section on pages 42 to 61 for further details).
- Regularly reviewed all areas of the Group's business and updates on the progress of developments.
- Reviewed, at each Board meeting, projects in the pipeline process.
- Reviewed minutes of every EMC and EAG meeting and received regular updates from the Managing Director, who chairs the EMC and attends sections of the EAG.
- Annual strategy meeting held, focusing on capital allocation, Strategic Site tenure diversification and delivery acceleration, estate management and sustainability (including agreeing Urban&Civic's Scope 3 aspirations and a presentation from Wellcome that set out its ESG aspirations and progress).
- Agreed an intensity based target for Scope 1 and 2 for 2030, dependent on grid decarbonisation.
- Confirmed at each Board meeting that sustainability and health and safety standards were being maintained and received regular reports on sustainability and health and safety statistics across the Group's operations and its offices.

Leadership and people

- Received reports from the chairs of the Nomination and Governance, Audit, Remuneration and Sustainability and Health & Safety Committees following each committee meeting.
- Agreed revised terms for the Chairman, Peter Pereira Gray, and Bill Holland and Rosemary Boot as Non-Executive Directors.

Legal and regulatory/governance

- Continued to oversee the evolution of the risk management framework, assurance grid and internal controls (particularly around the documentation of processes and procedures), noting progress had been slowed this year as a result of the acquisition of L&Q Estates, which had absorbed a significant amount of management time.
- Reviewed and approved updated key policies.
- Reviewed the compliance processes in place in relation to modern slavery regulations and approval of the modern slavery statement (incorporating Farmcare and Catesby).
- Reviewed conflicts/potential conflicts of interest of the Directors.
- Reviewed, approved and monitored matters reserved for the shareholder.
- Assessed matters reserved for the Board, as well as the terms of reference of other Board committees.

Culture

- Encouraged management to embed culture throughout the Group (through induction programmes, the employee survey and employee awards – including the new Sustainability Award). The Board noted that a separate induction of retained L&Q Estates employees would be undertaken.
- Reviewed EAG minutes and employee survey takeaways to gauge how successful the Group had been in embedding culture throughout the Group.

Risk governance, internal controls and assurance

In addition to those matters covered in the key risks and opportunities section, the Board:

- Received reports on the Group's GDPR compliance (by exception).

Financial planning and performance

- Oversaw financial and operational performance (and all related reporting) during the year.
- Approved 2024/25 business plan and reviewed one, two and five-year forecasts.
- Approved the Annual Report and Accounts (including valuations and going concern statement).

- Approved a £154 million capital injection from the Wellcome Trust (most of which funded the acquisition of L&Q Estates).
- Approved a year's extension of the Manchester New Square joint venture's expiring facility (required as a result of slower sales rates).
- Approved the extension of the HSBC RCF until December 2028 and the expansion of the facility from £40 million to £80 million.
- Approved a new £17 million Build to Rent development facility.
- Approved a £5.4 million gift aid payment to the shareholder in June 2024.

Key 2024/25 priorities

- Oversee (with the assistance of the other Board committees) the integration of L&Q Estates into the Group's HR processes and procedures, financial systems, reporting processes and procedures and risk, sustainability and health and safety frameworks.
- Review the early financial progress of the new L&Q Estates investment.
- Continue to embed and review the activities of the new Sustainability and Health & Safety Committee, with a view to achieving the Group's sustainability and health and safety targets (with a view to lowering the Group's risk rating in this area).
- Agree the new Sustainability Framework targets for the next five-year period 2026–2030.
- Continue to oversee the delivery of Build to Rent tenures at Wintringham.
- Review financial resources across the Group, and in particular review the capital allocated to the Group's Strategic Sites.
- Review Non-Executive Director appointments in line with contractual terms and the schedule of matters reserved for the Board and shareholder.
- Other matters are expected to follow the usual annual programme.

L&Q Estates induction - The Barn, Houlton

The Acquisition of L&Q Estates

From initial discussions to deal completion, the acquisition of L&Q Estates took a number of years, involved all parts of the Urban&Civic business working together and demonstrated the rigorous review and approval processes required by our Board as well as the strong support and approval of our shareholder.

During the initial period of exploration, it was important to keep this pipeline opportunity on the Board's forward radar and it was discussed a number of times at Board meetings, prior to a commitment to undertake due diligence, particularly focusing on strategic fit, alignment with the Group's purpose, vision and values and overlap of sites and corporate structure (including human resource considerations).

It was only during autumn 2023, however, that we were provided with a package of information that allowed us to commence due diligence. The first stage of this due diligence saw the business undertake an initial internal review of L&Q Estates, involving our finance, land and Catesby teams, following which we were able to present the opportunity to the Board for approval to proceed further. This approval also scoped a due diligence and legal fee budget and considered other impacts of the process and possible acquisition on a range of stakeholders. As the acquisition was large and required funding from our shareholder, we made sure that we sought their support and input to the due diligence phase,

Through regular ad hoc reports and formal Board notes, the Board interrogated and challenged the proposal during the due diligence phase, which led to a Board approval and its recommendation for shareholder approval to make a formal conditional offer for the acquisition of L&Q Estates and move forward on an exclusive basis, with detailed due diligence to address the conditions.

At the next stage, the L&Q Estates projects were split between the Strategic Sites, for which Urban&Civic's team led the more detailed due diligence and the smaller scale land promotion sites which were led by the Catesby team. With external financial and legal due diligence support, we were able to review a complex corporate structure and multiple properties, whilst updating our model in real time and keeping the Board appraised as to progress.

Key considerations for the Board during this process continued to be the valuation assessment of the properties and the identification of risks both in terms of realisation and business operation. Stakeholders, such as the local and county councils who would be considering the sites in respect of planning and housing delivery, contractors who we would be working with on infrastructure delivery, and our housebuilder customers, were all central to our wider considerations. Some of these stakeholders overlapped with existing relationships and some were new.

Following further discussions with L&Q on the due diligence findings, the final terms were put to the Board who approved the transaction and recommended we proceed to obtain approval from our shareholder (in line with the adopted matters reserved for shareholder schedule). With approvals and funding agreed, management were delegated to finalise the documentation and contracts accordingly.

Prior to completion, sustainability, health and safety procedures, employee contracts and accounting systems were highlighted as key focus areas for the near term post completion period.

Peter Pereira Gray
Chair of the Nomination Committee

Nomination and Governance Committee ('Nomcom')

Roles and responsibilities

The Nomcom's principal responsibilities were detailed earlier in the governance report (page 79).

Membership and meetings

The have been no changes to the composition of the Nomcom during the year.

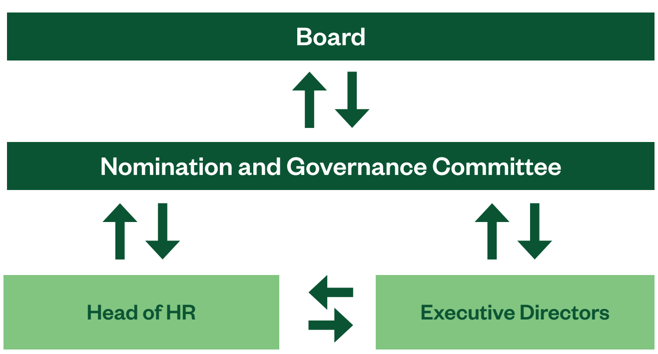
Members of the Nomcom attend all meetings, and their attendance at the two scheduled meetings held during the year ended 30 September 2024 is shown below.

Committee membership

Current members		Independent	Date of appointment to the Committee	Committee tenure as at 30 September 2024	Meeting attendance[1]
Peter Pereira Gray	Chair	No	21 January 2021	3 years 8 months	**2/2**
Rosemary Boot	Member	Yes	18 February 2021	3 years 7 months	**2/2**
Bill Holland	Member	Yes	18 February 2021	3 years 7 months	**2/2**
Lisha Patel	Member	No	21 January 2021	3 years 8 months	**2/2**

1. Scheduled meetings.

Key information flows



Operation of the Nomcom

- Performance of the Committee is assessed biennially.
- Following any Nomcom meetings, the Board receives an update summarising the discussions and conclusions of the Nomcom. Should any areas require further discussion by the Board, adequate background information is provided.
- All members of the Nomcom attend the Nomcom meetings with Executive Directors, the Group's Head of HR and advisers attending by invitation.
- The Chair does not chair meetings or parts of meetings when any matters relating to the role of Chair, including the appointment of a successor, are dealt with.
- Agenda items are linked to an annual calendar of regulatory and governance discussion items to ensure that the Nomcom carries out a thorough and effective review of all relevant areas.
- The Group's Head of HR provides comprehensive papers for agenda items where required and ensures that adequate consideration is given to key areas such as succession planning, diversity and equal opportunities monitoring.
- The Nomcom annually assesses its terms of reference, which are subsequently approved by the Board.

Key activities in 2023/24

The Nomcom's key activities in the financial year to 30 September 2024 included:

- Reviewed and ratified Bill Holland and Rosemary Boot's continuing appointment as Non-Executive Directors (a contractual requirement).
- Reviewed Annual Report disclosures in respect of the Nomcom sections.
- Reviewed and agreed composition of main Board committees.
- Reviewed skills matrix pertaining to all Directors.
- Reviewed Director appointments with third parties.
- Assessed its terms of reference, before reporting to the Board for further consideration.
- Reviewed workforce diversity statistics and organogram.
- Reviewed succession plans for Executive Directors and senior management and oversaw additional workstreams around personal development of successors (including a gap analysis exercise) and identification of "flight" risks.

Key 2024/25 priorities

- Consider the impact of the acquisition of L&Q Estates, on areas such as succession planning or committee composition, and recommend to the Board any changes to the current structures.
- An increased focus on Equality, Diversity and Inclusion will be apparent as described below.
- Review of performance.
- Other matters are expected to follow the usual annual programme.

Group approach to Equality, Diversity and Inclusion

Current practices and position

Urban&Civic has an established and regularly reviewed Equality & Diversity policy and other policies which collectively communicate our equality, diversity and inclusivity (ED&I) expectations and support operational best practice in this area.

Diversity statistics are recorded and monitored through Nomcom and Remcom, amongst other working groups, with a view to taking any responsive actions that may be needed. Urban&Civic has fostered an inclusive culture and positive working environment and as a business the Company actively promotes employee voice and has developed numerous feedback channels up to the EMC and the Board.

Future priorities

We will be developing an ED&I strategy for the business, which aligns to our Company values. This will be implemented in stages to ensure this strategy evolves at a sensible pace and successfully delivers on its aims. The review will include consideration of gender and ethnicity pay gaps, recruitment and selection, communication, learning and development and workplace behaviours.

Bill Holland
Chair of the Audit Committee

Audit Committee (AC)

Roles and responsibilities

The AC's principal responsibilities were detailed earlier in the governance report (page 79).

Membership and meetings

There have been no changes to the composition of the AC during the year.

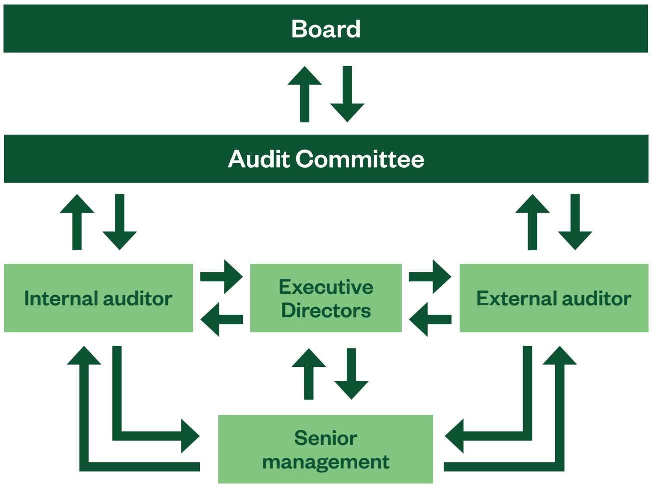
Members of the AC attend all meetings, and their attendance at the three scheduled meetings held during the year ended 30 September 2024 is shown below.

Committee membership

Current members		Independent	Date of appointment to the Committee	Date of resignation	Committee tenure as at 30 September 2024	Meeting attendance[1]
Bill Holland[2]	Chair	Yes	18 February 2021/ 6 February 2020	21 January 2021	4 years 7 months	**3/3**
Rosemary Boot[2]	Member	Yes	18 February 2021/ 23 May 2019	21 January 2021	5 years 4 months	**3/3**
Lisha Patel	Member	No	21 January 2021		3 years 8 months	**3/3**
Peter Pereira Gray	Member	No	21 January 2021		3 years 8 months	**3/3**

1. Scheduled meetings.
2. Bill Holland and Rosemary Boot resigned on the Wellcome Trust's acquisition of Urban&Civic but were subsequently reappointed.

Key information flows



Operation of the AC

- Performance of the Committee is assessed biennially.
- Following any AC meetings, the Board receives an update summarising the discussions and conclusions of the AC. Should any areas require further discussion by the Board, adequate background information is provided.
- All members of the AC attend the AC meetings with Executive Directors, other finance department employees and advisers attending by invitation. This enables a comprehensive discussion of all agenda items with the experience, engagement and contribution of all participants welcomed.
- The AC meets privately with the internal and external auditors at least once a year, allowing for open discussion of any items if required in the absence of executive management. This also enables the highlighting of issues of key importance and the identification of emerging areas requiring debate.
- The open culture of the Group means that members of the AC have the opportunity to spend time with senior management outside the scheduled AC meetings and can therefore seek additional information and guidance on any issues as required.

- The Group Finance Director maintains a structured programme of agenda items, including both regular and one-off discussion items. This is regularly reviewed by the Chair of the AC and is closely aligned to our financial reporting timetable. This process ensures that the AC gives adequate time to the review and discussion of all items of its responsibility and authority, governed by its terms of reference. Standing agenda items always include financial reporting, risk management, internal controls, external audit and governance matters.
- The AC annually assesses its terms of reference, which are subsequently approved by the Board.

Key activities in 2023/24

The AC's key activities in the financial year to 30 September 2024 included:

External audit and Annual Report

External audit

- Reviewed and approved the external auditor's letters of engagement and audit and non-audit fees incurred by the external auditor.
- Reviewed the audit planning report prepared by the external auditor, confirming materiality thresholds and agreeing the key audit matters for consideration by the auditor as part of the audit.
- Reviewed the independence and objectivity of the external auditor and valuer.
- Approved the Group's policy for the provision of non-audit services.
- Discussed and assessed, with the external auditor, significant areas of judgement and estimation, including issues relating to accounting for business combinations, classification of property assets, valuation of investment properties and trading properties, revenue recognition, taxation and allocation of costs to land parcel sales.
- Oversaw the introduction of the finance system upgrade.
- Oversaw interactions with the Wellcome Trust's external auditor, Deloitte.
- Reviewed the effectiveness of the auditor and the audit process and considered the recommendation for the reappointment of the auditor.
- Reviewed the requirements (legislation and guidelines as well as shareholder requirements) for tender of the audit and the rotation of the audit partner and senior audit managers.
- Reviewed the requirements for rotation of the external valuers.

Annual Report

- Reviewed the external valuers' (CBRE and Strutt & Parker) valuation report and Directors' valuation report, noting Non-Executive Directors met separately with CBRE, Strutt & Parker and the Executive Directors to discuss their key valuation judgements.
- Oversaw and reviewed the acquisition accounting entries in respect of the purchase of L&Q Estates.
- Oversaw the accounting entries with regard to the £154 million capital injection from the Wellcome Trust.
- Reviewed and made recommendations to the Board in respect of the going concern statements and supporting documents, including the business plan and five-year forecast. This review included consideration of world events and the political and economic environment, as well as the effectiveness of the risk management process.
- Reviewed the application of the revenue and profit recognition policy.
- Undertook a fair review of the development and performance of the business and the position of the company as reported in the Annual Report, including a review of the principal risks and uncertainties.

Risk, internal controls and internal audit

Risk

- Reviewed risk commentaries within the Annual Report and reported to the Board on other risk matters as described in the key risks and opportunities section of this Annual Report on pages 36 to 41.

Internal controls

- Reviewed the reporting from the Executive Directors to the Board, giving assurance over the effectiveness of those internal controls that were not the subject of an internal audit in the year.
- Reviewed reported internal control failures and agreed any required remedial actions/controls with the Executive Directors and, if appropriate, the Board.
- Reviewed assurances that the Group's internal controls and risk management processes were working effectively.

Internal audit

- Agreed the programme of internal audits for 2024/25 as described in the key risks and opportunities section of this Annual Report on pages 36 to 41.
- Reviewed updates on the progress of the ongoing internal audit programme and reviewed the findings of completed audits (described in the key risks and opportunities section of this Annual Report on pages 36 to 41, including recommended action points and progress against the implementation of action points.
- Reviewed the effectiveness of the internal audit process.

Governance

- Reviewed the membership of the AC.
- Reviewed Board reports on the Group's compliance with GDPR (by exception).
- Oversaw compliance with the Group's gifts and hospitality policy and charitable donations policy.
- Assessed its own performance and terms of reference, before reporting to the Board for further consideration.

Training and development

The Committee received briefing updates covering the following areas:

- the CBRE, Strutt & Parker and Executive Director valuation process;
- impact of new accounting standards; and
- specific accounting issues, including revenue recognition and the acquisition of L&Q Estates.

Key 2024/25 priorities

During the next financial year, the AC will look to ensure that the integration of L&Q Estates is undertaken in an orderly fashion and in a way that does not adversely impact the Group's existing financial systems and controls.

The AC will also review whether Urban&Civic's longest serving valuer, CBRE, should be rotated under new RICS guidelines (noting transitional arrangements could permit CBRE to continue for one more year, or even longer for select assets).

After a relatively smooth debut year for the Wellcome internal audit department (which took over from Grant Thornton from 1 October 2023), the AC will continue to oversee and review the new function's performance over the next financial year.

Peter Pereira Gray
Chair of the Remuneration Committee

Remuneration Committee ('Remcom')

Roles and responsibilities

The Remcom's principal responsibilities were detailed earlier in the governance report (page 79).

Membership and meetings

There have been no changes to the composition of the Remcom during the year.

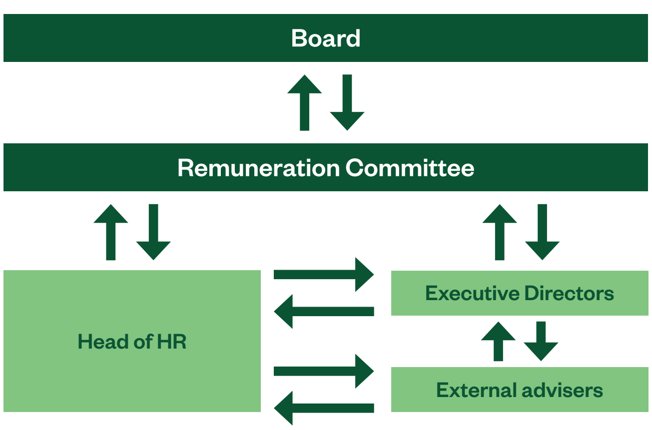
The Remcom held four scheduled meetings during the year and one ad hoc Remcom meeting. The unscheduled Remcom meeting was convened to approve final remuneration objectives (Director personal objectives and corporate goal) and consider whether an amendment to the LTIP rules was required. Members of the Remcom attend all meetings, and attendance by the members of the Remcom at the five scheduled meetings held during the year ended 30 September 2024 is shown below.

Committee membership

Current members		Independent	Date of appointment to the Committee	Date of resignation	Committee tenure as at 30 September 2024	Meeting attendance[1]
Peter Pereira Gray	Chair	No	21 January 2021		3 years 8 months	**5/5**
Rosemary Boot[2]	Member	Yes	18 February 2021/ 23 May 2019	21 January 2021	5 years 4 months	**5/5**
Bill Holland	Member	Yes	18 February 2021		3 years 7 months	**5/5**
Lisha Patel	Member	No	21 January 2021		3 years 8 months	**5/5**

1. Scheduled meeting.
2. Rosemary Boot resigned on the Wellcome Trust's acquisition of Urban&Civic but was subsequently reappointed.

Key information flows



Operation of the Remcom

- Performance of the Committee is assessed biennially.
- Following any Remcom meetings, the Board receives an update summarising the discussions and conclusions of the Remcom. Should any areas require further discussion by the Board, adequate background information is provided.
- All members of the Remcom attend the Remcom meetings with Executive Directors, the Group's Head of HR and advisers attending by invitation.
- Agenda items are linked to an annual calendar of administrative, remuneration and governance discussion items to ensure that the Remcom carries out a thorough and effective review of all relevant areas. The Group Finance Director sets the agendas following discussion with the Chair of the Committee and having regard to the structured calendar.
- No Director or employee is involved in discussions on their own pay.
- The Remcom receives regular updates on governance, market and best practice developments.
- The Remcom annually assesses its terms of reference, which are subsequently approved by the Board.

Key activities in 2023/24

The Committee's key activities in the financial year to 30 September 2024 included:

Executive remuneration

- Approved remuneration for Executive Directors and senior executives.
- Assessed the achievement of the EPRA NTA, cash generation, personal and sustainability objectives relating to the Executive Directors' bonus awards for the year ended 30 September 2023.
- Approved the bonus objectives for Executive Directors for the year ended 30 September 2024.
- Agreed key changes to the Directors' remuneration policy (which is set out on pages 91 and 92).
- Non-Executive Directors' fees reviewed and maintained (Board approved Chairman fees payable by Urban&Civic from 1 October 2024).

Employee remuneration

- Reviewed the structure of employee remuneration, including an analysis of shifts in salary and bonus trends across the Group.
- Reviewed the operation of Group remuneration policies, including base salary levels, bonus, LTIP and benefits.
- Reviewed other HR policies.
- Oversaw employee bonus objectives to ensure alignment with those of the Executive Directors.
- Agreed key changes to the employees' remuneration policy (which is set out on pages 91 and 92).

LTIPs

- Reviewed and approved conditions applicable to the 2023 awards.
- Issued one set of awards (the 2023 awards).
- Monitored progress of performance conditions pertaining to all awards.
- Confirmed performance condition achievement for the first set of awards granted under Wellcome Trust ownership, whose performance period ended 30 September 2023. Achievement was assessed at 7.6 per cent of outstanding first set of awards, which translated into an initial cost of £0.5 million (although there is an ability to hold vested awards beyond the first vesting date as described below, which could alter the overall cost for the Company).
- Post-year end, the Remcom confirmed performance condition achievement for the second set of awards, whose performance period ended 30 September 2024. Achievement was assessed at 8.4 per cent of outstanding second set of awards, which translated into an initial cost of £0.7 million (again this could vary as a result of holding periods).

