29 May 2025

Watkin Jones plc
(the 'Group')

HY Results for the six months ended 31 March 2025
Positive operational progress underpinned by a resilient and diversified model

The Group announces its interim results for the half year ended 31 March 2025 ('HY25' or 'the period').

	Adjusted Results [(1)]		Statutory Results	
	HY25	HY24	**HY25**	HY24
Revenue	**£129.2m**	£175.1m	**£129.2m**	£175.1m
Gross profit	**£14.4m**	£18.4m	**£14.4m**	£18.4m
Operating profit	**£0.4m**	£4.0m	**£0.4m**	£4.0m
Profit / (loss) before tax	**£0.2m**	£3.4m	**(£0.9m)**	£2.1m
Basic earnings / (loss) per share	**0.05p**	0.99p	**(0.27p)**	0.62p
Adjusted net cash[(2)]	**£73.4m**	£44.0m		

(1) For HY25 Adjusted Profit before tax and Adjusted Earnings per share are calculated before the impact of an exceptional finance cost of £1.1 million (HY24: £1.3 million) for the unwinding of the discount rate on the Building Safety provision.
(2) Adjusted net cash is stated after deducting interest bearing loans and borrowings, but before deducting IFRS 16 operating lease liabilities of £37.4 million as at 31 March 2025 (31 March 2024: £44.7 million).

HY25 Highlights

- Revenue of £129.2 million (HY24: £175.1 million) delivered primarily from in-build schemes, with two reaching successful completion in the period
- Two new development partnerships signed for schemes in Southwark and St Helens
- Operating profit of £0.4m (HY24: £4.0 million) achieved as a result of strong construction delivery, with gross margins in line with previous guidance against a backdrop of continuing limited transactional liquidity in the market
- Maintained focus on effective cash management resulting in improved period end gross and net cash balances of £86.8 million and £73.4 million, respectively (HY24: £67.1 million and £44.0 million, respectively)
- Recently secured one development site subject to planning, selectively building future pipeline
- Planning submitted for a further 722 PBSA and Co-living beds across two schemes
- The Board is prioritising the maintenance of financial flexibility during this period of market disruption and consequently is not declaring an interim dividend; the Board will keep this approach under review.

Outlook

- Whilst the external market backdrop remains challenging, we continue to focus on the factors within our control:
  - successfully delivering our in-build projects
  - carefully managing our costs and cash, and
  - further broadening our revenue base with new sources of income
- As UK economic sentiment recovers, transactional liquidity should improve
- Medium term outlook remains robust, underpinned by attractive sector fundamentals within both the PBSA and BTR markets
- c.£270 million of contractually secure forward sold revenue as at 31 March 2025, of which c.£105 million is for delivery in the second half of the year. Total secured pipeline of c.£1.1 billion
- Several schemes are currently being marketed with a number of further forward sales from this pipeline targeted in H2 25 to enable delivery of full year performance in line with current market expectations
- Encouraging progress on Refresh, with an active pipeline being pursued.

Alex Pease, Chief Executive Officer of Watkin Jones, said: "I am pleased to report that trading in the first half was in line with our expectations, despite the continuing challenging market backdrop, as a result of our focus on operational delivery, cost management and cash generation. Our in-build schemes continue to trade in line with our previous guidance, and the two new development partnerships secured in the period demonstrate our ability to be proactive and innovative in deploying our market-leading skills and experience in constructing and refurbishing residential for rent real estate.

"We continue to actively market and engage with investors on our development opportunities which are attracting interest, supported by the attractive fundamentals of the PBSA and BTR sectors in which we operate. Whilst transactional activity remains slow and subject to a continuing volatile market backdrop, we are focussed on ensuring that the Group remains in the best position to exploit opportunities as conditions improve."

Analyst meeting
There will be a pre-recorded audiocast of the HY25 Results presentation available to view on the Group's website (www.watkinjonesplc.com) from 7am (BST) today. At 9.30am (BST), there will be a live 30-minute Q&A webcast for sell-side analysts, hosted by Alex Pease (CEO) and Simon Jones (CFO). Those analysts wishing to join and receive dial in details should register their interest via MHP.