Engagement

- Consulted with the Wellcome Trust (where required) on remuneration matters.
- Engaged with employees on remuneration matters through the EAG, whose minutes are presented to the Board at each scheduled meeting.

Governance and compliance

- Reviewed the appointments of employees with third parties, outside of their Urban&Civic role.
- Reviewed EAG takeaways as directed by the Board.
- Reviewed internal audit recommendations coming out of the HR controls audit as directed by the Audit Committee.
- Reviewed a schedule of joiners and leavers to ensure any matters relating to remuneration are addressed appropriately.
- Reviewed, and reported to the Board, the Remcom's terms of reference.
- Reviewed the continuing evolution of governance standards and best practice.
- Approved any Group disclosures relating to remuneration.

Key 2024/25 priorities

The Committee will continue to focus on the implementation of approved remuneration policies over the next financial year; however, non-recurring workstreams arising will include oversight of the integration of L&Q Estates employees (on new Urban&Civic employment contracts) and the formal benchmarking of remuneration across the Group, which in line with Group policy is formally reviewed every three years using external advisers and/or external data.

Remuneration at a glance

Total remuneration

Base salary	Bonus	Other benefits	LTIP awards	Pension
Cash settled remuneration Short term Fixed	Cash settled remuneration Short term Performance related	Benefits Short term Fixed	Cash settled Long term Performance related	Benefits Long term Fixed

Group performance in 2024

EPRA NTA

£1,014.7m
+36.5%

Profit after tax

£8.0m
-66.4%

Cash flow generation from U&C's share of plot completions

£83.5m
-2.7%

Remuneration across the Group

Total spend on pay[1]

£21.3m
(2023: £15.1m)

94%
of employees received an annual increase in total remuneration[3,4] (2023: 94 per cent)

Salary increase for Chief Executive[2]

3.0%
(2023: 3.0%)

98%
of employees received a bonus[3,4] (2023: 85 per cent)

Average salary increase for employees[2,3,4]

3.9%
(2023: 5.5%)

91%
of employees were granted LTIP awards[3,4] (2023: 82 per cent)

1. Including L&Q Estates employees.
2. Salary increases represent pay rises that were approved post year end for the upcoming financial year.
3. Excluding Executive Directors.
4. Excluding L&Q Estates employees.

Chief Executive remuneration

Salary

£483k
(2023: £469k)

Annual bonus

£366k
(2023: £119k)

Total remuneration

£1,021k
(2023: £726k)

Chief Executive Officer's pay ratio (total remuneration)[5]

25th percentile

9.8:1
(2023: 9.3:1)

50th percentile

6.9:1
(2023: 6.2:1)

75th percentile

4.8:1
(2023: 4.1:1)

5. Reviewed by the Remuneration Committee in September 2024.

Remuneration policies

The remuneration policy table below sets out the current approved position for the Executive Directors, other employees and Non-Executive Directors. Any departures from policy require further Committee approvals.

Element	How component supports corporate strategy and operation	Executive Directors[1]	Other employees	Non-Executive Directors	Change to policy
Base salary or fees	Base salary: Executive Directors and other employees: To provide a competitive salary level to attract and retain high calibre employees. Base salaries are reviewed on an annual basis. Base salary for each position determined by individual responsibilities and performance taking into account comparable salaries for similar positions in companies of a similar size in the same market. Fees: Non-Executive Directors: To provide fees reflecting time commitments and responsibilities of each role, in line with those provided by similarly sized companies.	There is no prescribed maximum base salary or annual salary increase. The Committee is guided by the general increase for the broader employee population but may decide to award a lower increase for or indeed exceed this to recognise, for example, an increase in the scale, scope or responsibility of the role and/or to take into account relevant market movements. Formal exercise to assess market undertaken every three years, using external data or external advisers. Current salary level for the Chief Executive is set out on page 93. There are no performance targets or recovery provisions.	There is no prescribed maximum base salary or annual salary increase. The Executive Directors use Committee approved criteria and parameters when reviewing salaries. Recent appointments, recruitment consultants, published surveys and data are used annually to benchmark. Formal exercise to assess market undertaken every three years, using external data or external advisers. Committee approval sought for salary increases outside of approved criteria and parameters. There are no performance targets or recovery provisions.	There is no prescribed maximum individual fee or fee increase. The Board (excluding Non-Executive Directors) is guided by relevant market movements. Cash fee normally paid on a monthly basis. Wellcome employees serving as Non-Executive Directors are not paid a fee. There are no performance targets or recovery provisions.	Notice periods for Non-Executive Directors extended to three months. Urban&Civic started paying the Chairman a fee from 1 October 2024 (following Peter Pereira Gray's retirement from the Wellcome Trust).
Pension	To provide a competitive level of contribution to pension arrangements. Company contribution normally paid monthly into the Company's pension scheme, into a personal pension arrangement and/or as a cash supplement.	10 per cent of salary. There are no performance targets or recovery provisions. When employees make a salary sacrifice to their pension scheme, 90 per cent of the employer's NI saving is passed back as an additional pension contribution.		Not applicable.	No change.
Benefits	To provide a competitive level of benefits. Car allowance (or Company car), electric car scheme, private medical insurance, permanent health insurance and life assurance provided. Other benefits may be provided where relevant.	Provided at approved cost.		Reimbursement of expenses only.	No change, although it was acknowledged there was a difference in HMRC mileage rates for petrol and electric cars leased through a Company scheme (which were lower).
Annual bonus[2]	To drive and reward annual performance of individuals, teams and the Group. Based on performance during the relevant financial year. The majority of the performance targets are based on financial targets with the remainder based on personal objectives (Executive Directors), project goals (other employees, excluding Catesby, which are more financially focused) and sustainability targets (excluding Catesby). Bonuses will be paid in cash.	Up to 100 per cent of base salary. Clawback and malus provisions operate in the case of corporate failure, material downturn in performance due to management failure, reputational damage and serious misconduct.	Up to maximum bonus opportunity.	Not applicable.	No change.

Remuneration policies continued

Element	How component supports corporate strategy and operation	Executive Directors[1]	Other employees	Non-Executive Directors	Change to policy
Long Term Incentive Plan (LTIP)[1, 3, 4]	To drive and reward the long-term performance of the Group and to align the interests of employees with the shareholder. Awards granted under the LTIP have the following features: • conditional awards; • vesting dependent on the satisfaction of performance targets and continued service; and • awards exercisable up to five years after vesting (subject to any applicable holding period), during which time vested awards will grow (or reduce) in value in line with EPRA NTA. Performance period: normally three years. Performance will be measured against EPRA NTA and/or relevant financial and/or environmental, social and governance measures. Current performance conditions weightings are 80:20 in favour of the EPRA NTA condition. With regard to the EPRA NTA condition, 0 per cent of an award vests below threshold, 25 per cent vests at the interim target and 100 per cent vests at maximum performance. Pro-rated vesting between thresholds and targets. All awards will be settled in cash.	Awards are subject to a two-year holding period. 300 per cent of salary for CEO and MD. 275 per cent of salary for other Executive Directors. Clawback and malus provisions operate in the case of corporate failure, material downturn in performance due to management failure, reputational damage and serious misconduct.	Awards are not subject to a two-year holding period. No formal limit of amount awarded but maximum bonus opportunity typically used (with the exception of select senior executives where awards typically range between 150 per cent and 200 per cent).	Not applicable.	No change.

1. Executive Directors and senior executives typically have a greater emphasis on performance related pay (such as LTIPs).
2. The choice of the performance metrics applicable to the annual bonus scheme reflects the Remcom's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of financial targets and specific individual objectives (including sustainability objectives).
3. The performance conditions applicable to the LTIP are selected by the Remcom on the basis that they reward the delivery of long-term returns to the Group's shareholder and are consistent with the Company's objective of delivering superior levels of long-term value.
4. The Remcom operates the LTIP in accordance with the plan rules and, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plan.

Chief Executive's remuneration

The table below presents the remuneration figures for the Chief Executive for the years ended 30 September 2024 and 30 September 2023.

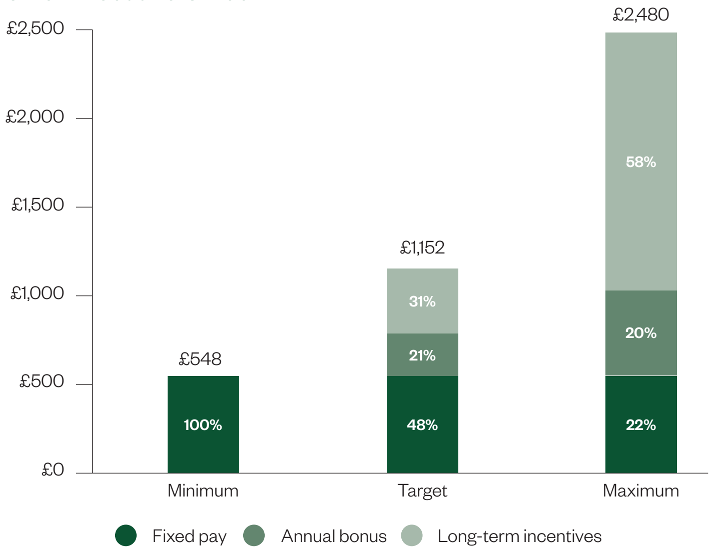
	Base salary		Benefits[1]		Bonus		Long-term incentives[2]		Pension[3]		Total fixed		Total variable		Total	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Nigel Hugill	**483**	469	**17**	14	**366**	119	**107**	77	**48**	47	**548**	530	**473**	196	**1,021**	726

1. Includes private medical insurance.
2. The 2024 LTIP disclosure refers to the awards granted in 2021, which had a performance period which ran from 1 October 2021 to 30 September 2024. Following an assessment of performance, 8.4 per cent of the awards are expected to be settled, before taking into account growth or reduction in EPRA NTA since the start of the performance period. The first time these awards are payable is in 2026. The 2023 LTIP disclosure refers to the awards granted in 2021, which had a performance period which ran from 1 October 2020 to 30 September 2024. Following an assessment of performance, 7.6 per cent of the awards are expected to be settled, before taking into account growth or reduction in EPRA NTA since the start of the performance period. The first time these awards are payable is in 2025.
3. Pension payments equivalent to 10 per cent of salary were made as a cash supplement to the Chief Executive during 2024 (2023: 10 per cent of salary).

Chief Executive reward scenarios

The chart below shows how the composition of the Chief Executive's remuneration package varies at different levels of performance under the policy, as a percentage of total remuneration opportunity and as a total value.

Chief Executive Officer



Notes:

1. The minimum performance scenario comprises the fixed elements of remuneration only, including:
   - salary, as set out above;
   - pension; and
   - approximated benefits.
2. The on-target level of bonus is taken to be 50 per cent of the maximum bonus opportunity, and the on-target level of LTIP vesting is assumed to be 25 per cent of the face value of the LTIP award. These values are included in addition to the components/values of minimum remuneration.
3. Maximum remuneration assumes full bonus pay-out (100 per cent of salary only) and the full face value of the LTIP (i.e. 300 per cent of salary for the CEO), in addition to fixed components of minimum remuneration.]
4. LTIP award sizes are shown as 300 per cent of base salary for the CEO. This level is in line with the award size for the 2024 LTIP grant. This is within the policy maximum of 300 per cent for the CEO.

Non-Executive Directors

All Non-Executive Directors (excluding Wellcome employees serving as Non-Executive Directors) have a remuneration agreement that rolls every 12 months, subject to three months' notice by either the Non-Executive Director or the Company or the shareholder, given at any time. In addition, temporary additional day rates can be provided to certain "out of normal scope" Non-Executive Director activities.

There were no fee increases approved in the year, although the Board did approve a fee payable to the Chairman from 1 October 2024 (following Peter Pereira Gray's retirement from the Wellcome Trust), as well as a 5 per cent increase in base fees for Bill Holland and Rosemary Boot.

Non-Executive Directors who are connected employees of the Wellcome Trust receive no fees for their services and no Non-Executive Directors are eligible to participate in benefits, bonuses, pension, LTIPs or other incentives.

Payments to past Directors or payments for loss of office

There were no payments to past Directors or payments for loss of office.

Rosemary Boot
Chair of the Sustainability and Health & Safety Committee

Sustainability and Health & Safety Committee (SHASC)

Roles and responsibilities

The SHASC's principal responsibilities were detailed earlier in the governance report (page 79).

Membership and meetings

The first SHASC convened in November 2023, when the below members were appointed. There have been no other changes to the composition of the SHASC during the year.

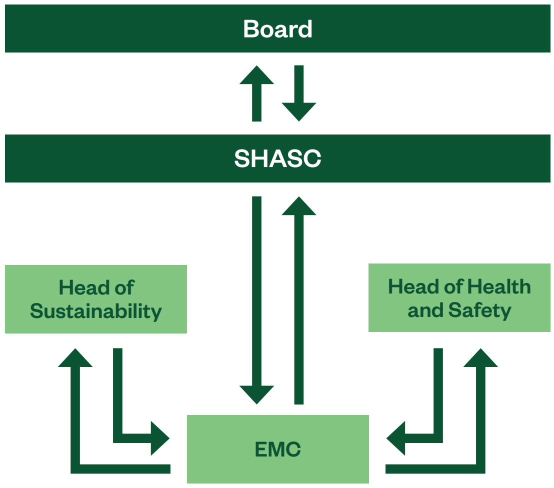
Members of the SHASC attend all meetings, and their attendance at the two scheduled meetings held during the year ended 30 September 2024 is shown below.

Committee membership

Current members		Independent	Date of appointment to the Committee	Committee tenure as at 30 September 2024	Meeting attendance[1]
Rosemary Boot	Chair	Yes	23 November 2023	10 months	**2/2**
Robin Butler	Member	No	23 November 2023	10 months	**2/2**
Bill Holland	Member	Yes	23 November 2023	10 months	**2/2**
Lisha Patel	Member	No	23 November 2023	10 months	**2/2**
Peter Pereira Gray	Member	No	23 November 2023	10 months	**2/2**
David Wood	Member	No	23 November 2023	10 months	**2/2**

1. Scheduled meetings.

Key information flows



Operation of the SHASC

- Performance of the Committee is assessed biennially.
- Following any SHASC meetings, the Board receives an update summarising the discussions and conclusions of the SHASC. Should any areas require further discussion by the Board, adequate background information is provided.
- All members of the SHASC attend the SHASC meetings with the Chief Executive, Group Directors responsible for development and project management and advisers attending by invitation.
- Agenda items are linked to an annual calendar of regulatory and governance discussion items, which seeks to ensure that the SHASC carries out a thorough and effective review of the Group's sustainability and health and safety philosophy, strategy, policies and delivery roadmaps. A key aim for the SHASC is to ensure sustainability and health and safety matters are addressed in detail by the Executive Directors and EMC in advance of the Committee meeting.
- The SHASC then discusses the reports and recommendations from the EMC, providing advice, support and direction as appropriate.

- The SHASC then makes recommendations to the Board as necessary.
- At the first scheduled meeting of the year, targets, metrics and regulations (current and emerging) are discussed (and set where appropriate) and at the second scheduled meeting progress is measured (through metric assessment), and targets and metrics adjusted if necessary.
- The SHASC annually assesses its terms of reference, which are subsequently approved by the Board.

Key activities in 2023/24

The SHASC's key activities in the financial year to 30 September 2024 included:

- Confirmed SHASC composition and tabled the Board approved terms of reference.
- Reviewed Annual Report disclosures in respect of the sustainability section (including TCFD and Scope 3 disclosures, Net Zero statements and metric achievements).
- Reviewed the 2024 work plan (which included key sustainability and health and safety workstreams.
- Monitored the 2024 corporate sustainability and health and safety objectives.
- Reviewed and proposed the 2025 corporate sustainability and health and safety objectives.
- Reviewed Net Zero targets and agreed to recommend to the Board continuing to target Net Zero for Scope 1 & 2 emissions by 2030, moving to an intensity basis, and subject to grid decarbonisation (and by 2035 at the latest).
- Reviewed Scope 3 ambitions and oversaw the production of the cost benefit report, which was tabled at the Group's strategy day and led to a Board approval for a financial budget to commence Scope 3 reduction strategies, to meet 2030 Scope 3 targets aligned with Science Based Targets.
- Monitored the Group's five-star rating scheme, which sought to raise health and safety standards of the Group's housebuilder customers and principal contractors.
- Monitored safety logs and incidents throughout the year and recommended areas for improvement.
- Reviewed and monitored internal audit recommendations and implementation of those recommendations.
- Reviewed risk registers pertaining to sustainability and health and safety matters at each meeting.

Key 2024/25 priorities

- Develop a future nature and biodiversity strategy, considering Nature Reporting Standards.
- Continue to develop the Group's approach to Scope 3 emissions, which could lead to Science Based Targets commitment.
- Propose new sustainability metrics and targets, covering the period 2026 to 2030.

Additional disclosure

Additional information, which is incorporated into this Directors' report by cross-reference, including information required in accordance with the Companies Act 2006, can be found in the following sections of the Annual Report:

	Note to the consolidated financial statements	Pages
Strategic report		
Business model and strategy		6, 7, 18 and 19
Key performance indicators		20 and 21
Principal risks		36 to 41
Future business developments		18 and 19 and 22 to 25
Environmental matters		42 to 61
Emissions and energy consumption		21, 50 to 55 and 140 to 154
Engagement with suppliers, customers and others		26 to 32
Governance		
Corporate governance		72 to 97
Financial statements		
Capitalised interest	6	116
Financial instruments	20	125
Contracts of significance	24	128
Details of long-term incentive schemes	18	124
Related party transactions	28	131

Introduction

The Directors present their report together with the audited accounts for the year ended 30 September 2024. The principal activities of the Group during the year continue to be property development and investment, both directly and through joint venture arrangements.

Company status and branches

Urban&Civic plc is incorporated in the UK and registered in Scotland. Its registered office is in Scotland and its head office is at 50 New Bond Street, London W1S 1BJ. It has no branches. Urban&Civic plc is a private company wholly owned by the Wellcome Trust (through its corporate trustee The Wellcome Trust Limited).

Basis of preparation of the Annual Report

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and under the historical cost convention as modified for the revaluation of investment properties and certain other items.

Results and dividends

The Group reported a profit for the year of £8.0 million (2023: profit of £23.8 million) as shown in the consolidated statement of comprehensive income on page 104. No dividends were paid during the year (2023: £Nil).

Directors

The Directors who held office during the year and up to the date of this report are listed below:

Current Directors	
Chairman	
Peter Pereira Gray	
Executive Directors	
Nigel Hugill	Chief Executive
Robin Butler	Managing Director
David Wood	Group Finance Director and Company Secretary
Independent Non-Executive Directors	
Rosemary Boot	
Bill Holland	
Other Non-Executive Directors	
Lisha Patel	

Biographical details of the Directors are contained on pages 76 and 77

Directors' liability insurance and indemnity

The Company maintains Directors' and Officers' liability insurance. To the extent permitted by UK law, the Company indemnifies its Directors against claims brought against them as a consequence of the execution of their duties as Directors of the Company.

Charitable and political donations

Charitable donations during the year were £16,000 (2023: £30,000). In addition, together with its joint venture partners, the Group made further charitable donations of £21,000 (2023: £25,000). Given the Wellcome Trust is a charity in its own right, Urban&Civic's charitable donations are typically linked to the Group's development sites and their associated communities and organisations.

The Group made no political donations during the year (2023: £Nil).

The Group made £5,431,000 of gift aid payments to the Wellcome Trust during the year (2023: £16,998,000).

Group structure

Details of the Group's subsidiary undertakings and joint ventures are set out in note 8 to the Company's financial statements.

Share capital

Details of the Company's issued share capital is shown in note 21 to the consolidated financial statements. As at 30 September 2024, there were 271,268,350 ordinary shares of 20p each in issue, each carrying one vote and all fully paid. There is only one class of share in issue.

Auditor

BDO LLP is willing to be reappointed as the external auditor to the Company and Group, and its reappointment has been considered by the Audit Committee and recommended to the Board.

Going concern

In assessing going concern, the Directors have reviewed the Group's cash flow forecasts, cash reserves, loan maturities, undrawn facilities and loan covenants (including headroom). Additional sensitivities have also been considered, reflecting the Group's risk profile, as have facilities that are due to expire in the period to March 2026. For expiring facilities (including two loans amounting to £13.0 million at 30 September 2024 on a look-through basis), the Directors have considered the sales progress to date (given the loans amortise in line with sales completions and receipts of contractual minimums where applicable) and/or the Group's ability to repay from Group resources. The Group's key risks are set out in the risk review on pages 33 to 41.

Having undertaken the assessment detailed above, the Directors have a reasonable expectation that the Company and the Group have sufficient resources to continue to operate for at least 12 months from the date of signing these financial statements, and the Board considers it appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that:

- as far as they are aware, there is no relevant audit information of which the auditor is unaware; and
- each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant information and to establish that the auditor is aware of that information.

Post-balance sheet events

In October 2024, and in line with contractual arrangements governing the Group's 50 per cent investment in the Manydown Strategic Site, Urban&Civic Manydown Limited provided an initial loan sum of £25.5 million to its joint venture partner, which was used to acquire the freehold of Manydown North. This land acquisition satisfied the last condition attaching to the joint venture development agreement, which means the first phase of construction can commence.

On 12 November 2024, the Manchester New Square joint venture extended the £7.9 million loan facility with Greater Manchester Combined Authority by 12 months, in response to slower sales rates. The additional duration is expected to be sufficient to fully repay the loan out of sales proceeds.

On 29 November 2024, the £5.1 million Homes England loan facility within the SUE Developments joint venture was repaid in full.

On 19 December 2024, the Group made £24.0 million of gift aid payments to the Wellcome Trust in respect of profits generated by L&Q Estates in the year ended 31 March 2024.

The Directors' report was approved by the Board on 22 January 2025 and signed on its behalf by:

David Wood

David Wood
Group Finance Director
22 January 2025
Company number: SC149799

Statement of Directors' responsibilities in respect of the accounts

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 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law).

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

In preparing these financial statements, the Directors are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgements and accounting estimates that are reasonable and prudent;
- for the Group and Company financial statements, to state whether they have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, subject to any material departures disclosed and explained in the Group and/or Company financial statements; and
- to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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 requirements of 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 ensuring that the Annual Report and financial statements are made available on the Group's website and for the maintenance and integrity of the corporate and financial information included on that website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

Each of the Directors confirms that, to the best of their 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 adoption of a going concern basis for the preparation of the financial statements continues to be appropriate based on a review of the current and projected financial position of the Group, making reasonable assumptions about future trading performance; and
- 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 they face.

The Directors' responsibility statement was approved by the Board.

On behalf of the Board

David Wood

David Wood
Group Finance Director
22 January 2025

Financial statements

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Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's profit and the Parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Urban&Civic Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2024 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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 or 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report and the Directors' report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

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.

Auditor's responsibilities for the audit of the financial statements continued

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.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and Company and the industry in which it operates;
- discussion with management and those charged with governance;
- obtaining and understanding of the Group and Company's policies and procedures regarding compliance with laws and regulations; and
- we considered the significant laws and regulations to be the Companies Act 2006, applicable accounting standards and UK tax legislation.

The Group and Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK VAT regulations.

Our procedures in respect of the above included:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance and as required by auditing standards, our work include agreeing the financial statement disclosures to underlying supporting documentation, review of Board minutes, enquiries with management, enquiries of external advisers, review of correspondence with external legal advisers, and review of press releases.
- We communicated identified laws and regulations to our team and remained alert to any indications of non-compliance throughout the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and property valuations.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which we considered most susceptible to override, by agreeing to supporting documentation;
- assessing significant inputs to valuations by testing source documentation to verify their accuracy such as the sales data and cost allocations; and
- challenge of external valuer assumptions into their inputs within the valuation report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Edward Goodworth (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London UK
22 January 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2024

	Notes	**Year ended 30 September 2024 £'000**	Year ended 30 September 2023 £'000
Revenue	4	**62,395**	104,198
Direct costs	4	**(40,859)**	(91,087)
Gross profit	4	**21,536**	13,111
Administrative expenses		**(26,050)**	(18,108)
Deficit on revaluation of investment properties	10	**(1,480)**	(9,824)
Share of post-tax profit from joint ventures	12	**4,663**	5,978
Impairment of investments in joint ventures	12	**(1,557)**	—
Loss on disposal of investment properties		**—**	(34)
(Loss)/profit on disposal of property, plant and equipment		**(12)**	26,958
Impairment of property, plant and equipment	11	**(197)**	(2,165)
Amortisation of negative goodwill	26	**1,100**	—
(Loss)/profit before finance and taxation	5	**(1,997)**	15,916
Finance income	6	**10,860**	7,374
Finance costs	6	**(1,277)**	(1,296)
Profit before taxation		**7,586**	21,994
Taxation credit	9	**402**	1,841
Total comprehensive income		**7,988**	23,835

The Group had no amounts of other comprehensive income for the current or prior years and the profit for the respective years is wholly attributable to equity shareholders. All results are derived from continuing operations.

The notes on pages 108 to 132 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

as at 30 September 2024

	Notes	30 September 2024 £'000	30 September 2023 £'000
Non-current assets			
Investment properties	10	**44,952**	107,244
Property, plant and equipment	11	**82,685**	77,099
Negative goodwill	26	**(98,451)**	—
Investments in joint ventures	12	**147,935**	136,708
Deferred tax assets	13	**4,148**	3,223
Trade and other receivables	16	**26,529**	44,031
		207,798	368,305
Current assets			
Trading properties	14	**759,059**	391,070
Inventory	15	**1,055**	1,534
Trade and other receivables	16	**103,607**	67,840
Cash and cash equivalents	29	**141,516**	100,574
		1,005,237	561,018
Total assets		**1,213,035**	929,323
Non-current liabilities			
Borrowings	19	**(173,375)**	(173,344)
Provisions	18	**(4,980)**	(590)
Deferred tax liabilities	13	**(29,260)**	(10,405)
Trade and other payables	17	**(4,729)**	—
		(212,344)	(184,339)
Current liabilities			
Borrowings	19	**—**	63
Provisions	18	**(1,880)**	(600)
Trade and other payables	17	**(143,011)**	(45,204)
		(144,891)	(45,741)
Total liabilities		**(357,235)**	(230,080)
Net assets		**855,800**	699,243
Equity			
Share capital	21	**54,253**	44,900
Share premium account	21	**569,848**	425,201
Capital redemption reserve		**849**	849
Other reserve		**113,785**	113,785
Retained earnings		**117,065**	114,508
Total equity		**855,800**	699,243
NAV per share	23	**315.5p**	311.5p
EPRA NTA per share	23	**374.0p**	331.1p

The financial statements were approved by the Board and authorised for issue on 22 January 2025 and were signed on its behalf by:

Nigel Hugill
Director

David Wood
Director

The notes on pages 108 to 132 form part of these financial statements.

Registered in Scotland No. SC149799.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 September 2022		40,647	352,062	849	113,785	107,671	615,014
Shares issued	21	4,253	73,139	—	—	—	77,392
Total comprehensive income for the year		—	—	—	—	23,835	23,835
Gift aid paid		—	—	—	—	(16,998)	(16,998)
Balance at 30 September 2023		44,900	425,201	849	113,785	114,508	699,243
Shares issued	21	9,353	144,647	—	—	—	154,000
Total comprehensive income for the year		—	—	—	—	7,988	7,988
Gift aid paid		—	—	—	—	(5,431)	(5,431)
Balance at 30 September 2024		**54,253**	**569,848**	**849**	**113,785**	**117,065**	**855,800**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2024

	Notes	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Cash flows from operating activities			
Profit before taxation		**7,586**	21,994
Adjustments for:			
Deficit on revaluation of investment properties	10	**1,480**	9,824
Share of post-tax profit from joint ventures	12	**(4,663)**	(5,978)
Impairment of investments in joint ventures	12	**1,557**	—
Finance income	6	**(10,860)**	(7,374)
Finance costs	6	**1,277**	1,296
Depreciation charge	11	**514**	433
Write (back)/down of trading properties	4	**(281)**	1,235
Loss/(profit) on disposal of property, plant and equipment	5	**12**	(26,958)
Loss on disposal of investment properties		**—**	34
Impairment of property, plant and equipment	11	**197**	2,165
LTIP expense	18	**4,990**	920
Redundancy provision	18	**680**	—
Amortisation of negative goodwill	26	**(1,100)**	—
Cash flows from/(absorbed by) operating activities before changes in working capital		**1,389**	(2,409)
Increase in trading properties		**(65,900)**	(88,497)
Decrease in trade and other receivables		**32,894**	51,713
Increase/(decrease) in trade and other payables		**24,324**	(22,009)
Cash flows absorbed by operations		**(7,293)**	(61,202)
Finance income received		**3,199**	2,340
Finance costs paid		**(1,091)**	(1,265)
Net cash flows absorbed by operating activities		**(5,185)**	(60,127)
Investing activities			
Purchase consideration on acquisition of subsidiary	25	**(150,686)**	—
Cash acquired on acquisition of subsidiary	25	**65,822**	—
Additions to investment properties	10	**(3,873)**	(39,952)
Additions to property, plant and equipment	11	**(467)**	(3,718)
Loans advanced to joint ventures	12	**(2,931)**	(5,826)
Loans repaid by joint ventures	12	**1,700**	7,542
Profits distributed from joint ventures	12	**1,973**	2,500
Proceeds from disposal of property, plant and equipment		**233**	102,283
Proceeds from disposal of investment properties		**—**	4,553
Net cash flows (absorbed by)/from investing activities		**(88,229)**	67,382
Financing activities			
New loans		**6,108**	7,331
Issue costs of new loans		**(1,321)**	—
Repayment of loans		**(19,000)**	(9,122)
Issue of new equity		**154,000**	75,000
Gift aid paid in the year		**(5,431)**	(16,998)
Net cash flows from financing activities		**134,356**	56,211
Net increase in cash and cash equivalents	29	**40,942**	63,466
Cash and cash equivalents at 1 October		**100,574**	37,108
Cash and cash equivalents at 30 September		**141,516**	100,574

1. Basis of preparation

General information

Urban&Civic plc is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the inside back cover and the nature of the Group's operations and principal activities are set out in the strategic report. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties, biological assets and LTIP provisions. The Company has prepared its individual financial statements, on pages 133 to 139, in accordance with FRS 102. No separate parent company profit and loss account has been presented as equivalent disclosures have been provided in respect of the Group as a whole. The Company has also taken advantage of the disclosure exemption available to it in respect of not disclosing a separate cash flow statement.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to both years, unless otherwise stated.

Functional and presentation currency

All financial information is presented in British Pounds Sterling (£), the functional currency of all Group entities, and has been rounded to the nearest thousand (£'000) unless indicated to the contrary.

Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained and deconsolidated from the date control ceases. Where there is negative goodwill, this will be allocated to the non-monetary assets acquired and subsequently when these assets are realised in future periods, the associated negative goodwill will be recognised in the statement of comprehensive income. Further details can be found in note 25.

Basis of consolidation

The consolidated financial statements present the results of the Group as if it formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue to meet its liabilities as they fall due.

The Directors continue to assess going concern through reviewing Group business plans, which are presented periodically at Board meetings, focusing on the period to 31 March 2026.

Cash balances have increased by £47.5 million compared to last year on a look-through basis (£161.3 million at the year end compared to £113.8 million at 30 September 2023). This is predominantly the result of £65.8 million of cash being acquired in August 2024 when Urban&Civic purchased L&Q Estates (using equity funding received from the Wellcome Trust). Details of this £154.0 million equity share issue to the Wellcome Trust can be found in note 21 of these financial statements.

In addition to the share capital subscribed in the year, cash generation from plot completions (£83.5 million) and new loans (£6.1 million in subsidiaries and £Nil in respect of Urban&Civic's share of new joint venture borrowings) have been used to fund £112.5 million of capital expenditure and overheads, make £5.4 million of gift aid payments to the Wellcome Trust and repay loans of £29.9 million (£19.0 million in respect of subsidiaries and £10.9 million for Urban&Civic's share of joint venture borrowings).

As cash generation builds, the Group seeks to maintain sufficient and supportive funding lines to maintain construction activities. At the year end, the Group now benefits from £110.9 million of undrawn facilities on a look-through basis. This is in addition to £107.5 million of forward contracted sales at the Group's Strategic Sites, of which £35.0 million (on a look-through basis) is receivable by March 2026.

The Group's net debt position at 30 September 2024 totalled £31.9 million (30 September 2023: £72.7 million), producing a net gearing ratio of 3.7 per cent (30 September 2023: 10.4 per cent) on a UK GAAP NAV basis and 3.0 per cent (30 September 2023: 9.5 per cent) on an EPRA NAV basis. Look-through gearing levels are lower due to cash held on deposit by joint ventures (awaiting recycling into further site infrastructure or loan repayment) exceeding borrowings.

Homes England now accounts for 97 per cent of all borrowings on a look-through basis with local authorities and other government bodies accounting for a further 1 per cent. The weighted average loan maturity at 30 September 2024 was 5.9 years (30 September 2023: 6.4 years) and weighted average cost of borrowing on drawn debt was 8.2 per cent (30 September 2023: 7.8 per cent).

1. Basis of preparation continued

Going concern continued

The only Group gearing covenant, which attaches to the £80 million revolving credit facility with HSBC, has a limit of 40 per cent and is based on borrowings (on a non-look-through basis) and EPRA NAV. Other principal loan covenants (which are predominantly associated with Homes England loans) are based on loan to value ratios attaching to specific property assets. These ratios typically range between 40 per cent and 80 per cent.

The Group was covenant compliant in the 12 months to 30 September 2024 and is forecast to remain so throughout the going concern review period. LTV and EBIT covenant headroom has also been assessed. Stress testing scenarios and mitigating actions have been identified and particular attention has been paid to the Group's assumptions around non-contractual receipts and non-committed expenditure.

The Group has two loan facilities maturing within the going concern period. The first, a £7.9 million sales loan, matures in September 2025 having been extended for a further year since the year-end date (see note 30) and is expected to be fully repaid using sales proceeds from the Manchester development, together with existing cash balances if required. The second facility, a £5.1 million development loan, matures in March 2026 and has been fully repaid since the year end.

The Directors have concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. Summary of significant accounting policies

Joint ventures

The Group is party to joint arrangements where there are contractual arrangements that confer joint control over the relevant activities of the arrangements to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either joint ventures or joint operations. In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of joint arrangements structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

In the consolidated financial statements, interests in joint ventures are initially recognised in the consolidated balance sheet at cost and subsequently accounted for using the equity method of accounting whereby the consolidated balance sheet incorporates the Group's share of the net assets of the joint ventures. The consolidated statement of comprehensive income incorporates the Group's share of the joint ventures' profits after tax.

Joint operations are consolidated on a line by line basis with regard to the underlying contractual arrangements.

Where there is objective evidence that an investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Investment properties

Investment properties are properties held for long-term rental income and/or for capital appreciation and are measured initially at cost, including related transaction costs, and subsequently at fair value. Changes in fair value of an investment property at the balance sheet date and its carrying amount prior to remeasurement are recorded in the consolidated statement of comprehensive income.

Investment properties are recognised as an asset when:

- it is probable that future economic benefits that are associated with the investment property will flow to the Group;
- there are no material conditions present that could prevent completion; and
- the cost of the investment property can be measured reliably.

Additions to investment properties in the course of development or refurbishment include the cost of finance and directly attributable internal and external costs incurred during the period of development until the properties are ready for their intended use.

An investment property undergoing redevelopment or refurbishment for continued use as an investment property will remain as an investment property measured at fair value and is not reclassified.

A transfer of a property from investment properties to trading properties will be made where there is a change in use such that the asset is to be developed or held with a view to sale.

2. Summary of significant accounting policies continued

Trading properties

Trading properties comprise both direct interests in property and indirect beneficial interests in property held through land promotion agreements or other contractual arrangements. They are classified as inventory and are included in the consolidated balance sheet at the lower of cost and net realisable value. Net realisable value is the expected net sales proceeds of the developed property in the ordinary course of business less the estimated costs to completion and associated selling costs. A provision is made to the extent that projected costs exceed projected revenues.

All external and internal costs, including borrowing costs, directly associated with the purchase, promotion and construction of a trading property are capitalised up to the date that the property is ready for its intended use. Property acquisitions are recognised when legally binding contracts that are irrevocable and effectively unconditional are exchanged.

Properties reclassified to trading properties from investment properties are transferred at deemed cost, being the fair value at the date of reclassification.

Properties reclassified from trading properties to investment properties are transferred at fair value when there is a change in use of the asset such that it is to be held for long-term rental income and/or for capital appreciation.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership. Leases not transferring substantially all the risks and rewards of ownership are classified as operating leases. Rental income paid under or received from operating leases is recognised in the consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Property, plant and equipment

Property, plant and equipment is stated at cost or fair value at the date of transfer less accumulated depreciation and accumulated impairment losses. This includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, with the exception of land, at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the reporting date, over its expected useful life as follows:

Freehold property	—	shorter of expected period to redevelopment and 2 per cent straight line
Leasehold improvements	—	shorter of term of the lease and 10 per cent straight line
Furniture and equipment	—	20–33 per cent straight line
Plant and machinery	—	5–33 per cent straight line

Inventory

Biological assets

Crops before the point of harvest are classified as biological assets. All biological assets are held at fair value less estimated selling costs. The estimate of net fair value of crops is based on the historical cost until sufficient biological transformation has taken place to indicate that cost is no longer equal to net fair value. Thereafter the fair value is based on a discounted cash flow model applied to expected crop yield using the estimated market values less estimated selling costs. The point at which sufficient biological transformation has taken place requires the use of estimates. Different assumptions around growth patterns could cause the recorded net fair value of biological assets to differ. Where little biological transformation has occurred then cost equates to net fair value. A gain or loss arising on initial recognition of a biological asset at net fair value is included in profit or loss for the period in which it arises.

Other inventory

Crops in store are stated at the lower of deemed cost and net realisable value. The deemed cost of crops in store is measured at its fair value less estimated selling costs at the point of harvest.

Other inventories are stated at the lower of cost and net realisable value.

Net realisable value represents the estimated net selling price less all estimated costs of completion.

Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised at the fair value of the consideration receivable, including the fair value of any residential properties received in part exchange, excluding VAT. The following revenue recognition policies have been applied in respect of each of the Group and joint ventures' principal revenue streams.

Trading property sales

Revenue on the sale of trading properties, including beneficial interests held indirectly through land promotion and other contractual agreements, is recognised when performance obligations are satisfied, which occurs when control of the Group's interest has passed to the buyer on completion of contracts. Any variable consideration is estimated, taking into account the timing and variability of consideration, and only recognised where there is sufficient evidence that the amount can be reliably measured. Any deferred consideration is discounted to present value with the discount being unwound to profit and loss as finance income. Costs, which prior to sale are included within trading properties on the balance sheet, are expensed to cost of sales at the point of sale.

2. Summary of significant accounting policies continued

Revenue recognition continued

Residential property sales

Revenue on the sale of residential properties, including land parcels sold to housebuilders for residential development, is recognised when the significant risks and rewards of ownership of the property have passed to the buyer on completion of contracts. Any variable consideration including overages is estimated at the point of sale taking into consideration the time to recover overage amounts as well as other factors which may give rise to variability. Any deferred consideration is discounted to present value with the discount being unwound to profit and loss as finance income. Costs, which prior to sale are included within trading properties on the balance sheet, are expensed to cost of sales at the point of sale.

Revenue on construction contracts

Revenue on construction contracts is recognised over time usually on the basis of percentage of work completed using the input method (reflecting the enhancement in value of the customer's asset). Associated costs are expensed as incurred.

Where contracts contain multiple distinct elements, revenue is allocated to each element in proportion to the assessed stand-alone selling price of the services being provided. For any such elements that are determined as being satisfied at a point in time, revenue is recognised at the point of satisfaction of the relevant performance obligations. Associated costs are initially recognised in trading properties and expensed as a cost of sale at the point of sale.

Rental and other property income

Rental and other property income arising from property is accounted for on a straight line basis over the term of the lease. Lease incentives, including rent free periods and payments to tenants, are allocated to the consolidated statement of comprehensive income on a straight line basis over the lease term as a deduction from rental income.

Project management fees and other income, including recoverable property expenses

Fees from development management service arrangements and other agreements are determined by reference to the relevant agreement and recognised over time as the services are provided, typically using the output method.

Farming income

Farming income comprises sale of goods, government grants, rental income and other operating income.

Revenue derived from the sale of goods relates to the sale of crops. All crops are sold under contract and the Group recognises revenue when it transfers control of the goods to a customer. Transfer of control is determined when the crops are received and accepted by the customer.

Taxation

Current tax

The charge for current taxation is based on the results for the year as adjusted for items that are non-taxable or disallowed. It is calculated using rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and the corresponding tax base cost used in computing taxable profit.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is recognised in the consolidated statement of comprehensive income except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognised within equity.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax balances are not discounted.

Gift aid

The distribution of gift aid donations is expected to be equal to the estimated taxable profits of the Company at the time of the approval of the financial statements. It is recognised only at the time of payment.

LTIP

Employees and Directors of the Group can be awarded discretionary LTIP awards under the plan described in the Remuneration Committee report on pages 88 to 93. A provision for the LTIP is calculated at each year end and held at fair value on the balance sheet if a reliable estimate of the Group's obligation at the point of vesting can be made. Movements in the provision are recognised in the statement of comprehensive income.

2. Summary of significant accounting policies continued

Retirement benefits

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the period to which they relate.

Government grants

Government grants received in relation to property asset capital expenditure are included within deferred income in the statement of financial position and recognised within the income statement in the same period as the related expenditure.

Impairment of non-financial assets (excluding trading properties, investment properties and deferred tax)

Impairment tests on the Group's property, plant and equipment and interests in joint ventures are undertaken at each reporting date to determine whether there is any indication of impairment. If such indication becomes evident, the asset's recoverable amount is estimated and an impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less from inception. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits with banks net of bank overdrafts.

Trade and other receivables

Trade and other receivables arising in the normal course of business are initially recognised at fair value and subsequently at amortised cost or recoverable amount.

For significant receivables, particularly in respect of amounts due from housebuilders, the Group monitors the recoverability by undertaking at least six-monthly credit checks and the continual monitoring of payment track records and housing sales. Additionally, annual comparisons are performed by monitoring third party valuations in respect of particular land parcels upon which the receivables are secured compared to those receivables recognised in the balance sheet in respect of such land parcels. As part of this consideration, the Group considers the recoverability of the receivable in the event of a downturn in the market.

Deferred consideration receivable in respect of the sale of land parcels is discounted to present value with the discount being unwound to profit and loss as finance income.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently at amortised cost.

Borrowings

Interest bearing loans are initially recorded at fair value, net of any directly attributable issue costs, and subsequently recognised at amortised cost.

Borrowing costs

Finance and other costs incurred in respect of obtaining borrowings are accounted for on an accruals basis using the effective interest method and amortised to the consolidated statement of comprehensive income over the term of the associated borrowings.

Borrowing costs directly attributable to the acquisition and construction of investment and trading properties are added to the costs of such properties until the properties are ready for their intended use.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

3. Significant areas of judgement and estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires the use of certain judgements and estimation uncertainty. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Areas requiring the use of estimates and judgement that may impact on the Group's earnings and financial position include:

Accounting estimates

Valuation of investment and trading properties

For the purposes of calculating the fair value of its investment property portfolio and the net realisable value (and, for EPRA reporting purposes, the fair value) of its trading property portfolio, the Group uses valuations carried out by either independent valuers or the Directors on the basis of market value in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The valuations are based upon assumptions including future rental income, sales prices and rates, estimates of typical profit margins and finance costs, anticipated maintenance costs, development costs, inflation forecasts and appropriate discount rates. Assumptions used in the valuations of the Group's significant investment property interests carried at valuation and trading properties valued for EPRA reporting purposes at 30 September 2024 are disclosed later in note 3. Details of the Group's trading properties that are measured at net realisable value are disclosed in note 14. The valuers and Directors also make reference to market evidence for comparable property transactions and principal inputs and assumptions.

Due to the nature of development timescales, it is routinely necessary to estimate costs to complete and future revenues and to allocate non-unit-specific development costs between units legally completing in the current financial year and in future periods.

Revenue

Estimates are involved when determining how much revenue to recognise at the point in time of residential property sales where there is deferred consideration and/or variable consideration which is only determined at the point of the future onward sale of constructed homes by the Group's housebuilder customers. The variable element (sales overage), is the amount received above the contracted minimums and these amounts are only recognised upon exchange of contracts on future house sales.

In determining the amount of revenue recognised, the Directors consider the following factors:

Absorption rates – licence sale contracts contain minimum sales rates as well as minimum prices. The Directors consider as a base case assumption that houses will be sold by housebuilding customers in line with the contracted minimum sales rates. Revenue is therefore discounted by reference to these rates.