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Notes to Editors
Watkin Jones is the UK's leading developer and manager of residential for rent, with a focus on the build to rent, student accommodation and affordable housing sectors. The Group has strong relationships with institutional investors, and a reputation for successful, on-time-delivery of high quality developments. Since 1999, Watkin Jones has delivered over 50,000 student beds across 147 sites, making it a key player and leader in the UK purpose-built student accommodation market, and is increasingly expanding its operations into the build to rent sector, where it has delivered 2,200 apartments across 12 schemes to date. In addition, Fresh, the Group's specialist accommodation management business, manages c.20,000 student beds and build to rent apartments on behalf of its institutional clients. Watkin Jones has also been responsible for over 80 residential developments, ranging from starter homes to executive housing and apartments.

The Group's competitive advantage lies in its experienced management team and capital-light business model, which enables it to offer an end-to-end solution for investors, delivered entirely in-house with minimal reliance on third parties, across the entire life cycle of an asset.

Watkin Jones was admitted to trading on AIM in March 2016 with the ticker WJG.L. For additional information please visit www.watkinjonesplc.com.

Review of Performance

Results for the six months to 31 March 2025

Revenues for the period were £129.2 million (HY24: £175.1 million). Operationally the Group's businesses have continued to perform well, with our developments on site progressing in line with expectations. The decrease in revenues reflects the continued lower level of transactional activity as well as the contribution from the forward sale of our Gas Lane PBSA scheme in Bristol in the HY24 comparator.

Gross profit was £14.4 million (HY24: £18.4 million), with gross margin at 11.1% slightly ahead of the prior year (HY24: 10.5%) and in line with our current guidance.

Operating profit for the period on both a statutory and adjusted basis was £0.4 million (HY24: £4.0 million), reflecting the decrease in revenues, offset by continued strong cost control.

Net finance costs for the period were £1.3 million (HY24: £1.9 million). Finance costs include £0.8 million (HY24: £0.8 million) in respect of the interest on leases, and a discount rate unwind of £1.1 million (HY24: £1.3 million).

Loss before tax for the period was £0.9 million (HY24: profit before tax of £2.1 million). Adjusted profit before tax for the period, which excludes the exceptional finance costs of £1.1 million relating to the discount rate unwind, was £0.2 million (HY24: £3.4 million). Adjusted basic earnings per share for the period were 0.05 pence, compared to 0.99 pence for HY24.

Segmental review

Build to Rent ('BTR')

Revenues from BTR decreased by 9.5% in the period to £90.3 million (HY24: £99.8 million). Revenues were derived from the build-out of our forward sold developments, which are progressing well and on track for their respective completions. Two schemes reached practical completion in the period.

Gross profit for the period was £7.4 million (HY24: £9.3 million), with the gross margin slightly reduced from the prior year to 8.2% (HY24: 9.3%).

Student accommodation ('PBSA')

Revenues from PBSA were lower than last year at £25.6 million (HY24: £61.0 million) reflecting the benefit of the forward sale in the prior year of our Gas Lane scheme in Bristol, offset by continued strong build progress from our other live schemes.

PBSA gross profit for the period was £3.9 million (HY24: £7.1 million) with gross margin for the period increasing to 15.2% (HY24: 11.6%), benefiting from our live schemes remaining on-programme and on-budget.

Refresh

Refresh, our asset refurbishment division launched in the prior year, continued to demonstrate strong growth. Revenues for the period of £4.3 million (HY24: £0.5 million) reflected the division's success in an emerging market, with expected contract margins remaining in line with initial guidance.]

Accommodation management (Fresh)

Fresh achieved revenues of £4.2 million (HY24: £4.1 million), with units under management broadly stable through the period. Two new schemes mobilised towards the end of the period will benefit the second half.

Gross profit remained consistent with the prior period at £2.3 million (HY24: £2.3 million), at a similar margin of 55.1% (HY24: 56.1%), reflecting strong cost control in light of inflationary increases across operating expenses including utilities.

Affordable-led Homes

The affordable-led residential development business continued to make progress at our Crewe scheme and benefited from the start of a new development partnership in St Helens. Revenue reduced to £4.8 million following successful completion in FY24 of our Preston development (HY24: £8.9 million).