Discount rates – the onward sale of constructed homes by housebuilder customers will occur over a number of years. Consequently, the time value of money and the credit risk of the housebuilder must be taken into account when measuring the present value of the consideration receivable. The Directors consider the third party cost of borrowing to be an appropriate rate at which to discount deferred consideration for the sale of the land. These discount rates are kept under review in the event of indications of a significant change in circumstance of the housebuilding customer.

Affordable revenue – licence sale contracts in respect of land parcels can mandate the purchaser to provide an element of affordable housing within overall delivery. Revenue in relation to affordable housing is recognised when the Directors consider that a reliable estimate can be made of the amount receivable. The Directors assess, on a case by case basis, whether such a reliable estimate can be made, taking into account, for example, whether contracts are exchanged, whether there are a number of advanced offers in place, or whether contracts are well advanced.

Inflation rates – some contractual minimum prices are subject to an annual inflation review. The Directors consider publicly available inflation forecasts when calculating minimum amounts receivable over the licence contracts.

Cost of trading property sales

The sale of parcels or units of strategic land requires an allocation of costs (where applicable including site-wide infrastructure, any construction costs directly attributable to individual land parcels, capitalised interest and capitalised administrative expenses) in order to account for cost of sales associated with the disposal. The costs are allocated between the land being sold and the land retained, having taken into account cost incurred to date and cost still to be incurred to completion (as estimated with reference to the latest project forecasts).

Taxation

There are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve judgements about future events. The Directors have also exercised their judgement in relation to the recognition of certain deferred tax assets and liabilities. In order to assess whether the Group should recognise a deferred tax asset or liability and the tax rate at which that asset or liability should be measured, the Directors estimate the timing and likelihood of expected future profits along with how these expected future profits match up with the existing tax losses within specific Group entities. The proportion of the Group's estimated available tax losses for deferred tax has been disclosed in note 13.

3. Significant areas of judgement and estimation uncertainty continued

Accounting estimates continued

LTIP

The LTIP is a cash settled bonus scheme, the structure of which is set out in the Remuneration Committee report. The provision held for the Group's LTIP is calculated at each year end using a set of assumptions in respect of the Group's forecast performance.

Judgements

Distinction between investment properties and trading properties

Where there is a strategic decision taken to develop any element of an investment property for sale rather than hold for investment purposes, then that element is remeasured to fair value at the decision date and transferred to trading properties. Where there is a strategic decision taken to hold any element of a trading property for long-term capital growth or income, then that element is transferred to investment properties at cost and subsequently held at fair value.

Property value assumptions

The key significant unobservable inputs to the strategic property valuations, for investment properties, trading properties and agricultural land valued for EPRA purposes, including properties wholly owned, within joint venture vehicles, or subject to joint arrangements, included:

	30 September 2024	30 September 2023
House price – private (£psf)	**260–440**	260–445
House price – affordable (£psf)	**160–274**	145–270
House price inflation (per cent)	**Nil**	Nil
Cost price inflation (per cent)	**2.5**	2.5
Residential land prices (£'000 per NDA)	**1,075–1,975**	1,075–2,100
Commercial land value (£'000 per acre)	**200–850**	200–1,000
Risk-adjusted discount rate (per cent)	**6.5–13.0**	6.5–13.0
Agricultural land value (£'000 per acre)	**7.5–11.0**	7.5–11.0

Inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if:

- expected house price inflation were higher/(lower);
- expected annual cost price inflation were lower/(higher);
- commercial land prices were higher/(lower); and
- risk-adjusted discount rate were lower/(higher).

The significant valuation inputs to the Group's strategic property valuations are too interdependent to meaningfully present the impact of varying these inputs.

Assessing fair value of assets and liabilities acquired on business combination

Upon acquisition, the acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. Fair values are determined by reference to a combination of third party and Directors' valuations.

Allocation and realisation of negative goodwill

Where there is negative goodwill this will be allocated to the non-monetary assets acquired and subsequently when these assets are realised in future periods, the associated negative goodwill will also be recognised in the statement of comprehensive income.

4. Revenue and gross profit

for the year ended 30 September 2024

	Strategic Sites £'000	Land promotion £'000	Commercial £'000	Total £'000
Trading property sales[1]	**34,000**	**7,733**	**—**	**41,733**
Revenue on construction contracts	**5,300**	**148**	**—**	**5,448**
Rental and other property income	**2,310**	**34**	**1,490**	**3,834**
Farming income	**—**	**—**	**3,624**	**3,624**
Project management fees and other income	**7,756**	**—**	**—**	**7,756**
Revenue	**49,366**	**7,915**	**5,114**	**62,395**
Cost of trading property sales	**(24,111)**	**(4,368)**	**—**	**(28,479)**
Costs of construction contracts	**(5,300)**	**(148)**	**—**	**(5,448)**
Direct property expenses	**(4,584)**	**—**	**(814)**	**(5,398)**
Farming expenses	**—**	**—**	**(1,815)**	**(1,815)**
Write (down)/back of trading properties	**—**	**(19)**	**300**	**281**
Direct costs	**(33,995)**	**(4,535)**	**(2,329)**	**(40,859)**
Profit on trading property sales	**9,889**	**3,365**	**—**	**13,254**
Profit on construction contracts	**—**	**—**	**—**	**—**
Rental and other property losses	**(2,274)**	**34**	**676**	**(1,564)**
Farming profits	**—**	**—**	**1,809**	**1,809**
Project management fees and other income	**7,756**	**—**	**—**	**7,756**
Write (down)/back of trading properties	**—**	**(19)**	**300**	**281**
Gross profit	**15,371**	**3,380**	**2,785**	**21,536**

1. Included within trading property sales on strategic sites is £5,336,000 of grant income in respect of the Middlebeck, Newark project.

for the year ended 30 September 2023

	Strategic Sites £'000	Land promotion £'000	Commercial £'000	Total £'000
Trading property sales	77,508	2,632	—	80,140
Revenue on construction contracts	4,500	187	—	4,687
Rental and other property income	1,893	—	1,451	3,344
Farming income	—	—	9,606	9,606
Project management fees and other income	6,421	—	—	6,421
Revenue	90,322	2,819	11,057	104,198
Cost of trading property sales	(71,919)	(836)	—	(72,755)
Costs of construction contracts	(4,500)	(187)	—	(4,687)
Direct property expenses	(3,287)	—	(968)	(4,255)
Farming expenses	—	—	(8,155)	(8,155)
Write down of trading properties	—	(1,215)	(20)	(1,235)
Direct costs	(79,706)	(2,238)	(9,143)	(91,087)
Profit on trading property sales	5,589	1,796	—	7,385
Profit on construction contracts	—	—	—	—
Rental and other property losses	(1,394)	—	483	(911)
Farming profits	—	—	1,451	1,451
Project management fees and other income	6,421	—	—	6,421
Write down of trading properties	—	(1,215)	(20)	(1,235)
Gross profit	10,616	581	1,914	13,111

4. Revenue and gross profit continued

	Year ended 30 September 2024	Year ended 30 September 2023
Number of construction contracts	**2**	2

No further gross profit is forecast on the above construction contracts. One of these contracts came to an end during the year, and the other is due to come to an end during the next financial year.

5. (Loss)/profit before finance and taxation

Is arrived at after charging/(crediting):	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Amortisation of negative goodwill	**(1,100)**	—
Depreciation of property, plant and equipment	**514**	433
Loss/(profit) on disposal of property, plant and equipment	**12**	(26,958)
Impairment of property, plant and equipment	**197**	2,165
Impairment of investments in joint ventures	**1,557**	—
(Write back)/impairment of trade receivables	**(97)**	16
Operating lease charges – rent of properties	**781**	597
LTIP expense	**4,990**	920
Capitalisation of administrative expenses to investment properties	**(485)**	(371)
Capitalisation of administrative expenses to trading properties	**(6,362)**	(3,952)
Fees paid to BDO LLP[1] in respect of:		
– audit of the Company	**550**	398
Other services:		
– audit of subsidiaries and associates	**200**	100

1. Total fees for 2024 payable to the Company's auditor are £750,000 (2023: £498,000).

6. Finance income and finance costs

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Interest receivable from cash deposits	**2,885**	2,097
Unwinding of discount applied to long-term receivables	**5,908**	4,254
Other interest receivable	**2,067**	1,023
Finance income	**10,860**	7,374
Interest payable on borrowings	**(14,066)**	(10,835)
Amortisation of loan arrangement costs	**(1,332)**	(779)
Finance costs pre-capitalisation	**(15,398)**	(11,614)
Finance costs capitalised to trading properties	**14,121**	10,318
Finance costs	**(1,277)**	(1,296)
Net finance income	**9,583**	6,078

Finance costs are capitalised at the same rate as the Group is charged on respective borrowings.

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7. Employee benefit expenses

Employee benefit expenses (including Directors) are as follows:	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Wages and salaries (including discretionary bonus)	**16,091**	12,312
Employer's National Insurance contributions and similar taxes	**3,029**	1,659
Defined contribution pension cost	**1,336**	1,113
LTIP expense	**4,990**	920
Total staff costs (including Directors)	**25,446**	16,004
Amount capitalised to investment and trading properties	**(4,128)**	(2,655)
Amount included within operating profit	**21,318**	13,349

	Year ended 30 September 2024 Number	Year ended 30 September 2023 Number
Average number of employees during the year (including Directors)	**121**	113

8. Directors' remuneration

Directors' remuneration	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Directors' emoluments	**2,369**	1,611
Amounts receivable under LTIP	**281**	202
Company pension contributions	**129**	126
Total	**2,779**	1,939

Highest paid Director	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Directors' emoluments	**866**	602
Amounts receivable under LTIP	**107**	77
Company pension contributions	**48**	47
Total	**1,021**	726

9. Tax on profit on ordinary activities

(a) Analysis of credit for the year

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Current tax:		
UK corporation tax on profits for the year	**—**	—
Adjustments in respect of previous periods	**677**	—
Total current tax	**677**	—
Deferred tax:		
Origination and reversal of timing differences	**(702)**	(2,430)
Adjustments in respect of previous periods	**(377)**	589
Total deferred tax	**(1,079)**	(1,841)
Total tax credit	**(402)**	(1,841)

9. Tax on profit on ordinary activities continued

(b) Factors affecting the tax credit for the year

The effective rate of tax for the year varies from the standard rate of tax in the UK. The differences can be explained below:

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Profit attributable to the Group before tax	**7,586**	21,994
Profit multiplied by the average rate of UK corporation tax of 25 per cent (2023: 22 per cent)	**1,897**	4,839
Income not assessable for tax purposes	**(275)**	—
Expenses not deductible for tax purposes	**314**	184
Differences arising from taxation of chargeable gains/(losses) and property revaluations	**1,672**	(5,894)
Gift aid	**(4,393)**	(1,508)
Adjustments in respect of previous periods	**300**	589
Tax gains/(losses) and other items	**83**	(51)
Total tax credit	**(402)**	(1,841)

The current tax charge arising in the year is considered unlikely to crystallise because of the Group's intention to gift aid to the Wellcome Trust the profits that give rise to the charge.

During the year the Group made gift aid payments of £5,431,000 (30 September 2023: £16,998,000) to the Wellcome Trust.

(c) Joint ventures

The Group's share of tax on the joint ventures is £Nil (2023: £Nil).

10. Investment properties

(i) Carrying amount reconciliation

	£'000
Valuation	
At 1 October 2022	81,703
Additions at cost	39,952
Disposals	(4,587)
Deficit on revaluation	(9,824)
At 1 October 2023	107,244
Additions at cost	3,873
Disposals	—
Deficit on revaluation	(1,480)
Transfers to trading properties	(64,685)
Carrying value and portfolio valuation at 30 September 2024	**44,952**

(ii) Operating lease arrangements

Refer to note 27 for details of the operating lease commitments related to investment properties.

(iii) Items of income and expense

During the year ended 30 September 2024, £1,752,000 (2023: £1,819,000) was recognised in the consolidated statement of comprehensive income in relation to rental and ancillary income from investment properties. Direct operating expenses, including repairs and maintenance, arising from investment properties that generated rental income amounted to £1,827,000 (2023: £895,000).

(iv) Restrictions and obligations

At 30 September 2024 and 2023 there were no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal.

There are no obligations, except those already contracted, to construct or develop the Group's investment properties.

(v) Historical cost and capitalisation

The historical cost of investment properties as at 30 September 2024 was £35,731,000 (2023: £93,177,000). There was no interest capitalised during the current or prior year. During the year staff and administrative costs of £485,000 (2023: £371,000) have been capitalised and are included within additions.

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10. Investment properties continued

(vi) Fair value measurement

The Group's investment properties are valued on an annual basis at fair value by CBRE Limited (CBRE) and Strutt & Parker, independent chartered surveyors. Where property assets are bifurcated between investment and trading properties, the Directors have allocated the third party valuations with reference to the nature of the properties in each classification. The valuation at each period end is carried out in accordance with guidance issued by the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount that should be received for selling an investment property in an orderly transaction between market participants at the valuation date.

The following summarises the valuation technique used in measuring the fair value of the Group's investment properties.

Valuation technique

Discounted cash flows: the valuation models for the Group's Strategic Sites consider the present value of net cash flows to be generated from the site (reflecting the current approach of constructing buildings, infrastructure and discharging the section 106 cost obligations), taking into account expected land value growth rates, build cost inflation, absorption rates and general economic conditions. The expected net cash flows are discounted using risk-adjusted discount rates and the resultant value is benchmarked against transaction evidence.

For the Farmcare assets, the best evidence of fair value is normally given by current prices or an active market for similar property in the same location and condition subject to a similar lease and other contracts. Comparable transactions are analysed to determine the value of agricultural and residential elements of the property and the discount rate at which commercial income and renewable energy lettings are capitalised.

The significant unobservable inputs applied in the valuation of the Group's investment properties are listed in note 3.

11. Property, plant and equipment

	Freehold property £'000	Plant and machinery £'000	Leasehold improvements £'000	Furniture and equipment £'000	Total £'000
Cost					
At 1 October 2022	151,649	848	757	1,876	155,130
Additions	48	3,456	93	121	3,718
Disposals	(71,274)	(3,951)	(72)	(807)	(76,104)
At 1 October 2023	80,423	353	778	1,190	82,744
On acquisition of subsidiary (see note 25)	5,228	—	—	847	6,075
Additions	327	24	—	116	467
Disposals	(362)	—	—	(5)	(367)
At 30 September 2024	**85,616**	**377**	**778**	**2,148**	**88,919**
Accumulated depreciation and impairment					
At 1 October 2022	1,375	193	753	1,505	3,826
Charge for the year	262	37	13	121	433
Impairment	2,165	—	—	—	2,165
Released on disposal	—	—	(72)	(707)	(779)
At 1 October 2023	3,802	230	694	919	5,645
Charge for the year	279	35	19	181	514
Impairment	197	—	—	—	197
Released on disposal	(117)	—	—	(5)	(122)
At 30 September 2024	**4,161**	**265**	**713**	**1,095**	**6,234**
Net book value					
At 30 September 2024	**81,455**	**112**	**65**	**1,053**	**82,685**
At 30 September 2023	76,621	123	84	271	77,099

Property, plant and equipment on the acquisition of L&Q Estates in the year totalled £6,075,000 (see note 25).

12. Investments

Investments in joint ventures

	Total £'000
Cost or valuation	
At 1 October 2022	134,946
Share of post-tax profit from joint ventures	5,978
Profits distributed	(2,500)
Loans advanced	5,826
Loans repaid	(7,542)
At 1 October 2023	136,708
On acquisition of subsidiary (see note 25)	7,118
Share of post-tax profit from joint ventures	4,663
Impairment of investments in joint ventures	(1,557)
Profits distributed	(1,973)
Loans advanced	4,676
Loans repaid	(1,700)
At 30 September 2024	**147,935**

At 30 September 2024 the Group's interests in its joint arrangements were as follows:

Joint ventures		
SUE Developments LP	50%	Property development
Wintringham Partners LLP	33%	Property development
Manydown Development Vehicle LLP	50%	Property development
Altira Park JV LLP	50%	Property development
Manchester New Square LP	50%	Property development
Foxchurch LLP	40%	Property development
Harley (Winchester) Limited	75%	Property development

Joint operations	
Baldock	Property development
Milton Keynes	Property development
Overstone Green	Property development
Gavray Drive	Property development
Bury Road	Property development

Baldock, Milton Keynes, Overstone Green, Gavray Drive and Bury Road are all joint arrangements with landowners that are structured through contractual arrangements. Decision making is shared 50:50 and the Group will have a right to sales proceeds under a waterfall agreement.

All of the Group's interests in joint arrangements have their principal place of business in the UK. The registered offices and country of incorporation of the joint ventures (and subsidiaries) are disclosed in note 8 of the notes to the Company financial statements on pages 137 to 139. Refer to note 3 for further details on the judgements used when recognising revenue for the joint ventures.

12. Investments continued
Investments in joint ventures continued
Summarised information on joint ventures 2024

100%	SUE Developments LP[1] £'000	Wintringham Partners LLP £'000	Manydown Development Vehicle LLP £'000	Altira Park JV LLP £'000	Foxchurch LLP £'000	Manchester New Square LP £'000	Harley (Winchester) Limited[2] £'000	Total 2024 £'000
Revenue	5,598	10,182	—	2,194	—	10,306	—	
Finance income	3,833	3,609	9	3	—	123	—	
Finance expense	—	—	—	—	—	(1,182)	(39)	
Profit/(loss) after tax	8,071	6,280	4	3	—	(2,008)	(39)	
Cash and cash equivalents	21,081	22,302	332	100	—	3,122	129	
Other current assets	206,549	63,776	18,764	934	1,102	29,473	9,278	
Non-current assets	9,014	5,963	—	—	—	—	—	
Current financial liabilities	—	—	—	—	—	552	—	
Other current liabilities	(3,955)	(3,208)	(2,597)	(297)	(402)	(3,027)	(1,181)	
Non-current financial liabilities	(92,665)	(82,541)	(16,560)	(739)	—	(35,869)	(3,926)	
Other non-current liabilities	(35,558)	—	—	—	(700)	—	—	
Net assets/(liabilities)	**104,466**	**6,292**	**(61)**	**(2)**	**—**	**(5,749)**	**4,300**	
The Group's carrying value consists of:								
Group's share of net assets/(liabilities)	52,233	1,635	(30)	—	—	(2,874)	3,225	54,189
Loans	43,536	22,593	7,850	739	1,102	14,000	3,926	93,746
Total investment in joint ventures	**95,769**	**24,228**	**7,820**	**739**	**1,102**	**11,126**	**7,151**	**147,935**

1. SUE Developments LP holds the Houlton, Rugby, site.
2. Harley (Winchester) Limited was acquired during the year as part of the L&Q Estates acquisition. Figures shown are for the period from acquisition to the year end.

Summarised information on joint ventures 2023

100%	SUE Developments LP[1] £'000	Wintringham Partners LLP £'000	Manydown Development Vehicle LLP £'000	Altira Park JV LLP £'000	Foxchurch LLP £'000	Manchester New Square LP £'000	Total 2023 £'000
Revenue	25,019	1,318	—	—	—	19,181	
Finance income	3,816	5,015	4	1	—	—	
Finance expense	—	—	—	—	—	(1,574)	
Profit/(loss) after tax	8,907	5,918	(1)	—	—	(896)	
Cash and cash equivalents	11,974	15,609	273	62	—	3,781	
Other current assets	207,391	60,691	15,092	1,980	891	37,864	
Non-current assets	17,917	12,694	—	—	—	—	
Other current liabilities	(4,136)	(4,303)	(1,258)	(60)	(191)	(1,986)	
Non-current financial liabilities	(101,192)	(78,761)	(14,171)	(1,986)	—	(43,399)	
Other non-current liabilities	(35,558)	—	—	—	(700)	—	
Net assets/(liabilities)	96,396	5,930	(64)	(4)	—	(3,740)	
The Group's carrying value consists of:							
Group's share of net assets/(liabilities)	48,198	1,976	(32)	(2)	—	(1,870)	48,270
Loans	43,787	19,993	6,616	1,986	891	15,165	88,438
Total investment in joint ventures	91,985	21,969	6,584	1,984	891	13,295	136,708

1. SUE Developments LP holds the Houlton, Rugby, site.

The significant unobservable inputs applied in the valuation of the Group's trading properties held in joint venture vehicles for EPRA purposes are listed in note 3.

13. Deferred tax

The net movement on the deferred tax account is as follows:

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
At 1 October	**(7,182)**	(9,023)
On acquisition of subsidiary (net – see note 25)	**(19,009)**	—
Movement in the year (see note 9)	**1,079**	1,841
At 30 September	**(25,112)**	(7,182)

The deferred tax balances are made up as follows:

	At 30 September 2024 £'000	At 30 September 2023 £'000
Deferred tax assets		
Tax losses	**4,148**	3,223
	4,148	3,223
Deferred tax liabilities		
Revaluation surpluses	**(29,260)**	(10,405)
	(29,260)	(10,405)

At 30 September 2024, the Group had unused tax losses of £17,468,000 (2023: £18,991,000), of which £12,412,000 (2023: £12,893,000) has been recognised as a deferred tax asset. £4,920,000 (2023: £5,961,000) has been applied to reduce the Group's deferred tax liability recognised at the balance sheet date in respect of tax potentially payable on the realisation of investment properties at fair value at the balance sheet date. No deferred tax asset is recognised in respect of realised or unrealised capital losses if there is uncertainty over future recoverability. Deferred tax assets are only recognised where there is a reasonable assumption of future profits.

Tax losses of £136,000 (2023: £136,000) have not been recognised as it is not considered sufficiently certain that there will be appropriate taxable profits available in the foreseeable future against which these losses can be utilised.

The Group's deferred tax balances have been measured at 25 per cent (2023: 25 per cent), being the enacted rate of corporation tax in the UK at the balance sheet date against which the temporary differences giving rise to the deferred tax are expected to reverse. Deferred tax on the L&Q acquisition has been calculated at 29 per cent to include an additional provision for Residential Property Developer Tax.

14. Trading properties

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
At 1 October	**391,070**	321,526
On acquisition of subsidiary (see note 25)	**235,932**	—
Additions at cost	**108,203**	144,354
Transfers from investment properties	**64,685**	—
Costs written back/(down)	**281**	(1,235)
Disposals	**(41,112)**	(73,575)
Carrying value at 30 September	**759,059**	391,070

Trading properties by class of property	**At 30 September 2024 £'000**	At 30 September 2023 £'000
Direct interests in completed and development properties	**653,497**	373,520
Indirect interests held through land promotion, option or other contractual agreements	**105,562**	17,550
	759,059	391,070

14. Trading properties continued

During the year investment properties with a total carrying value of £64,685,000 were transferred to trading properties at fair value following a decision to develop the properties for sale.

During the year staff and administrative costs of £6,362,000 (2023: £3,952,000) have been capitalised and are included within additions.

Capitalised interest of £35,344,000 is included within the carrying value of trading properties as at 30 September 2024 (2023: £22,410,000), of which £14,121,000 (2023: £10,318,000) was capitalised during the year. Included within disposals is £1,187,000 (2023: £5,905,000) of interest previously capitalised and written off on disposal.

The carrying value of trading properties at 30 September 2024 includes £3,477,000 (2023: £3,162,000) measured at net realisable value. The remaining assets have been measured at cost. In arriving at their net realisable value assessments, the Directors have had regard to the current valuations of the properties (where relevant) and the future expected profitability of the asset.

The significant unobservable inputs applied in the valuation of the Group's trading properties for EPRA purposes are listed in note 3.

Trading properties on the acquisition of L&Q Estates in the year totalled £235,932,000 (see note 25).

15. Inventory

	At 30 September 2024 £'000	At 30 September 2023 £'000
Biological assets	**167**	248
Raw materials and consumables	**208**	210
Crops in store	**680**	1,076
	1,055	1,534

As at 30 September 2024 and 30 September 2023, inventory balances relate entirely to Farmcare.

16. Trade and other receivables

Non-current	**At 30 September 2024 £'000**	At 30 September 2023 £'000
Trade receivables	**26,529**	44,031
	26,529	44,031

Current	**At 30 September 2024 £'000**	At 30 September 2023 £'000
Trade receivables	**71,247**	59,242
Less: provision for impairment of trade receivables	**(115)**	(212)
Trade receivables (net)	**71,132**	59,030
Other receivables	**30,805**	5,056
Prepayments and accrued income	**1,670**	3,754
	103,607	67,840

Trade receivables include minimum amounts due from housebuilders on strategic land parcel sales which are payable on the completion of the onward sale of completed units by the respective housebuilders, subject to certain minimum amounts that are payable annually, typically over a four to five-year period post-sale.

Other receivables include £24,476,000 (2023: £2,200,000) held in client accounts which relates to payments from land sales that were made just before the year end. These have since been received and recognised within cash post year end.

Trade and other receivables on the acquisition of L&Q Estates in the year totalled £31,835,000 (see note 25).

17. Trade and other payables

Non-current	At 30 September 2024 £'000	At 30 September 2023 £'000
Trade payables	**4,729**	—
	4,729	—

Current	At 30 September 2024 £'000	At 30 September 2023 £'000
Trade payables	**77,123**	11,291
Taxes and social security costs	**1,002**	420
Other payables	**13,971**	1,645
Accruals	**21,796**	14,350
Deferred income	**29,119**	17,498
	143,011	45,204

Deferred income includes £27,264,000 (2023: £15,683,000) which relates to grant funding in respect of the Middlebeck, Newark project and £Nil (2023: £1,008,000) in relation to the sale of land and buildings.

Trade and other payables on the acquisition of L&Q Estates in the year totalled £77,536,000 (see note 25).

18. Provisions

The net movement of provisions in the year is as follows:

Current	At 30 September 2024 £'000	At 30 September 2023 £'000
At 1 October	**1,190**	270
Utilised in the year	**(131)**	—
Created in the year	**5,801**	920
At 30 September	**6,860**	1,190

The maturity profile of provisions is as follows:

	At 30 September 2024 £'000	At 30 September 2023 £'000
Current	**1,880**	600
Non-current	**4,980**	590
Total	**6,860**	1,190

The provision predominantly relates to awards in respect of the Group's Long-Term Incentive Plan (LTIP), which is awarded to certain Directors and employees. The structure of the LTIP is described in the Remuneration Committee section under Governance.

Current provisions also includes £680,000 (2023: £Nil) which relates to redundancy costs following the acquisition of L&Q Estates.

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19. Borrowings

	At 30 September 2024 £'000	At 30 September 2023 £'000
Bank loans and overdrafts	**(817)**	(63)
Other loans	**174,192**	173,344
	173,375	173,281

Maturity profile	At 30 September 2024 £'000	At 30 September 2023 £'000
Less than one year	**—**	(63)
Between one and five years	**73,090**	30,697
More than five years	**100,285**	142,647
	173,375	173,281

Other loans comprise borrowings from Homes England and Huntingdon District Council. Interest on borrowings from Homes England is charged at between 2.5 and 4.0 per cent (2023: between 2.5 and 4.0 per cent) above the EC Reference Rate and the facilities are secured against specific land holdings.

The revolving credit facility is secured against specific property holdings. The balance on this facility is £Nil at 30 September 2024 (2023: £Nil). The credit facility was refinanced on 20 December 2023. The new facility has been extended for a further five years and expanded to an increased limit of £80,000,000 from £40,000,000. There are £817,000 (30 September 2023: £63,000) of unamortised loan arrangement costs, reflected in a negative balance presented under bank loans and overdrafts.

The Group's undrawn loan facilities at 30 September 2024 were:

	At 30 September 2024 £'000	At 30 September 2023 £'000
Expiring in less than one year	**—**	40,000
Expiring between one and five years	**80,000**	—
Expiring in greater than five years	**30,944**	37,118
	110,944	77,118

20. Financial instruments

Details of the Group's significant accounting policies, including the basis on which income and expenses are recognised through the statement of comprehensive income and the basis of measurement, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 2.

Financial assets measured at amortised cost	At 30 September 2024 £'000	At 30 September 2023 £'000
Cash and cash equivalents	**141,516**	100,574
Trade and other receivables	**129,236**	110,783
Loans advanced to joint ventures	**93,746**	88,438
	364,498	299,795

20. Financial instruments continued

Financial liabilities measured at amortised cost	At 30 September 2024 £'000	At 30 September 2023 £'000
Trade payables	81,852	11,291
Taxes and social security costs	1,002	420
Other payables and deferred income	43,090	17,328
Accruals	21,796	14,350
Loans gross of unamortised loan arrangement costs	175,788	174,812
	323,528	218,201

Financial liabilities measured at fair value	At 30 September 2024 £'000	At 30 September 2023 £'000
Provisions	6,860	1,190
	6,860	1,190

21. Share capital

Urban&Civic plc	At 30 September 2024 £'000	At 30 September 2023 £'000
Issued and fully paid		
271,268,350 (2023: 224,502,483) shares of 20p each (2023: 20p each)	54,253	44,900

Movements in share capital in issue

Ordinary shares	Number	Share capital £'000	Share premium £'000
At 1 October 2022	203,235,177	40,647	352,062
Shares issued	21,267,306	4,253	73,139
At 1 October 2023	224,502,483	44,900	425,201
Shares issued	46,765,867	9,353	144,647
At 30 September 2024	**271,268,350**	**54,253**	**569,848**

Shares issued in the year relate to funding the acquisition of L&Q Estates.

Shares issued in the prior year relate to settling the liability with Gower Place Investments Limited in relation to the Manydown investment, funding of the full acquisition of the Waterbeach site and funding new development commitments and obligations relating to specific Strategic Sites. Details of these transactions are provided in notes 25 and 28 of the Group financial statements.

22. Reserves

The movement on reserves in the year is set out in the consolidated statement of changes in equity on page 106.

The nature and purpose of the Group's reserves are:

- share premium account: represents the excess of the value of shares issued over their nominal amount;
- capital redemption reserve: represents the amount paid to purchase issued shares for cancellation at their nominal value;
- other reserve: represents a non-distributable capital reserve arising on the acquisition of subsidiary undertakings; and
- retained earnings: represents cumulative net gains and losses recognised in the consolidated statement of comprehensive income less dividends paid, gift aid paid and reserve movements in relation to share-based payments.

23. Net asset value, EPRA net asset value (a non-standard metric) and EPRA NTA per share

Net asset value, EPRA net asset value (a non-standard metric) and EPRA NTA per share are calculated as the net assets or EPRA net assets of the Group attributable to shareholders at each balance sheet date, divided by the number of shares in issue at that date.

	At 30 September 2024	At 30 September 2023
Number of ordinary shares in issue	**271,268,350**	224,502,483
NAV per share	**315.5p**	311.5p
Net asset value (£'000)	**855,800**	699,243
Revaluation of property interests[1] (£'000)		
– Alconbury Weald	**38,621**	33,268
– Houlton, Rugby	**5,206**	3,880
– Priors Hall	**(12,087)**	(7,098)
– Waterbeach	**18,038**	7,271
– Wintringham St Neots	**9,534**	10,474
– Build to Rent parcel	**(177)**	—
– Newark	**(12,919)**	(6,053)
– Farmcare	**21,061**	8,916
– Kings Langley	**2,531**	522
– Baldock	**(129)**	—
– Bowmans Cross	**33**	—
– Manydown	**43**	—
– Land promotion sites	**9,308**	7,307
– Manchester New Square	**(41)**	(950)
	79,022	57,537
Negative goodwill	**98,451**	—
Deferred tax liability (£'000)	**29,260**	10,405
EPRA NAV (a non-standard metric) (£'000)	**1,062,533**	767,185
EPRA NAV per share	**391.7p**	341.7p
Deferred tax (£'000)	**(47,864)**	(23,824)
EPRA NTA (£'000)	**1,014,669**	743,361
EPRA NTA per share	**374.0p**	331.1p

1. Property interests include trading properties held by the Group and the Group's share of joint ventures and farming assets classified as freehold property within property, plant and equipment.

24. Contingent liabilities, capital commitments and guarantees

The parent company has given guarantees totalling £93,392,000 (2023: £94,381,000) as part of the Group's development obligations.

Capital commitments relating to the Group's development sites, including the Group's share of joint ventures, are as follows:

	At 30 September 2024 £'000	At 30 September 2023 £'000
Contracted but not provided for	**71,395**	67,704

25. Business combinations – acquisition of subsidiary

On 6 August 2024, the Group acquired 100 per cent of the ordinary share capital of the entities listed below for a total consideration of £150,686,000. This was funded via the issue of 46,765,867 ordinary shares in Urban&Civic plc, valued at £3.293 per share, to Gower Place Investments Limited. The additional £3,314,000 of equity injected will be used to fund further capital expenditure across the business. Subsequently some of these entities have changed their names prior to the year end and these changes have been shown below.

Entity acquired	New company name
L&Q Estates Limited	Urban&Civic Estates Land Limited
Gallagher Bridgend Limited	Urban&Civic Bridgend Limited
Gallagher Estates Limited	Urban&Civic GE Estates Limited
Gallagher Estates Land Limited	Urban&Civic GE Land Limited
Gallagher Estates NR Limited	Urban&Civic GENR Limited
Gallagher Elstow Limited	Urban&Civic Elstow Limited
Gallagher Homes Limited	Urban&Civic Homes Limited
Gallagher Llanwern Limited	Urban&Civic Llanwern Limited
Gallagher Longstanton Limited	Urban&Civic Longstanton Limited
Gallagher Projects Limited	Urban&Civic Estates Projects Limited
Harley (Winchester) Limited	No change
J. J. Gallagher Construction Limited	Urban&Civic JJGC Limited
Portobello Developments 2002 Limited	No change
Redlawn Land Limited	No change
West Longstanton Limited	No change
Wixams First Limited	No change
Wixams NEA Management Company Limited	No change

All the acquired entities are engaged in the business of promotion, development and sale of land and real estate property, aligned to the principal activities of the Urban&Civic plc Group.

25. Business combinations – acquisition of subsidiary continued

In calculating the goodwill arising from acquisition, the fair value of the net assets of the entities have been assessed and adjustments from book value have been made where necessary:

	Book value £'000	Revaluation of property assets[1] £'000	Fair value £'000
Non-current assets			
Property, plant and equipment	5,625	450	6,075
Investments in joint ventures	7,097	21	7,118
Deferred tax assets	140	—	140
	12,862	**471**	**13,333**
Current assets			
Trading properties	176,709	59,223	235,932
Trade and other receivables	31,835	—	31,835
Cash and cash equivalents	65,822	—	65,822
	274,366	**59,223**	**333,589**
Total assets	**287,228**	**59,694**	**346,922**
Non-current liabilities			
Deferred tax liabilities	(1,583)	(17,566)	(19,149)
	(1,583)	**(17,566)**	**(19,149)**
Current liabilities			
Trade and other payables	(77,536)	—	(77,536)
Shareholder loans	(71,225)	—	(71,225)
	(148,761)	**—**	**(148,761)**
Net assets	**136,884**	**42,128**	**179,012**
Add back of intercompany payable	71,225	—	71,225
Net assets acquired	**208,109**	**42,128**	**250,237**
Negative goodwill			(99,551)
Purchase consideration			**150,686**

1. Relates to revaluation of property assets to fair value, which has been determined by reference to a combination of third party and Directors' valuations.

Purchase consideration consisted of the following:

	£'000
Cash consideration	77,982
Repayment of loan from previous shareholder	71,225
Transaction costs directly attributable to the business combination	1,479
Total cost of business combination	**150,686**

The transaction costs directly attributable to the business combination comprise legal and professional fees and stamp duty expenses.

The acquisition gave rise to an excess over the cost of the business combination in the net fair value of the entities' identifiable assets, liabilities and contingent liabilities. In accordance with FRS 102.19.24 the Group reassessed the identification and measurement of the acquired entities' assets, liabilities and provisions for contingent liabilities, and the measurement of the cost of the business combination, concluding that the excess over cost still existed after undertaking this exercise. No intangible assets were identified as part of this exercise.

This negative goodwill is presented as a separate line item on the consolidated balance sheet and will be subsequently recognised in the statement of comprehensive income as the non-monetary assets acquired are realised.

Since the acquisition date, the entities acquired (listed on the previous page) have contributed £3,465,000 to Group revenue and £406,000 to Group profit after tax.

26. Negative goodwill

	£'000
Cost	
At 1 October 2023	—
Additions	(99,551)
At 30 September 2024	**(99,551)**
Accumulated amortisation and impairment	
At 1 October 2023	—
Amounts recognised in profit or loss	1,100
At 30 September 2024	**1,100**
Net book value	
At 30 September 2024	**(98,451)**
At 30 September 2023	**—**

27. Lease commitments

Maturity analysis – contractual undiscounted cash flows

All lessee arrangements have been determined as constituting operating leases.

Where the Group is the lessee, the future aggregate minimum rentals payable under non-cancellable operating leases are as follows:

	At 30 September 2024 £'000	At 30 September 2023 £'000
In one year or less	**757**	751
Between one and five years	**4,060**	3,441
In five years or more	**745**	1,426
	5,562	5,618

Where the Group is the lessor, the future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Land and buildings (including investment property)	**At 30 September 2024 £'000**	At 30 September 2023 £'000
In one year or less	**2,528**	2,327
Between one and five years	**5,998**	6,071
In five years or more	**4,769**	4,882
	13,295	13,280

28. Related party transactions

Key management personnel

The Directors of the Company who served during the year are considered to be key management personnel. The combined emoluments for the key management personnel (relating to the period they were a Director), based upon amounts included in the Group financial statements, are set out in note 8 on page 117.

The total compensation of key management personnel was £2,779,000 (2023: £1,939,000), which comprised short-term benefits and LTIPs of £2,650,000 (2023: £1,813,000) and post-employment benefits of £129,000 (2023: £126,000).

Fees, other income and amounts due from joint ventures and associates

The following amounts are due from the Group's joint ventures and associates. These sums relate to loans provided to those entities and form part of the net investment in that entity.

	At 30 September 2024 £'000	At 30 September 2023 £'000
SUE Developments LP	**43,536**	43,787
Manchester New Square LP	**14,000**	15,165
Manydown Development Vehicle LLP	**7,850**	6,616
Wintringham Partners LLP	**22,593**	19,993
Altira Park JV LLP	**739**	1,986
Foxchurch LLP	**1,102**	891
Harley (Winchester) Limited	**3,926**	—
	93,746	88,438

Fees charged by the Group to SUE Developments LP during the year were £1,594,000 (2023: £1,594,000). Included in trade debtors at 30 September 2024 was £478,000 (2023: £501,000) in respect of these fees.

Fees charged to Wintringham Partners LLP during the year were £940,100 (2023: £931,000). Included in prepayments and accrued income at 30 September 2024 was £233,000 (2023: £233,000) and included in trade debtors at 30 September 2024 was £287,000 (2023: £18,000).

Fees charged to Manydown Development Vehicle LLP during the year were £805,080 (2023: £974,000). Included in prepayments and accrued income at 30 September 2024 was £Nil (2023: £1,024,000) and included in trade debtors at 30 September 2024 was £2,195,000 (2023: £Nil).

Fees charged by the Group to Altira Park JV LLP during the year were £80,000 (2023: £Nil). Included in trade debtors at 30 September 2024 was £80,000 (2023: £Nil) in respect of these fees.

Loans advanced are interest free with the exceptions of:

- Manydown Development Vehicle LLP where interest is earned at SONIA plus 9.5 per cent;
- Wintringham LLP where interest is earned at 12.5 per cent on £1,646,000 (2023: £1,463,447) and 8.0 per cent on £7,302,000 (2023: £4,897,064); and
- Harley (Winchester) Limited where interest is earned at the base lending rate of HSBC Bank plc plus 2.5 per cent.

Transactions with joint ventures and associates

On 22 August 2024, Urban&Civic Living BTR Limited, a newly incorporated subsidiary within the group, acquired a parcel of land from Wintringham Partners LLP, for a total consideration of £13,545,000.

Transactions with immediate and ultimate parent undertaking

On 17 March 2023, Urban&Civic plc issued 657,249 ordinary shares to Gower Place Investments Limited, valued at £3.64 per share, giving a total consideration value of £2,392,000.

On 30 June 2023, ahead of the full acquisition of the Waterbeach site, Urban&Civic plc issued 5,496,016 ordinary shares to Gower Place Investments Limited, valued at £3.64 per share, giving a total consideration value of £20,000,000.

On 25 September 2023, to fund the full acquisition of the Waterbeach site as well as contributing to funding specific development commitments and obligations of specific Strategic Sites, Urban&Civic plc issued 15,114,041 ordinary shares to Gower Place Investments Limited, valued at £3.64 per share, giving a total consideration value of £55,000,000.

The Group has a Development Management Agreement with the Wellcome Trust to provide Master Developer services for the Wellcome Genome Campus in Hinxton. During the year, the Group charged development management fees to the Wellcome Trust of £3,544,000 (2023: £2,103,000) and had trade debtors and other receivables balances of £4,146,000 (2023: £3,895,000) and £462,000 (2023: £1,120,000) respectively.

On 6 August 2024, to fund the full acquisition of L&Q Estates, Urban&Civic plc issued 46,765,867 ordinary shares to Gower Place Investments Limited, valued at £3.293 per share, giving a total consideration value of £154,000,000.

29. Cash flow information

Net debt reconciliation

	2023 £'000	Cash flows £'000	Rolled up interest £'000	Amortisation of issue and arrangement costs £'000	2024 £'000
Non-current loans and borrowings	173,281	(12,890)	13,869	(885)	173,375
Current loans and borrowings	—	—	—	—	—
Total borrowings	173,281	(12,890)	13,869	(885)	173,375
Cash and cash equivalents	(100,574)	(40,942)	—	—	(141,516)
Net debt	**72,707**	**(53,832)**	**13,869**	**(885)**	**31,859**

	2022 £'000	Cash flows £'000	Rolled up interest £'000	Amortisation of issue and arrangement costs £'000	2023 £'000
Non-current loans and borrowings	164,723	(1,791)	10,087	262	173,281
Current loans and borrowings	—	—	—	—	—
Total borrowings	164,723	(1,791)	10,087	262	173,281
Cash and cash equivalents	(37,108)	(63,466)	—	—	(100,574)
Net debt	127,615	(65,257)	10,087	262	72,707

30. Post-balance sheet events

In October 2024, and in line with contractual arrangements governing the Group's 50 per cent investment in the Manydown Strategic Site, Urban&Civic Manydown Limited provided an initial loan sum of £25.5 million to its joint venture partner, which was used to acquire the freehold of Manydown North. This land acquisition satisfied the last condition attaching to the joint venture development agreement, which means the first phase of construction can commence.

On 12 November 2024, the Manchester New Square joint venture extended the £7.9 million loan facility with Greater Manchester Combined Authority until 30 September 2025.

On 29 November 2024, the £5.1 million Homes England loan facility within the SUE Developments joint venture was repaid in full.

On 19 December 2024, the Group made £24.0 million of gift aid payments to the Wellcome Trust in respect of profits generated by L&Q Estates in the year ended 31 March 2024.

31. Ultimate parent undertaking and controlling party

The Company is a company limited by shares. The immediate parent company is Gower Place Investments Limited, a company incorporated in England and Wales. The ultimate parent undertaking of the Company is the Wellcome Trust, exercising control through its corporate trustee, The Wellcome Trust Limited.

The largest accounts which consolidate the results of the Company are those of Urban&Civic plc. These financial statements are not consolidated at a higher level, as they are measured at fair value through profit or loss in the financial statements of the immediate and ultimate parent undertaking.

Copies of the Wellcome Trust's annual report and financial statements are available from the Wellcome Trust's website (www.wellcome.org/news-and-reports/reports) or from the Company Secretary.

COMPANY BALANCE SHEET

as at 30 September 2024

	Notes	30 September 2024 £'000	30 September 2023 £'000
Fixed assets			
Investments	3	**721,829**	567,829
		721,829	567,829
Current assets			
Debtors due within one year	4	**243,561**	206,379
Cash at bank and in hand		**40**	38
		243,601	206,417
Creditors: amounts falling due within one year	5	**(89,529)**	(82,903)
Net current assets		**154,072**	123,514
Creditors: amounts falling due after more than one year	5	**817**	—
Net assets		**876,718**	691,343
Capital and reserves			
Share capital	6	**54,253**	44,900
Share premium account		**569,848**	425,201
Capital redemption reserve		**849**	849
Merger reserve		**97,025**	97,025
Retained earnings		**154,743**	123,368
Shareholders' funds		**876,718**	691,343

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Group consolidated financial statements include a profit after tax for the year of £31,375,000 (2023: £79,323,000) attributable to the Company. Within retained earnings, £52,710,000 (2023: £21,335,000) represents distributable reserves at 30 September 2024.

The financial statements were approved by the Board and authorised for issue on 22 January 2025 and were signed on its behalf by:

Nigel Hugill
Director

David Wood
Director

The notes on pages 135 to 139 form part of these parent company financial statements.