The gross profit achieved by the division reduced as a result of lower revenues to £0.3 million (HY24: £0.4 million), at an improved margin of 6.3% (HY24: 4.5%).

Balance sheet and liquidity

Our financial position and liquidity remain strong. We had a gross cash balance at 31 March 2025 of £86.8 million (31 March 2024: £67.1 million), whilst net cash stood at £73.4 million (31 March 2024: £44.0 million), before deducting IFRS 16 lease liabilities.

The Group had undrawn headroom of £36.2 million on its revolving credit facility ('RCF') with HSBC at 31 March 2025, giving total cash and available facilities of £123.0 million, with a further optional £10.0 million accordion facility.

Our strong liquidity position has been delivered through the receipt of bullet payments due following practical completions on a number of schemes, offset by the impact of our normal annual cash profile, which sees a higher utilisation of cash in the first half of the year. Our inventory and work in progress balance increased by a net £5.8 million, to £100.1 million as a result of enabling works we have carried out on sites we have in the market.

Contract assets and receivables at 31 March 2025 stood at £34.3 million and £27.4 million and had decreased £2.2 million and £3.8 million respectively from the position at 30 September 2024. The contract assets relate primarily to the final payments to be received on completion of the forward sold developments in build, which increase as developments progress. Contract and trade liabilities amounted to £82.4 million at 31 March 2025 and had decreased by £6.9 million since FY24 year-end position.

Building Safety

We continue to focus on the delivery of our building safety rectification obligations and have completed works on two buildings in the period with cash spend in line with expectations. As previously reported, there remains significant uncertainty in this area across the sector and, as for many other participants in our industry, assets in scope and the scope and cost of works continue to evolve.

Based on developments in the period to date, our provision remains unchanged and we will continue to monitor this as discussions with building owners and building investigations continue. We have utilised £4.0 million net of contributions received from our Building Safety provision in HY25, completing remedial works at two properties, with the discount on the provision also being unwound by £1.1 million, resulting in a gross provision at 31 March 2025 of £57.0 million offset by reimbursement assets of £11.9 million.

ESG

Our ESG initiatives continue to progress significantly, with the majority of our targets met or exceeded. These include achievement of BREEAM Excellent / HQM 4* across the design of all schemes, EPC B and at least Wired score Gold.

In line with our commitment to the local environment we have achieved a minimum rating of Excellent in the Considerate Constructor scheme. We continue to drive social value in our developments including support of local initiatives, refurbishment of community spaces and recent engagement with DIY SOS in support of a local project.

We have recently signed a national charity framework with Mind, helping raise money and support the good mental health of our colleagues.

As many of our key ESG objectives have a 2025 timing, we will be refreshing our targets with a focus on social value and will announce these revised targets in line with our annual report.

Dividend

The Board is continuing to prioritise the maintenance of financial flexibility during this period of market disruption and consequently is not declaring an interim dividend; the Board will keep this approach under review.

Outlook

We continue to focus on the factors within our control such as managing the delivery of our in-build schemes, controlling costs and cash and broadening our revenue base.

During the second half, these will continue to be our priorities together with focusing on the successful divestment of the schemes that we have in the market. Whilst the market for these assets remains challenging our schemes are attracting interest with a number of further forward sales from this pipeline targeted in H2 25 to enable delivery of full year performance in line with current market expectations.

Alex Pease
Chief Executive Officer
29 May 2025

Consolidated Statement of Comprehensive Income
for the six month period ended 31 March 2025 (unaudited)