Registered in Scotland No. SC149799

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 September 2022	40,647	352,062	849	97,025	44,045	534,628
Shares issued	4,253	73,139	—	—	—	77,392
Total comprehensive income for the year	—	—	—	—	79,323	79,323
Balance at 30 September 2023	44,900	425,201	849	97,025	123,368	691,343
Shares issued	9,353	144,647	—	—	—	154,000
Total comprehensive income for the year	—	—	—	—	31,375	31,375
Balance at 30 September 2024	**54,253**	**569,848**	**849**	**97,025**	**154,743**	**876,718**

1. Accounting policies

Accounting convention

The financial statements of the Company have been prepared under FRS 102 and the historical cost convention and in accordance with the Companies Act 2006.

The Company has taken the following exemptions as permitted by FRS 102:

- no cash flow statement is presented. A consolidated cash flow statement is presented on page 107 of the Group financial statements;
- certain financial instruments disclosures are omitted as equivalent disclosures have been provided in respect of the Group as a whole; and related party transaction disclosures with wholly owned members of the Group.

Investments

The investments in subsidiaries are included in the Company's balance sheet at cost less provision for impairment.

Where the Company has a legal obligation to a third party in relation to the losses of an associate, the Company fully provides for its share and the charge is recognised in the profit and loss account of the Company.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable. The amount of such a provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade debtors, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses. On confirmation that the trade debtor will not be collectable the gross carrying value of the asset is written off against the associated provision.

Trade and other payables

Financial liabilities including trade creditors, other creditors, accruals and amounts due to Group undertakings are originally recorded at fair value and subsequently stated at amortised cost.

Borrowings

Interest bearing loans are initially recorded at fair value, net of any directly attributable issue costs, and subsequently recognised at amortised cost.

Borrowing costs

Finance and other costs incurred in respect of obtaining borrowings are accounted for on an accruals basis using the effective interest method and amortised to the consolidated statement of comprehensive income over the term of the associated borrowings.

2. Directors' and auditor's remuneration

Directors' remuneration is disclosed in the Remuneration Committee report in the governance section. Details of the remuneration paid to the Company's auditor, BDO LLP, for audit and non-audit services provided are given in note 5 to the Group financial statements on page 116.

There are no employees other than the Directors who are remunerated by a fellow Group company. The Directors are considered to be the Company's key management personnel.

3. Investments

	£'000
Cost	
At 1 October 2023	691,127
Additions	154,000
At 30 September 2024	**845,127**
Amounts written off	
At 1 October 2023	123,298
Provisions for impairment	—
At 30 September 2024	**123,298**
Net book value	
At 30 September 2024	**721,829**
At 30 September 2023	567,829

A complete list of the Company's subsidiaries is included in note 8 of these Company financial statements.

Additions in the year relate to the share issue in respect of the L&Q Estates acquisition. Details of this transaction are provided in note 25 of the Group financial statements.

4. Debtors

	At 30 September 2024 £'000	At 30 September 2023 £'000
Amounts due within one year:		
Amounts due from subsidiaries	**243,559**	206,292
Other debtors	**2**	49
Prepayments and accrued income	**—**	38
	243,561	206,379

5. Creditors

	At 30 September 2024 £'000	At 30 September 2023 £'000
Amounts due after more than one year:		
Bank loans and overdrafts	**(817)**	—
	(817)	—

	At 30 September 2024 £'000	At 30 September 2023 £'000
Amounts due within one year:		
Bank loans and overdrafts	**—**	(63)
Trade creditors	**15**	4
Amounts due to subsidiaries	**88,011**	82,148
Other creditors	**458**	174
Accruals and deferred income	**1,045**	640
	89,529	82,903

The revolving credit facility is secured against specific property holdings. The balance on this facility is £Nil at 30 September 2024 and 30 September 2023. There are £817,000 (30 September 2023: £63,000) of unamortised loan arrangement costs, reflected in a negative balance presented under bank loans and overdrafts.

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6. Share capital

	At 30 September 2024 £'000	At 30 September 2023 £'000
Issued and fully paid		
271,268,350 (2023: 224,502,483) shares of 20p each (2023: 20p each)	**54,253**	44,900

Movements in ordinary share capital in issue

Ordinary shares	Number	Share capital £'000	Share premium £'000
At 1 October 2023	224,502,483	44,900	425,201
Shares issued	46,765,867	9,353	144,647
At 30 September 2024	**271,268,350**	**54,253**	**569,848**

Shares issued in the year relate to the L&Q Estates acquisition. Details of this transaction are provided in note 25 of the Group financial statements.

A description of the nature and purpose of the Company's other reserves is provided in note 22 to the Group financial statements.

The Company's merger reserve represents the excess over the nominal value of shares issued to acquire shares in a subsidiary undertaking when the conditions to qualify for merger relief have not been met.

At 30 September 2024, £52,710,000 (2023: £21,335,000) of the Company's retained earnings represents distributable reserves.

7. Contingent liabilities and guarantees

The parent company has given guarantees totalling £93,392,000 (2023: £94,381,000) as part of the Group's development obligations.

8. Subsidiary undertakings

At 30 September 2024 the subsidiaries and joint ventures held directly or indirectly by the Company were as follows:

Incorporated in the United Kingdom, unless otherwise indicated	Company/ partnership number	Proportion of voting rights and ordinary shares held	Nature of business
Achadonn Properties Limited[7]	SC157076	50%	Property development
Alconbury Weald Estate Management Company Limited[1,6]	09950396	100%	Property management
Altira Park JV LLP[1]	OC386905	50%	Property development
AW Management Company (KP1C) Limited[1,6]	09950398	100%	Property management
AW Management Company (KP1R) Limited[1,6]	10289840	100%	Property management
Catesby Development Land Limited[2]	SC373759	100%	Property development
Catesby Estates (Developments) Limited[2]	SC305339	100%	Property development
Catesby Estates (Developments II) Limited[2]	SC258534	100%	Property development
Catesby Estates (Grange Road) Limited[1]	06113394	100%	Property development
Catesby Estates (Hawton) Limited[1]	04172739	100%	Property development
Catesby Estates (Newark) Limited[1]	07886101	100%	Property development
Catesby Estates plc[3]	03535469	100%	Property development
Catesby Estates Promotions Limited[2]	SC272763	100%	Property development
Catesby Land and Planning Limited[2]	SC275580	100%	Property development
Catesby Land Limited[3]	06113393	100%	Property development
Catesby Land Promotions Limited[2]	SC294835	100%	Property development
Catesby Promotions Limited[2]	SC309730	100%	Property development
Catesby Strategic Land Limited[3]	03231740	100%	Property development
Farmcare Trading Limited[1]	09152445	100%	Farming and agriculture
Foxchurch LLP[3]	OC440375	40%	Property development
Greyhound Inn Developments Limited[3]	10299844	100%	Property development
Harley (Winchester) Limited[5]	06455448	75%	Property development
Houlton Commercial Management Company Limited[4]	10661595	50%	Property management
Houlton Community Management Company Limited[4]	10661589	50%	Property management

8. Subsidiary undertakings continued

Incorporated in the United Kingdom, unless otherwise indicated	Company/ partnership number	Proportion of voting rights and ordinary shares held	Nature of business
III Acre Site Management Company Limited[1]	06625717	100%	Property management
Manchester New Square (General Partner) Limited[1]	11082473	50%	Property development
Manchester New Square Limited Partnership[1]	LP018963	50%	Property development
Manchester New Square Nominee Limited[1]	11185195	50%	Holding company
Manhattan Gate Management Company Limited[1]	05778633	100%	Property management
Manydown Development Vehicle LLP[1]	OC428480	50%	Property development
Manydown Investco LLP[1,8]	OC428477	100%	Holding company
Newark Commercial Limited[3]	04172735	100%	Property development
Portobello Developments 2002 Limited[5]	04342720	100%	Property development
Priors Hall Park Management Company[1,6]	07301734	100%	Property management
Redlawn Land Limited[5]	02728184	100%	Property development
SUE Developments LP[4]	LP016009	50%	Property development
SUE GP LLP[4]	OC392673	50%	Property development
SUE GP Nominee Limited[4]	09000390	50%	Holding company
T.H (Development Partnership) General Partner Limited[1]	05701869	100%	Holding company
Terrace Hill (Awdry) Holdings Limited[1,8]	05780799	100%	Holding company
Terrace Hill (Herne Bay) Limited[1]	07547013	100%	Property development
Terrace Hill Deansgate Operations Company Limited[1,8]	09335061	100%	Property management
Urban&Civic (Bradford) Limited[1,6]	03103400	100%	Property development
Urban&Civic (Management) Limited[2]	SC149767	100%	Management and administration
Urban&Civic (Manchester New Square) Limited[1]	10820409	100%	Property development
Urban&Civic (Secretaries) Limited[2]	SC154216	100%	Administration
Urban&Civic Alconbury Limited[1]	08983360	100%	Property investment and development
Urban&Civic Armadale No. 1 Limited[2,6]	SC383417	100%	Property development
Urban&Civic Baldock North Limited[1]	13677501	100%	Property development
Urban&Civic Bishop Auckland Limited[1,6]	05120788	100%	Property development
Urban&Civic Bridgend Limited[5]	04907319	100%	Property development
Urban&Civic Buckingham Limited[1]	11210674	100%	Property development
Urban&Civic Central Funding Limited[1]	03781502	100%	Holding company
Urban&Civic Central Scotland Limited[2,6]	SC260481	100%	Property development
Urban&Civic Corby Limited[1]	10990162	100%	Property development
Urban&Civic Deansgate Limited[1,6]	06120198	100%	Property development
Urban&Civic Developments Limited[1]	02693490	100%	Property development
Urban&Civic Elstow Limited[5]	04332152	100%	Property development
Urban&Civic Estates Land Limited[5]	11800258	100%	Property development
Urban&Civic Estates Limited[1]	15667212	100%	Holding company
Urban&Civic Estates Projects Limited[5]	04332147	100%	Property development
Urban&Civic Feethams Limited[1,6]	08241668	100%	Property investment and development
Urban&Civic Foodstores Company Limited[1,6]	07812710	100%	Holding company
Urban&Civic Galashiels No. 2 Limited[1,6]	05647842	100%	Property development
Urban&Civic GE Estates Limited[5]	03035968	100%	Property development
Urban&Civic GE Land Limited[5]	00571817	100%	Property development
Urban&Civic GENR Estates Limited[5]	05654493	100%	Property development
Urban&Civic Group Limited[1]	03047676	100%	Holding company
Urban&Civic Hinxton Limited[1]	14378001	100%	Property development
Urban&Civic Holdings Limited[1]	14373341	100%	Holding company
Urban&Civic Homes Limited[5]	03860738	100%	Property development
Urban&Civic Howick Place Investments Limited[1,6]	06019605	100%	Holding company
Urban&Civic Huntingdon Limited[1]	15854532	100%	Property development

8. Subsidiary undertakings continued

Incorporated in the United Kingdom, unless otherwise indicated	Company/ partnership number	Proportion of voting rights and ordinary shares held	Nature of business
Urban&Civic Investments Limited[1,6]	03827073	100%	Holding company
Urban&Civic JJGC Limited[5]	01267412	100%	Property development
Urban&Civic Jobs and Skills Limited[1,6]	11656133	100%	Property development
Urban&Civic K L Limited[1]	13644035	100%	Property development
Urban&Civic Living BTR Limited[1]	15763883	100%	Property development
Urban&Civic Living BTR Operations Limited[1]	15933161	100%	Property development
Urban&Civic Longstanton Limited[5]	03538959	100%	Property development
Urban&Civic Llanwern Limited[5]	04469056	100%	Property development
Urban&Civic Manydown Limited[1]	12154336	100%	Property development
Urban&Civic Middlebeck Limited[1]	04172759	100%	Property development
Urban&Civic Middlehaven Limited[1,6]	05000020	100%	Holding company and property development
Urban&Civic Middlehaven Properties Limited[1]	05092362	100%	Property development
Urban&Civic Miscellaneous Properties Limited[1,6]	05283711	100%	Property development
Urban&Civic North East Limited[1,6]	03125799	100%	Holding company and property development
Urban&Civic Northam Limited[1,6]	09079816	100%	Property development
Urban&Civic Princess Street Limited[1]	05000023	100%	Property development
Urban&Civic Projects Limited[1]	02664039	100%	Project co-ordination and management services
Urban&Civic Property Developments Limited[1,6]	08257395	100%	Property development
Urban&Civic Property Developments No. 1 Limited[1,6]	05993086	100%	Property development
Urban&Civic Property Investments No. 4 Limited[1,6]	05284831	100%	Holding company
Urban&Civic Resolution Limited[1]	05177378	100%	Property development
Urban&Civic Rugby (Member) Limited[1]	08958574	100%	Property development
Urban&Civic Rugby Limited[1]	08958580	100%	Property development
Urban&Civic Sandy Limited[1]	11526026	100%	Property development
Urban&Civic St Neots Limited[1]	10717731	100%	Property development
Urban&Civic Stokesley Limited[1]	08300440	100%	Property development
Urban&Civic Tyttenhanger Limited[1]	11701516	100%	Property development
Urban&Civic UK Limited[1,6]	07014292	100%	Management and administration
Urban&Civic Victoria Street Limited[1,6]	05986544	100%	Property development
Urban&Civic Waterbeach Limited[1]	09123307	100%	Property investment and development
Urban&Civic Westview Investments Limited[1]	02902264	100%	Holding company and property development
Waterbeach Estate Management Company Limited[1]	13707519	100%	Property management
West Longstanton Limited[5]	04735640	100%	Property development
Wintringham Management Company (KP1R) Limited[1]	12577578	33%	Property management
Wintringham Management Company Limited[1]	12572452	33%	Property management
Wintringham Partners LLP[1]	OC416771	33%	Property development
Wixams First Limited[5]	04404542	100%	Property development
Wixams NEA Management Company Limited[5]	11238848	100%	Property development

1. Registered address: 50 New Bond Street, London W1S 1BJ.
2. Registered address: 115 George Street, Edinburgh EH2 4JN.
3. Registered address: Orchard House, Papple Close, Houlton, Rugby CV23 1EW.
4. Registered address: 80 Fenchurch Street, London EC3M 4AE.
5. Registered address: Hyperion House, Pegasus Court, Tachbrook Park, Warwick CV34 6LW. These entities were acquired in the acquisition of L&Q Estates.
6. These companies are claiming an exemption from audit under sections 479A–479C of the Companies Act 2006.
7. Liquidation process commenced prior to 30 September 2024.
8. Proposal to strike off commenced subsequent to 30 September 2024 but before the approval of the Annual Report and Accounts.

Greenhouse gas emissions declaration

We measure and report our greenhouse gas (GHG) emissions across our entire portfolio. This annual declaration is made in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is summarised below for the financial year 2023/24 and in comparison to the previous year's declarations.

	Urban&Civic plc[1]				Farmcare Trading Limited	
	Reporting year end 30/09/24 CO_2e tonnes	Reporting year end 30/09/23 CO_2e tonnes	Reporting year end 30/09/22 CO_2e tonnes	Reporting year end 30/09/21 CO_2e tonnes	**Reporting year end 30/09/24 CO_2e tonnes**	Reporting year end 30/09/23 CO_2e tonnes
Emission source						
Combustion of fuel and operation of facilities (Scope 1)	**245**	297	264	468	**18**	43
Electricity, heat, steam and cooling purchased for own use (Scope 2)	**523**	997	976	1,079	**19**	50
Grey fleet fuel consumption (Scope 3)	**38**	38	29	24	**—**	—
Total CO_2e tonnes	**806**	1,332	1,269	1,571	**37**	93
Financial turnover £k	**£58,771k**	£94,592k	£143,663k	£76,579k	**£3,624k**	£9,606k
Intensity ratio: CO_2e tonnes/turnover £k	**0.0137**	0.0141	0.0088	0.0205	**0.0102**	0.0097
Intensity ratio: CO_2e kg/turnover £k	**13.71**	14.08	8.83	20.51	**10.21**	9.68
Intensity ratio: CO_2e kg/turnover yearly % change	**(2.6)%**	59.5%	(56.9)%	(47.7)%	**5.5%**	(70.0)%

1. Consolidated group figures including the Wellcome Genome Campus expansion (U&C office only) and excluding Farmcare.

Urban&Civic ceased to be a publicly listed company on 21 January 2021, following acquisition by the Wellcome Trust. Urban&Civic is therefore reporting as an unquoted company. Farmcare was acquired on 1 October 2021 and is reporting as an unquoted company under the Farmcare Trading Limited entity.

All the reported CO_2e emissions for unquoted companies have come from the sources identified in the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within the Urban&Civic consolidated financial statements.

The emissions reported are those for which Urban&Civic is operationally responsible for. Therefore, carbon emissions produced from assets that are not owned by Urban&Civic and where they are acting under a development management agreement for the asset's development are deemed the responsibility of others and have been excluded from this assessment. The assets will be included when the land is drawn down under that agreement in future periods, thereby giving Urban&Civic operational control.

The following methodologies have been used to calculate the above CO_2e emissions:

- the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition); and
- HM Government Environmental Reporting Guidelines (2019).

The carbon emissions for Urban&Civic (including L&Q Estates but excluding Farmcare) were calculated to be 806 CO_2e tonnes for the financial year 2023/24, a decrease of 39.5 per cent on the previous year.

At the start of the financial period, Urban&Civic made significant changes to the high voltage ring main system at Alconbury Weald by removing old and oversized transformers. This reduced the substantial electrical losses from oversized substations, which significantly reduced the site's electricity consumption. This has had a large positive impact on the business' overall carbon footprint. A monitoring survey of the substations also provided more reliable consumption data for the site, in comparison to previous reporting periods where historical estimations were required. Energy efficiency projects continue to be implemented across the other Urban&Civic sites, including significant HVAC and lighting upgrades being undertaken at the Hudson Quay, Middlehaven, site and installation of PV arrays across offices and Urban&Civic owned buildings.

We have also continued to replace the Company car fleet with less carbon intensive vehicles. Many of the Company site vehicles are now plug-in hybrid or electric vehicles. As a result, the carbon emissions from these vehicles has dropped significantly, which continues to improve Urban&Civic's overall carbon footprint.

As a lowland farming organisation which works with farming contractors on land under its stewardship, Farmcare's scope for energy efficiency action could be considered limited. However, the Farmcare group works closely with its chosen contractors to ensure efficient operation of the farms and that energy performance improvements form part of its management practices. The Farmcare group is no longer responsible for the Coldham or Goole farms, which has contributed to the drop in emissions seen. This is furthered by the reduction in grainstore kerosene usage for this year for which Farmcare is responsible for.

In addition to the above, Urban&Civic and Farmcare both complied with the ESOS Phase 3 scheme during the 2023/24 reporting period. We are continuing to assess these opportunities and will develop an action plan to further reduce energy consumption and emissions.

Urban&Civic's report against the Task Force on Climate-related Financial Disclosures (TCFD) framework

Introduction

Urban&Civic (U&C) recognises the significant impact that potential risks and opportunities arising from climate change and the transition to a low carbon economy could have on its business.

Below is the updated and improved approach previously set out in 2023 to identifying and managing the key climate-related risks and opportunities identified across the business within the four categories proposed by TCFD: governance, strategy, risk management, and targets and metrics.

RECOMMENDED DISCLOSURE	COMPLIANCE
GOVERNANCE: Disclose the organisation's governance around climate-related risks and opportunities	

a) Board oversight
• The Board and Executive Management Committee provide the strategic vision within which the Sustainability Framework (incorporating climate action) has been developed for implementation by colleagues and value chain suppliers.
• The Board and Executive Management Committee approve the corporate strategic approach to sustainability as set out in the Sustainability Framework.
• Climate-related issues are assessed through U&C's overarching Sustainability Policy and Sustainability Framework.
• The Board has oversight of and accountability for the Sustainability Framework, including the five defined Capitals each with key objectives, and defined action areas, metrics and targets. Responsibility for implementing the Framework then flows down through the business, through the Executive Management Committee.
• The Board has set ambitious goals on a five-year time horizon from 2020 to 2025 and committed to, as a minimum, reducing carbon on an intensity basis by 2030 aligned with science based targets for all Scopes. The Board also maintains its objective to be Net Zero for Scope 1 and 2 emissions by 2030, albeit subject to grid decarbonisation and if not, by 2035 at the latest. The Board remains committed to achieving Net Zero for Scope 3 emissions, however further analysis is required before a definitive date can be committed to.
• For climate change and carbon reduction over the period to 2025, the initiatives have included:
  • promoting carbon reduction culture through the Company via the Sustainability Champions Group, seeking to ensure that carbon reduction principles are integrated into design, construction and procurement systems;
  • developing a costed Net Zero plan to deliver the commitments and ambitions;
  • undertaking preparatory work to investigate signing up to the Science Based Targets initiative; and
  • embedding carbon reduction metrics within corporate KPIs and executive remuneration.
• The Board and leadership place carbon centrally on; the agenda of Board meetings, Company days, annual reporting and other Company-wide communication.
• Quarterly sustainability reports presented to the Board provide updates, and receive approval on various climate targets, metrics and strategies.
• The executive and employee annual bonus and Long Term Incentive Plan are based on performance targets which include climate-based KPIs for carbon and biodiversity.
• The Board oversees the Sustainability and Health & Safety Committee (SHASC), the purpose of which is to review and monitor the delivery of sustainability and health and safety strategies, plans and targets, alongside other responsibilities. The SHASC met twice in the year with a key consideration being the financial impact of pursuing a long term Net Zero objective for Scope 3 emissions.
• Resilience and adaptation capital expenditure associated with future potential climate impacts identified during design is included within construction budgets at an early project stage. These budgets then form part of annual business planning for each site. Business plans are collated and presented to the U&C Executive Management Committee and then the Board who have approval authority. Construction expenditure is monitored against approved budgets throughout the project and reported at the quarterly Strategic Development Committee for each site. The Governance process can be found www.urbanandcivic.com/sustainability/sustainability-governance/.
	✔

Compliance key

✔ Full compliance ◑ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
GOVERNANCE: Disclose the organisation's governance around climate-related risks and opportunities continued	

b) Management's role ✔

- The Chief Executive Officer (CEO) has overall responsibility for effective sustainability management. The CEO delegates day to day responsibility for undertaking aspects of these duties through the Managing Director and the Executive Management Committee to the delivery teams with the support of the Head of Sustainability. These individuals are responsible for the management of sustainability in the following ways:
  - implementing any line management responsibilities for those teams and areas that they directly line manage including allocating sufficient resources;
  - implementing and promoting the principles and behaviours embedded in policies and procedures which contribute to achieving U&C's sustainability commitments;
  - leading by example and advocating sustainability as a business-critical objective;
  - ensuring that significant risks to achieving sustainability objectives are assessed and implementing actions plans to address if deemed necessary; and
  - instilling a culture of sustainability within the business and supporting ongoing learning and capacity building to bring about behavioural change and to develop new initiatives.
- The business launched the Sustainability Champions Group in 2023 to encourage collaboration across the business and continue engagement with the Company supply chain as referenced in the sustainability section of the Annual Report.
- U&C has defined roles and responsibilities for each level of governance within defined action areas. Actions and responsibilities are defined within the Carbon Management Framework. In addition, key management responsibilities up to 2025 can be found in the Climate Action Toolkit.
- The Company's reporting structure is set out in the sustainability governance section of the U&C website as follows:
  - Board: Accountable for the Sustainability Framework. Oversees the carbon reduction 'Map to Net Zero' and Climate Resilience strategies. Reviews performance, progress and approves carbon initiatives and climate adaptation programmes, metrics and targets.

    www.urbanandcivic.com/sustainability/sustainability-governance/
  - Executive Management Committee: Responsible for assisting the SHASC and the Board to develop policy and direction, leading implementation at operational level and scrutinising metric performance and ensuring continuous improvements.
  - Strategic Development Committee: Responsible for sharing updates on actions, achievements and queries from project level.
  - U&C project teams including site-based Sustainability Champions: Implements the Sustainability Framework, Climate Action Toolkit and Carbon Management Framework across strategic sites. Includes setting out key dates and timelines for design team and contractors, managing data collection and reporting and ensuring integrated design approach. Engage with local authorities and other stakeholders regarding design standards for carbon reduction, climate adaptation and mitigation and other sustainability targets. Maintenance of green infrastructure (including sustainable urban drainage systems) to enhance effectiveness of flood risk management and heat abatement. Facilitate engagement among residents, schools and local businesses for community carbon and climate events e.g. workshops, sharing economy practices, community gardens, car sharing schemes.
  - Sustainability team: Leads development of U&C's carbon reduction Map to Net Zero and climate change strategies and supports implementation by U&C project teams and supply chain. Ensures carbon and climate training meets changing needs and best practice. Oversees disclosure of carbon management framework and climate management through annual TCFD reporting. Monitoring of performance against carbon budgets and climate-related risks and emerging risks in regulation and stakeholder concern.
  - Design team: Advocate and implement best practice sustainable design, particularly the co-benefits of various design measures e.g. green roofs to maintain cooling, reducing utility costs, nature based solutions, water recycling and improving wellbeing. Prioritise passive design and appropriate fabric conditions for future.
  - Contractor and sub-contractors: Delivery of low operational and embodied carbon strategies and climate resilient design features and wider direction of the Project Management team. Engages with suppliers to implement carbon reduction and climate resilience into their business strategy. Feedback to U&C project teams and design team accordingly to enable continuous improvement and refinement of initiatives.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
GOVERNANCE: Disclose the organisation's governance around climate-related risks and opportunities continued	

b) Management's role continued

✔

- A variety of methods are used within U&C to inform different teams about climate-related issues as follows (refer also to the diagram in the Sustainability section):
  - The Sustainability team will share latest guidance and provide support primarily to Project and Development teams to implement on their respective strategic sites. This is done through frequent team meetings, workshops, training and circulation of guidance notes.
  - Specific climate-related issues for each site are reported at each site's quarterly Strategic Development Committee before escalating if required to the Executive Management Committee and then the U&C Board.
  - Reporting of climate related issues within U&C is part of the overarching Governance process.
  - Progress monitoring of climate-related measures and performance against targets is undertaken by the U&C Sustainability team.

    www.urbanandcivic.com/sustainability/sustainability-governance/

CLIMATE AWARENESS AND ENGAGEMENT

- All employees are made aware of the Sustainability Policy, Sustainability Framework and targets. Other resources are made available to them including the "Tips for Reducing Carbon Emissions" guide and business-wide sustainability presentations.
- The Sustainability Policy is published on the Company intranet (Twine) and is highlighted to new joiners to the Company as part of the induction process. All employees are made aware of their own responsibilities in implementing the requirements of this Policy.
- Sustainability updates are communicated to employees via the U&C intranet at least half yearly or more frequently as required. Updates include latest U&C initiatives, training, events, feedback from the Sustainability Champions Group, changes to the Sustainability Policy, Sustainability Framework objectives and targets, toolkits and other relevant documents.
- Stakeholder engagement is a core priority of U&C in the design of any new policies and frameworks.
- Updates are provided to the shareholder, the Wellcome Trust.
- Engagement takes place with partners, housebuilders and individual and corporate occupants of properties on the sites.
- U&C has adopted an engagement approach with local authorities to provide them with support and guidance when considering how to deliver their commitments on climate action.
- U&C recognises that collaborating and partnering with the Company's value chain can unlock a range of solutions to drive down carbon emissions to help achieve its Net Zero ambitions. Several examples of recent collaborations are given in the sustainability section.

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

a) Risks and opportunities

✔

CLIMATE ASSESSMENT

- U&C considers the following time horizons for the purposes of climate-related issues aligned with the expected impacts of climate change plus the Key Phasing approach to delivering U&C's strategic sites:
  - Short – <5 years – current or next Key Phase for strategic sites
  - Medium – 5 to 20 years – future Key Phase
  - Long – >20 years – site completion and operation
- U&C's assessment of its material climate risks and opportunities was undertaken by way of the development of a climate resilience strategy prepared for the Company in 2023 by a third party consultant, Longevity Partners. This reviewed the current and long-term exposure of U&C to climate change at three key levels:
  1. Climate scenario analysis was applied at a corporate level to understand the plausible projections of future operating environments and the pace at which climate transitions may occur, and to implement strategies to manage risk under each scenario.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material continued	
a) Risks and opportunities continued	✔

CLIMATE ASSESSMENT continued

2. Material climate risks across eight key assets within the U&C portfolio in the present day, and across an emissions peak in 2040 and a business-as-usual scenario up to 2100 were determined. Impacts from material risks were explored through the categories of structural stability, impact on building contents, micro-economic risk, macro-economic risk, and migration.
3. An asset-level deep-dive climate risk assessment was conducted for one site by way of a case study exploring elements of physical, transition and social risk exposure and vulnerabilities. The opportunities and recommendations identified were then applied to other sites.

PHYSICAL RISKS AND OPPORTUNITIES

- A physical risk assessment was conducted using climate risk exposure software (Cervest EarthScan) to determine the likelihood of occurrence and severity of seven climate-related hazards at each site's given location. The data is available under different representative concentration pathway (RCP) and socioeconomic pathway (SSP) scenarios, across several timescales (present, 2030, 2050 or 2100). The scenarios assessed were:
  - Paris aligned scenario: RCP2.6/SSP5-8.5 (0.9–2.3°C range of projected increase);
  - emissions peak by 2040: RCP4.5/SSP2-4.5 (1.7–3.2°C range of projected increase); and
  - business as usual: RCP8.5/SSP5-8.5 (3.2–5.4°C range of projected increase).
- Risks were assessed based on severity on a 1 to 5 scale (very low to very high). Once hazard metrics exceed defined thresholds, the risk is considered material (corresponding to a risk rating of 3).
- This physical exposure was assessed across eight sites. Further analysis into the vulnerability of one site, Waterbeach Barracks, was conducted as a case study through a detailed site visit and documentation review of the site's features and planned developments, to assess the overall resilience of the site.
- The scenario analysis was shared with and agreed by the Executive Management Committee and also the Board.

TRANSITION RISKS AND OPPORTUNITIES

- Climate-related transition risks include the transition towards a low carbon economy, across four key categories of policy and legislation, market, technology, and reputation.
- **Policy and legislation:** U&C will evolve its business model and operations to accommodate emerging relevant legislation and regulations. The United Nations Principles for Responsible investment (UN PRI) Inevitable Policy Response (IPR) policy forecasts have been considered.
- **Market:** Risks associated with the market transition to a low carbon economy, particularly in terms of energy prices, carbon costs and the risks of inefficiency. Carbon risk, grid decarbonisation, carbon pricing and Energy Performance Certificate requirements are considered. Additionally, energy use and whole life greenhouse gas emission targets up to 2050 aligned to a 1.5°C decarbonisation trajectory based on Science Based Targets initiative guidance are being integrated into the design strategy across all asset types.
- **Technology:** Emerging technologies that might reduce operational costs and increase the attractiveness of the sites to tenants, users and investors are explored.
- **Reputation:** Assets that fail to comply with the expectations that a lower carbon economy bring could be at risk of scrutiny. A peer review and asset-type trends have been assessed to determine expectations from key stakeholders.

CARBON RISK

- The U&C Map to Net Zero was updated in 2023 and sets out expected baseline emissions, Net Zero target/ambition years, near-term carbon budgets and the actions required to stay within the corporate and site carbon budgets. This was incorporated into a costed Net Zero plan in 2024 with draft Scope 3 2030 targets agreed. More work on longer term targets is being embedded in the long-term business strategy.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE

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

a) Risks and opportunities continued

IDENTIFIED RISKS AND OPPORTUNITIES

- The identified material climate-related transition risks and opportunities have been managed into short-term (0–5 years), medium-term (5–20 years) and long-term (20+ years) plans for each site's development and operation.

	Risks	Impacts	Opportunities	Timeframe
Physical risks	Heat stress risk in the short term	• Heat stress can present risks during construction and operation of the sites including health and safety implications, impacts on structural stability, and disruption to power networks • Potential increased operating costs due to need for increased air conditioning	• Raise awareness of risks and mitigation and adaptation opportunities with site teams and incorporate into next generation developments • Consideration of heat stress in design plans to account for material expansion and foundation stability, as well as construction policies to maintain safe working environments • Prepare a site-wide emergency plan for extreme heat stress and prioritise passive solutions over mechanical energy intensive solutions • Prioritise residents' and site users' comfort through designing to updated temperature comfort parameters	Short term
	Precipitation stress and drought risk in the long term	• Precipitation stress can present risks on building structures through moisture penetration and on internal contents if flooding occurs. Health and safety can be threatened from mould and mildew growth and from extreme flooding • Drought poses risks to the health and safety of site users. Potential increased operating costs due to the need for increased water supplies	• Continue engagement with water companies to address impact of drought risk on water supply • Explore site-wide rainwater/greywater infrastructure delivered by Master Developer • Plan for future precipitation scenarios and the potential risks to drainage systems and groundwater levels	Long term
	Risk of supply chain disruptions from physical climate events	• Physical climate events can result in loss of efficiency or complete outages in power, communications and transport networks. This could disrupt supply of goods and services	• Prioritise short and diversified supply chains which will also help to reduce scope emissions	Medium term
	Flood risk	• Potential for increased insurance costs, potential business disruption, costs to repair damaged assets, capex for adaptation measures	• Design in accordance with Environment Agency standards plus an additional "climate change allowance" for increased future risk	Medium to long term

RECOMMENDED DISCLOSURE	COMPLIANCE

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

a) Risks and opportunities continued

IDENTIFIED RISKS AND OPPORTUNITIES continued

	Risks	Impacts	Opportunities	Timeframe
Transition risks	Evolving regulatory requirements throughout design and construction of sites	• Risk to company brand and reputational damages from negative stakeholder feedback if no action is taken • Increased future refurbishment costs and/or obsolescence risk if design requirements are not met during construction	• Align with industry best practice and horizon scanning to stay ahead of forthcoming national and local regulations (i.e. Future Homes/Buildings Standard)	Short term
	Strict policy interventions to achieve national decarbonisation goals	• Increased cost to business due to compliance measures	• Implement efficient data collection, tracking and annual reporting systems. Conduct a bi-annual review of climate-related policies that might impact U&C	Short term
	Carbon pricing	• Increased future taxes (e.g. through the Carbon Border Adjustment Mechanism) if carbon is not priced into business strategy early on	• Prepare to implement internal carbon pricing on all sites to incentivise carbon reduction and to prepare the business for potential future mandatory taxes on carbon emissions (or equivalent measures)	Short to medium term
	Strict carbon targets	• Assets which do not align to targets risk reduced market confidence, increased operating costs, and reputational damage	• Continue to pursue U&C Net Zero objectives by implementing the site carbon budgets and the Carbon Management Framework in line with industry best practice for new buildings • Align with the requirements of the Science Based Targets initiative • Review performance of existing buildings against Carbon Risk Real Estate Monitor (CRREM) targets and compliance with proposed changes to Building Regulations and industry standards	Short to medium term
		• Shift in consumer preferences and loss of income if these carbon targets are not met	• Continue to report publicly plan to transition to Net Zero • Report embodied carbon emissions as well as a year-by-year breakdown of energy consumption, water consumption and waste generated • Consumer preferences for self-sufficiency and sustainability are met through U&Cs design for active travel • High public and private investment in low carbon technologies will create opportunities for U&C to implement such technologies (photovoltaics, electric vehicles and smart building technologies) within its development, and also to attract low carbon companies to occupy the sites	Short to medium term
	Lack of engagement from housebuilders and local authorities limiting climate resilience action	• Reputational risk of not meeting consumer preferences, and increased future retrofit costs if housebuilders and local authorities present barriers to climate action	• Engage housebuilders and local authorities on climate risk and adaptation • Encourage housebuilders to deliver Net Zero aligned homes	Short term

RECOMMENDED DISCLOSURE	COMPLIANCE

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

a) Risks and opportunities continued
IDENTIFIED RISKS AND OPPORTUNITIES continued

Trends have been identified across all asset types represented at the Strategic Sites, to assess risk and opportunities.

Residential	• Occupier Preferences: Homeowners and renters prefer sustainable living options but to date have been generally unwilling to pay extra unless cost savings from lower utility bills can be demonstrated. • 15-Minute Cities Concept: Reduces car dependency by offering essential services within a 15-minute walk or cycle, significantly cutting site emissions and improving convenience. This is a concept that has already been explored in U&C's Climate Action Toolkit.
Retail	• Demand for Sustainable Assets: Tenants prefer sustainable retail assets, particularly when financial benefits outweigh costs, with a focus on new builds over existing properties. • Adapting to Consumer Values: Retail centres are shifting towards offering diversified experiences, including food, entertainment, art, culture, and eco-friendly initiatives like farmers markets, zero-waste efforts, and reducing single-use plastics.
Office	• Green and Sustainable Features: Office users prioritise green spaces, lighting, waste reduction, and accessible green transport, alongside ventilation and filtration systems due to climate and pollution concerns. • Focus on Sustainability: Increasing awareness of office buildings' carbon footprints is driving demand for sustainability from both users and investors. • Cost of Net Zero Standards: Achieving net zero standards by 2030 may increase office building costs whilst also having potential obsolescence cost implications for existing assets. • Trend Toward Transparency: There's a growing trend towards disclosing climate-related risks and adaptation strategies for office assets.

Education	• Climate Action Plans: Educational institutions are encouraged to develop climate action plans by 2025 to address sustainability and adaptation.
	• Educational Buildings as Learning Tools: There's a push for these buildings to serve as tools for teaching sustainability and climate adaptation.
	• UK Government Department for Education Strategic Aims: By 2030, the UK aims to:
	  • provide excellence in education and skills for a climate-impacted world;
	  • achieve net zero emissions in education buildings and engage students in the transition;
	  • enhance resilience to climate change in the education sector; and
	  • improve the environment through biodiversity, air quality, and nature access in educational settings.

Community buildings	• Climate Resilience Focus: Community centres are increasingly viewed as essential for climate resilience, with a need to adapt to withstand extreme weather events. • Multi-Purpose Design: Centres may be designed or retrofitted to serve multiple purposes, including as hubs for climate education and action, and as "resilience hubs" during emergencies. • Community Involvement: There's a growing emphasis on involving local communities in decision-making about climate adaptation for these centres, aligning with participatory planning trends.
Infrastructure	• Trend Toward Net Zero Carbon: Increasing emphasis on transitioning infrastructure to net zero carbon due to the long-term nature of projects and the value derived from sustainability. • Resilient Design: Managed adaptive approaches are favoured, where infrastructure is designed to be resilient to future climate conditions or easily upgraded to remain sustainable. • Green and Blue Infrastructure: Growing use of natural capital and nature-based solutions, such as permeable surfaces, street trees, and green areas, to enhance infrastructure sustainability.

RECOMMENDED DISCLOSURE	COMPLIANCE
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material continued	

b) Impact on organisation and financial planning

Compliance: Partial compliance

- U&C takes the position that climate risk will not deter site acquisition, and instead focuses on developing physical and transition resilience strategies to reduce the climate risk and leverage climate opportunities.
- Climate change, regulatory controls aimed at preventing climate change and societal attitudes create a range of possible impacts for the delivery of large scale sites including impacts on design, delivery timings, costs, values and sales rates (amongst other matters).
- The key sensitivities for development, construction and investment within U&C's operating environment have been explored in order to implement resilience strategies.
- Impacts on U&C's business and strategy were identified in the climate scenario assessment conducted under 1.5°C, 2°C and 4°C scenarios. Actions were devised in response to each of the implications identified, to ensure U&C can be resilient under each scenario.
- The financial implications of potential future climate change scenarios has not been quantified. However, allowances for some future climate change impacts are incorporated into design plans for all new buildings and infrastructure projects (for example, sewerage systems, biodiversity, etc.).
- Initial work has been conducted on costed plans for delivering U&C's Net Zero ambitions and these were expanded on in 2024 to cover Scopes 1, 2 and 3. The 'cost to complete' outlines how much expenditure is required for each site's development and consideration is given to how much expenditure is allocated to reach carbon targets.
- The annual Valuation Report prepared externally by CBRE included sustainability considerations that are deemed to impact the value of an asset. The report considers the impact of sustainability factors including land contamination, flooding, environmental laws, EPCs, and reporting against TCFD and SFDR regulations.
  - The report concludes that no risk factors have been identified which would affect the value of the site, either because risks have already achieved compliance or are integrated into design plans, or no material risks are identified for the sites.

PRIORITISATION OF RISKS

- The Board's Risk Matrix has been expanded to identify, quantify and monitor relevant risks. This is reviewed by the SHASC in the first instance. Climate-related risks include net zero emissions targets, physical climate risks, meeting sustainability targets, and regulatory compliance.
  - Each risk is categorised by probability and four impact categories based on financial, performance, reputation and regulatory impact. Risks are scored on a scale from 1–5 depending on severity.
  - Probability X Impact = Risk Rating, on a Red/Amber/Green scale.
  - All risks rated amber and red are considered material and require mitigation. The Risk Matrix is reviewed every quarter with risks prioritised by impact following mitigation.
- If there is a greater certainty of a risk being realised and the likely impact is significant, the risk will be added into the project and business cash flows. Alternatively, the risk might reduce in likelihood and/or severity and then eventually get taken off the risk register.

Compliance key

Full compliance | Partial compliance | No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material continued	

c) Resilience of strategy considering climate scenario analysis

✔

- With increasing risks being realised from climate and nature related challenges, both mitigation and adaptation approaches are key when considering forward-looking investment. The pathway to enhance climate resilience comprises the following:
  - future-proofing sites to withstand the weather and social risks associated with climate change, by integrating appropriate strategies within landscaping and development masterplans;
  - optimising the health and wellbeing of people who use community buildings by carefully considering relevant environmental factors to ensure the provision of a comfortable indoor environment even as outdoor conditions are subject to fluctuation;
  - maximising asset resilience through effective management of all sources of flood risk within site boundaries and application of an additional climate change allowance to flood risk design; and
  - integrating the co-benefits from carbon emissions reduction (mitigation) and measures to reduce vulnerability to climate change (adaptation). Co-benefits might include cleaner air, enhanced transit, improved healthcare outcomes, better insulated and more efficient housing, and better climate literacy rates.

ASSESSMENT OF RESILIENCE UNDER CLIMATE SCENARIOS

- In addition to the asset-level physical risk scenario analysis, U&C was assessed against three recognised climate change scenarios reflecting different temperature increases to 2100, based on IPCC recommendations, as follows:
  - a 1.5°C scenario aligned to the Paris Agreement Goals;
  - a 2°C scenario which is more likely based on current trends and delays in introducing policies; and
  - a 4°C scenario as the expected worst case associated with an increased level of emissions.
- This scenario analysis was applied on a corporate level to identify expected general trends and outcomes.

ACTION PLANS TO IMPROVE RESILIENCE

Climate

- Key initiatives to improve resilience against physical, policy, market, technology and reputational climate-related risks were assessed against what is already in place or planned at one site, Waterbeach Barracks. Action plans were created to improve resilience at the site, which will be extrapolated to all other sites.

Carbon

- A whole life carbon assessment of eight U&C Strategic Sites was completed in September 2022.
- Carbon dashboards were developed for each site from the results of the assessment which report on the sites' baseline whole life carbon performance compared against the allocated carbon budget, identified carbon hotspots across asset types, elements' and materials' carbon intensity, and key design metrics. They outline key actions and target outcomes for each site for delivery teams to start applying, inclusive of carbon intensity targets for each infrastructure type.
- The annual carbon expended at each site will be measured and compared to its respective carbon budget, which in aggregate will determine if U&C is on track to sufficiently reduce emissions to achieve its Net Zero ambitions.
- Our targets and strategy to address Net Zero carbon are detailed in section 2.2 of our Sustainability Framework and our Carbon Management Framework.

Engagement

- U&C sets a design codes and sustainability checklist for housebuilders and engages with them to support carbon reduction in the new homes built at each site.
- Post-occupancy evaluations of buildings will be undertaken for key buildings to get insights of actual versus predicted performance and incorporate feedback of occupant experience.

Water

- U&C places a focus on the role of the water cycle in developments and has been working with statutory water companies, consultants and housebuilder partners to confirm the direction of travel towards minimisation of water consumption and maximising the efficiency of our whole water cycles, including water retention, attenuation, recharge and recycling, and incorporating surface water swales and ponds within green infrastructure delivery.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

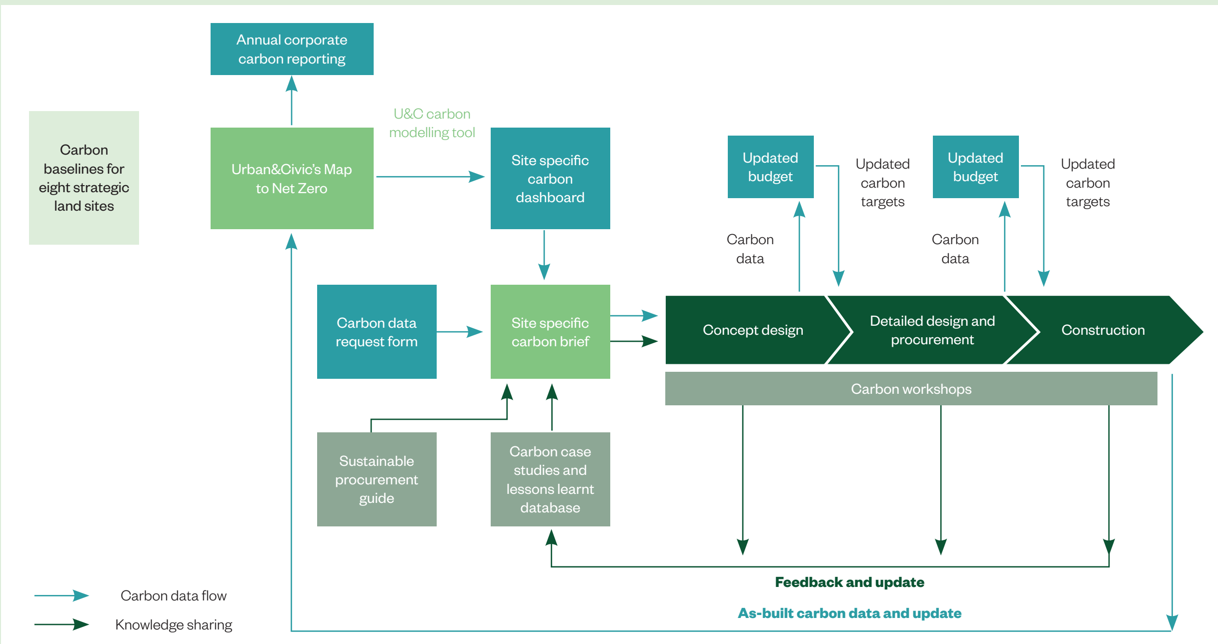
RECOMMENDED DISCLOSURE	COMPLIANCE

RISK MANAGEMENT: Disclose how the organisation identifies, assesses and manages climate-related risks

a) Risk identification and assessment process

Compliance: ✓

- The tools and resources used throughout the carbon management process can be subdivided into strategic tools which provide carbon targets and guidance, data collection and reporting resources, and knowledge and sharing guidance to establish feedback and increase carbon literacy within U&C and the wider value chain partners. These resources and the responsibilities for each are highlighted in the diagram below.



- Physical risk was assessed using high resolution climate data obtained from the EarthScan platform delivered by Cervest, to determine the likelihood of occurrence and severity, of seven climate-related hazards at each asset's given location. The data is available under different representative concentration pathway (RCP) and socioeconomic pathway (SSP) scenarios, across several timescales (present, 2030, 2050 or 2100).

b) Risk management process

Compliance: ✓

- Climate-related risks, such as flooding, heat stress and precipitation, are assessed and managed at every stage of the development, from pre-development through to completion and disposal.

Acquisition	Design	Development	Operation	Disposal
Assess physical climate risks, national and local climate policies and on site opportunities during initial masterplanning	Detailed investigation of physical climate risks and identification of transition risks. Includes occupier and stakeholder demands and low carbon technologies	Assess if climate resilience is embedded within supplier's business strategy	Regular measurement, monitoring and reporting of carbon performance and climate risks	Efficient disassembly at the end of life with materials recycled or repurposed

Compliance key

✓ Full compliance ◐ Partial compliance ✗ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
RISK MANAGEMENT: Disclose how the organisation identifies, assesses and manages climate-related risks continued	

b) Risk management process continued

- During masterplanning, due diligence assessments will consider a physical climate risk screening across climate scenarios and long-term time horizons, an assessment of local authorities' climate regulations, and a climate opportunity assessment including assessment of renewable energy feasibility, carbon sequestration potential, and public transport accessibility. These initial assessments will form initial strategies, including the design carbon budget aligned to the 1.5°C reduction pathway.
- Internal carbon modelling provides a high level estimate of the baseline carbon footprint of the potential development site. To determine if the estimated carbon emissions of a potential site are high, they will be reviewed against the available carbon budget in the Map to Net Zero.
- Prior to submission of the Outline Planning Application, more detailed risk assessments can be conducted that look into supply chain, macro environment, and site exposure, sensitivity and adaptive capacity, as well as the detailed physical and transition assessments.
- Throughout the development process, there are six key stages where climate risk reduction and resilience strategies are implemented into the business strategy: strategy, brief, concept design, detailed design and procurement, construction, and operation and maintenance.
- In an effort to engage with external contractors to assess and encourage climate action and disclosure, we ask for information at pre-qualification questionnaire stage as evidence of procedures to monitor, manage and report on carbon emissions within their organisations, and methods of external validation of sustainability credentials.
  - We also plan to introduce a new question on climate-risks to the effect of: "Have you considered the impact of climate-related risks on your business's activities? Yes/No. If yes, please provide specific details."
  - Longer term, U&C will look to prepare a Sustainability Supplier Code of Conduct which will include climate risk requirements.

Compliance: ✔

CLIMATE RESILIENCE

- Across the organisation, U&C has adopted a five-stage approach to address climate-related risk management. This integrates 1) climate governance across the organisation, 2) engagement to identify climate impacts and needs for all stakeholders, 3) identification of risks using scenario analysis, climate adaptation and mitigation strategies, 4) monitoring and sharing knowledge of risk and opportunities over time through remaining up to date on emerging policies and procedures, and 5) transparent measuring and reporting of progress over time.

CARBON REDUCTION

- A strong emphasis is put on effectively managing the carbon footprint of each Strategic Site through the minimisation of operational and embodied carbon in commercial and community buildings.
- U&C aims to align to the carbon hierarchy, build less and reduce its carbon emissions as much as possible in line with 1.5°C reduction industry targets, utilise renewable energy where possible and enhance the carbon sequestration potential across all sites. To encapsulate this, actions in respect of carbon reduction may be summarised into four areas: carbon literacy, optimisation, energy and utilities strategies and landscaping strategy.
- The climate change section of this report highlights the primary efforts made towards carbon management and reduction.
- The carbon sequestration potential of each site is assessed and practices are identified to maintain carbon absorption through safeguarding habitats, promoting biodiversity, and managing soil during construction. A study by Treeconomics assessed the potential for each site to "break even" depending on the rate of carbon removal from land disruption during construction, and the rate of sequestration over a period of 60 years.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
RISK MANAGEMENT: Disclose how the organisation identifies, assesses and manages climate-related risks continued	

c) Integration into overall risk management

Compliance: ✔ (Full compliance)

- U&C delivers its strategic objectives (on behalf of its stakeholder) through operating a Board led risk management framework that:
  - defines the nature and scale of risk that the Group is prepared to take (risk appetite);
  - identifies and assesses risks applicable to the Group's strategy and operations (both existing and emerging);
  - controls risk through the design and implementation of mitigating actions, controls and procedures;
  - tests to seek assurance over the effectiveness of those mitigating actions, controls and procedures; and
  - reviews and refines the Group's risks on an ongoing basis against risk appetite, acknowledging that risk cannot be fully eliminated.
- Climate is one of the 11 identified risk areas for the business and therefore is integrated into our overall risk management processes as addressed above. Climate risk is currently assessed as a medium risk, which is above risk appetite, due to the increasing legislation and growing stakeholder sentiment.

METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

a) Climate-related metrics

Compliance: ◐ (Partial compliance)

- Metrics measured/reported against for measuring and managing climate-related risks/opportunities include:
  - Scope 1, 2 & 3 emissions and carbon intensity (CO_2e per m^2 floor area)
  - Water consumption (litres/person/day)
  - Waste diverted from landfill (percentage)
  - Trees planted per household
- Regulations:
  - Building Regulations Part L
  - Streamlined Energy and Carbon Reporting
  - Energy Savings Opportunities Scheme
  - LETI Design Guidelines
- Other
  - BREEAM and WELL – reported on internally
- Pre-acquisition metrics assessed:
  - U&C prepares a risk assessment that includes an assessment of current and future flood risk. We plan to incorporate broader physical climate risks in future assessments. An allowance for climate change is considered in this mitigation appraisal.
  - Sustainability measures assessed at pre-acquisition stage include renewable energy, carbon targets, and sustainability strategy.
- Post acquisition and at a pre-planning and pre-design stage, the site's risks will be assessed further and RAG rated to demonstrate the site can be developed. Proposals on how the site will be developed including risk mitigation and management will be prepared and agreed with the Local Authority.
- Addressing the global sustainability challenges of climate in crisis, biodiversity in decline and health and wellbeing culture, U&C has mapped the business against the United Nations Sustainable Development Goals, as highlighted in the sustainability section of the Annual Report.
- U&C will review the benefits and application of an internal carbon price to identify inefficiencies and provide incentives for transitioning towards low carbon innovations and to de-risk the business against future carbon pricing legislation.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE

METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material continued

b) Scope 1, 2 and 3 GHG emissions

✔

- The U&C Sustainability Framework sets two "science-based" carbon targets, aligned to the "1.5°C" reduction pathway, to achieve by 2025:
  - a 28 per cent absolute reduction in Scope 1 and 2 emissions against a 2020/21 baseline; and
  - a 19 per cent reduction in Scope 3 emissions intensity compared to business as usual from 2023–2025.
- The U&C carbon footprint represents the areas over which the business has absolute control and full responsibility.
- The Map to Net Zero report, which was updated in 2023, set an objective to achieve Net Zero for Scope 1 and 2 emissions by 2030. Although the intention is to pursue this target where possible, a minimum interim 2030 intensity reduction target has been introduced to account for uncertainty regarding the rate of electricity grid decarbonisation. The target will be published in 2025.
- An ambitious trajectory is under review for coming years, which would target an absolute reduction in Scope 3 emissions of 31 per cent by 2035 against business as usual (upfront embodied carbon (A1-A5) and in-use energy (B6) from leased and sold assets). In the interim, 2030 science based aligned intensity targets for Scope 3 emissions have been set and will be published in 2025.
- The Greenhouse Gas Protocol (GHGP) has been used to assess GHG emissions across all three scopes.
- We are still undertaking work towards the possibility of being able to commit to the Science Based Targets initiative's "Net Zero Standard" for corporations.
- The sustainability section of the Annual Report provides a summary of what U&C has done over the past 12 months in relation to what the ambition was to do last year.
- The measurement and reporting of U&C's Scope 1 and 2 emissions takes into account fuel, gas and electricity usage from vehicles and offices. The data is generally gathered through invoices from utility companies or via smart meters.
- An assessment has been carried out to determine which Greenhouse Gas Protocol Scope 3 categories should be reported on by U&C, and where the majority of the business' emissions lie. The key categories to therefore gather data for are:
  - Capital Goods;
  - Business Travel;
  - Employee Commuting; and
  - Processing, Use and End of Life Treatment of Sold Products (where applicable).
- In 2024, 98 per cent of Scope 3 emissions were attributed to Capital Goods based on data from the construction of both infrastructure and building projects. Fuel consumption and the embodied carbon of materials accounted for a significant proportion of the footprint. The data is collated by the U&C Sustainability team following requests to contractors to provide at project end. Business travel emissions are factored into SECR reporting and are done using expense records, whilst a business-wide survey was completed by employees for commuting data. There were no sold 'products' in 2024 so this didn't apply. Going forward, a 60-year life cycle will be assumed for sold buildings to determine emissions during use and end of life where required.
- U&C measure carbon and calculate carbon budgets for the activities on each strategic site, and for the business as a whole. These are split between infrastructure and buildings, across the following periods: 2023-25, 2026-30 and 2031-35. At present, the budgets are only calculated as 'near-term' targets up until 2035 as anything past this would require more estimation due to uncertainty in both programme and industry changes. The budgets are shown as reductions against business as usual (BAU) emissions. All carbon budgets are based off information on the works expected to be carried out on site up until 2035.
- For buildings, three separate budgets are created: operational energy use intensity, upfront carbon and whole life (embodied) carbon. These have been set in line with RIBA 2030 embodied carbon targets. These performance targets align with the future legislative horizon and set out a challenging but achievable trajectory to realise the significant reductions necessary by 2030 in order to have a realistic prospect of achieving net zero carbon for the whole UK building stock by 2050 and limiting the rise of global temperature to below 1.5°C. As opposed to setting one target for all building types, there are budgets for different uses e.g., education, retail, industrial, etc.

Compliance key

✔ Full compliance ◑ Partial compliance ✘ No compliance

RECOMMENDED DISCLOSURE	COMPLIANCE
METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material continued	

b) Scope 1, 2, 3 GHG emissions continued
• The carbon budgets set for infrastructure only apply to upfront carbon because the in-use impacts are relatively low and are excluded from our reporting scope in accordance with the GHG Protocol. These have been calculated based on an assessment of the remainder of works left and the asset split between access, surface water drainage, foul drainage, utilities, construction and other emissions. As there is no industry equivalent to the RIBA targets for Infrastructure, these are focused on using U&C as its own benchmark.
• For the other metrics listed above, data is gathered by U&C site teams and then externally validated by a consultant ahead of reporting. For the individual metrics, the following methods are used:
  • Water consumption is measured using data provided by water companies. The total water consumption provided to the site or parcel is then used to calculate the litres per person per day usage, in combination with the occupation numbers for sites and a national average of 2.4 people in occupation per household.
  • The positioning of buildings within 200m of a high-quality cycle way and homes within 300m of green or blue space are measured simply using site plans provided by consultants. These will show a buffer around buildings or homes, with a highlight of the cycle ways and open spaces.
  • The measurement of trees planted per household is calculated using actual trees planted and homes completed on a cumulative basis.
  • Diversion of waste from landfill is assessed using Waste Transfer Notes provided by Contractors during their time on site. Where these aren't available, data can also be obtained from the carbon data forms submitted by contractors to U&C.
	✔

c) Climate-related targets
• U&C has set the following for housebuilders to target where possible in design codes and sustainability checklists issued to them at bid stage which have been adapted from the RIBA Climate Challenge:
  • from 2026, embodied carbon emissions of all new homes to be less than 800 $kgCO_2e/m^2$ (modules A1-5, B1-5, C1-4);
  • between 2025 and 2030 new homes to achieve an Energy Use Intensity (including unregulated emissions) of 60 kWh/m^2; and
  • from 2030 new homes to achieve an Energy Use Intensity target (including unregulated emissions) of 35kWh/m^2.
	✔

Year-on-year performance against the targets set for each of our Sustainability Capitals can be found on our website at www.urbanandcivic.com/sustainability/sustainability-capitals/.

Compliance key

✔ Full compliance ◐ Partial compliance ✘ No compliance

Absolute carbon footprint	Absolute greenhouse gas emissions comprising Scope 1 (direct emissions from fuel consumption by U&C owned or controlled sources), Scope 2 (indirect emissions from the generation of electricity purchased by U&C) and Scope 3 (indirect emissions that occur in the U&C value chain from sources not owned or controlled by the Company) as defined by the Greenhouse Gas Protocol
BNG	Biodiversity Net Gain
Build to Rent (BtR)	A distinct asset class within the private rented sector, designed specifically for renting rather than for sale
Business segment	A component of a business that generates its own revenues and is reviewed separately from other parts of the business by the Board
Carbon Scopes	Classification of an organisation's greenhouse gas emissions by the Greenhouse Gas Protocol
Catesby/Catesby Estates plc	Catesby Estates plc and subsidiaries and joint ventures
CCS	Considerate Constructors Scheme
Commercial Development Committee (CDC)	A Management Committee that oversees the delivery of commercial projects
Commercial	One of the Group's business segments that comprises farming operations and a small number of bespoke city centre developments targeting de-risked shorter-term returns
Company	Urban&Civic plc
Conference of the Parties (COP)	United Nations Framework Convention on Climate Change, which is an international meeting focusing on Climate Change
Development Management Agreement (DMA)	A contract to bring together the expertise of development managers with the financial resources of others who wish to bring forward the development of a site
DLUHC	Department for Levelling Up, Housing and Communities
EC Reference Rate	European Commission Reference Rate
Employee Advisory Group (EAG)	A representative body made up of non-Board or non-EMC employees, which gathers employee opinion, discusses significant workforce matters and reports to the EMC and the Board on such matters
End Point Detection and Response (EDR)	Cyber security solution that responds to cyber threats by detecting and blocking suspicious cyber activities
Environmental, Social and corporate Governance (ESG)	The three central factors in measuring the sustainability and societal impact of investment
EPRA	European Public Real Estate Association
EPRA NAV gearing	Borrowings less cash and cash equivalents as a proportion of EPRA net asset value (a non-standard metric)
EPRA net asset value (EPRA NAV)	Net assets attributable to equity shareholders of the Company, adjusted for the revaluation surpluses on trading properties and freehold land and buildings, and adding back any associated deferred taxation liability revaluation surpluses. This is now a non-standard metric (i.e. it is no longer recognised by EPRA)
EPRA net tangible assets (EPRA NTA)	EPRA net asset value adjusted to include deferred tax on property valuations and capital allowances
EPRA NTA adjusted	EPRA NTA adjusted for share capital subscribed by, and gift aid paid to, the Wellcome Trust
EPRA NTA annual return	The annual return on opening EPRA NTA, adjusting for share capital subscribed by, and gift aid paid to, the Wellcome Trust
Estimated rental value (ERV)	Open market rental value that could reasonably be expected to be obtained for a new letting or rent review at a particular point in time
Executive Management Committee (EMC)	A Management Committee that oversees the implementation of Board strategy and policies
Fair value	The price that would be required to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurable date (i.e. an exit price)
Farmcare	A large lowland farming organisation in the United Kingdom, transferred into the Group by the Wellcome Trust, with around 8,000 acres under our stewardship. Farmcare is run by a Management Committee that oversees farming operations
FRC	Financial Reporting Council
FRS 102	Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"
FY	Financial Year
G15	An organisation of the largest housing associations in and around Greater London
Gearing	Borrowings, gross or net of cash and cash equivalents, as a proportion of net asset value

Group	Urban&Civic plc and its subsidiaries and joint ventures
Gross development value (GDV)	Sales value once construction is complete
Homes England	Government's housing and regeneration, formerly known as the Homes and Communities Agency (HCA)
IFRS	International Financial Reporting Standards
Initial yield	Annualised net rent as a proportion of property value
ISA	International Standards on Auditing
Joint venture boards	The boards of the managers of the joint ventures
Key performance indicators (KPIs)	Significant areas of Group operations that have been identified by the Board as capable of measurement and are used to evaluate Group performance
Kudos	An online way to acknowledge great work in support of our Company Values with the aim of fostering a culture of appreciation and encouragement within U&C
Large site discount/wholesale discount/ immaturity discount	Represents the difference between the unserviced land values ascribed by CBRE Strategic Site valuations (which take into account site scale and build-out duration among other matters) and the current retail prices being achieved on smaller parcel sales. It is effectively a store of future value to be realised
Local Enterprise Partnership (LEP)	Partnerships between local authorities and businesses
Licences	Agreements entered into with housebuilders, which typically comprise a fixed element (the minimums) due to the Group upon reaching unconditional exchange and a variable element (the overage) which is dependent on the final selling price of the house
Loan to value (LTV)	Loan as a proportion of value of the underlying loan security
Long Term Incentive Plan (LTIP)	The Group's LTIP is awarded to certain Directors and employees. The structure of the LTIP is described in the Remuneration Committee section under Governance
Look-through basis	Group and U&C share of joint venture balances
Look-through gearing	Group and U&C share of joint venture borrowings, gross or net of cash and cash equivalents, as a proportion of net asset value
L&Q Estates or L&Q Estates Group	A group of subsidiaries and joint ventures, acquired from L&Q HT on 6 August 2024, that specialises in master development and land promotion activities
L&Q or L&Q Group or L&Q HT	London & Quadrant Housing Trust, a housing association and developer
MHCLG	Ministry of Housing, Communities and Local Government
Minimums	Contractual right to receive a minimum plot value in respect of a minimum number of plots each year. These minimums are payable on a look-back basis if minimum sales are not achieved
New Towns Task Force	Independent expert advisory panel to support the Government to decide the next generation of new towns
Net asset value (NAV)	Value of the Group's balance sheet attributable to the owners of the Company
Net gearing	Borrowings less cash and cash equivalents, as a proportion of net asset value
Net Zero	When the amount of greenhouse gases released into the atmosphere has been significantly reduced (90%) and is no more than the amount removed
New Situations Committee (NSC)	A Management Committee that oversees the Group's new or pipeline Strategic Sites
NPPF	National Planning Policy Framework, which sets out the Government's planning policies for England
Office for Budget Responsibility (OBR)	Non-departmental public body funded by the UK Treasury that provides independent economic forecasts and analysis of public finances
Office for National Statistics (ONS)	The UK's largest independent producer of official statistics
Overage	Variable consideration which applies an agreed percentage to the house sales price and then nets off any minimum already paid. No overage is payable where minimums are not achieved
Planning performance agreement (PPA)	A project management tool which the Local Planning Authorities and applicants can use to agree timescales, actions and resources for handling particular applications
Private rented sector (PRS)	A sector of the real estate market where residential accommodation is privately owned and rented out as housing, usually by an individual landlord, but potentially by housing organisations
Resolution to grant (planning consent)	Where a Local Authority Planning Committee resolves to grant planning permission subject to the completion of a planning agreement (such as a section 106 agreement)
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences
ROCE	Return On Capital Employed

Rolled-back CBRE valuations	30 September 2024 CBRE valuations rolled-back to 6 August 2024 (L&Q Estates acquisition date), taking into account additions, disposals and CBRE's opinion of market movements in that period
SBTi	Science Based Targets initiative
Section 106 agreement	Planning obligations under section 106 of the Town and Country Planning Act. These obligations focus on mitigating site specific impacts of development and include, by way of example, developer contributions to schools and/or highways
Security Information and Event Management (SIEM)	Cyber security solution which helps detect, analyse, prevent and respond to cyber threats
SME	Small and medium-sized enterprises (in this instance referencing small scale and regional housebuilders)
Strategic Development Committee (SDC)	A Management Committee that oversees the Group's Strategic Sites
Strategic Marketing Committee (SMC) or Management Committee	A Management Committee that oversees the Group communications (internal, external and site wide)
Senior Strategy Group (SSG)	A Management Committee that oversees Group strategy
Subcommittees or Management Committee	Catesby, CDC, NSC, SDC, SHASC, SMC and SSG
U&C share	Balances comprising 100 per cent of the Group and the Group's percentage share of joint ventures
Urban&Civic plc	Parent company of the Group
Sustainability and Health & Safety Committee (SHASC)	A Board Committee that oversees the philosophy, strategy, policy and delivery roadmap in regard to sustainability and health & safety

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Village Green Play Area