		6 months to 31 March 2025			6 months to 31 March 2024		
	Notes	**Before exceptional items £'000**	**Exceptional items £'000**	**Total £'000**	Before exceptional items £'000	Exceptional items £'000	Total £'000
Continuing operations							
Revenue	5	**129,176**	**—**	**129,176**	175,100	—	175,100
Cost of sales		**(114,765)**	**—**	**(114,765)**	(156,686)	—	(156,686)
Gross profit		**14,411**	**—**	**14,411**	18,414	—	18,414
Administrative expenses	6	**(13,989)**	**—**	**(13,989)**	(14,411)	—	(14,411)
Operating profit		**422**	**—**	**422**	4,003	—	4,003
Finance income		**955**	**—**	**955**	580	—	580
Finance costs		**(1,205)**	**(1,090)**	**(2,295)**	(1,207)	(1,259)	(2,466)
Profit/(loss) before tax		**172**	**(1,090)**	**(918)**	3,376	(1,259)	2,117
Income tax (expense)/credit	8	**(43)**	**272**	**229**	(844)	315	(529)
Profit/(loss) for the year attributable to ordinary equity holders of the parent		**129**	**(818)**	**(689)**	2,532	(944)	1,588
Other comprehensive income							
That will not be reclassified to profit or loss in subsequent periods:							
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		**9**	**—**	**9**	(244)	—	(244)
Total comprehensive income/(loss) for the year attributable to ordinary equity holders of the parent		**138**	**(818)**	**(680)**	2,288	(944)	1,344

		Pence	**Pence**	**Pence**	Pence	Pence	Pence
Earnings per share for the year attributable to ordinary equity holders of the parent							
Basic earnings/(loss) per share	9	**0.050**	**(0.318)**	**(0.268)**	0.987	(0.368)	0.619
Diluted earnings/(loss) per share	9	**0.050**	**(0.318)**	**(0.268)**	0.970	(0.362)	0.608

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2024

	Notes	Year ended 30 September 2024 Before exceptional items £'000	Exceptional items £'000	Total £'000
Continuing operations				
Revenue	5	**362,371**	**—**	**362,371**
Cost of sales		**(328,565)**	**—**	**(328,565)**
Gross profit		**33,806**	**—**	**33,806**
Administrative expenses	6	**(29,499)**	**(7,001)**	**(36,500)**
Profit on disposal of subsidiary		**6,260**	**—**	**6,260**
Operating profit/(loss)		**10,567**	**(7,001)**	**3,566**
Share of loss in joint ventures		**(8)**	**—**	**(8)**
Finance income		**1,008**	**—**	**1,008**
Finance costs		**(2,356)**	**(2,517)**	**(4,873)**
Profit/(loss) before tax		**9,211**	**(9,518)**	**(307)**
Income tax (expense)/credit		**(178)**	**2,380**	**2,202**
Profit/(loss) for the year attributable to ordinary equity holders of the parent		**9,033**	**(7,138)**	**1,895**
Other comprehensive income				
That will not be reclassified to profit or loss in subsequent periods:				
Net loss on equity instruments designated at fair value through other comprehensive income, net of tax		**(236)**	**—**	**(236)**
Total comprehensive income/(loss) for the year attributable to ordinary equity holders of the parent		**8,797**	**(7,138)**	**1,659**
		Pence	**Pence**	**Pence**
Earnings per share for the year attributable to ordinary equity holders of the parent				
Basic earnings/(loss) per share		**3.521**	**(2.782)**	**0.739**
Diluted earnings/(loss) per share		**3.497**	**(2.763)**	**0.734**

Consolidated Statement of Financial Position
as at 31 March 2025 (unaudited)

	Notes	***31 March 2025 £'000***	*31 March 2024 £'000*	*30 September 2024 £'000*
Non-current assets				
Intangible assets		**10,767**	11,326	11,047
Investment property (leased)		**18,606**	22,062	20,751
Right of use assets		**5,136**	6,433	5,747
Property, plant and equipment		**1,317**	1,450	1,401
Investment in joint ventures		**7,884**	1	7,952
Reimbursement assets	7	**10,774**	4,010	6,147
Deferred tax asset		**15,319**	11,510	15,090
Other financial assets		**875**	871	866
		70,678	57,663	69,001
Current assets				
Inventory and work in progress		**100,062**	118,885	94,266
Contract assets		**34,323**	52,735	36,538
Trade and other receivables		**27,350**	34,043	31,191
Reimbursement assets	7	**1,099**	5,680	1,470
Current tax receivables		**2,523**	7,544	2,461
Cash and cash equivalents	12	**86,827**	67,088	96,962
		252,184	285,975	262,888
Total assets		**322,862**	343,638	331,889
Current liabilities				
Trade and other payables		**(80,547)**	(88,151)	(86,054)
Contract liabilities		**(1,900)**	-	(3,252)
Interest-bearing loans and borrowings		**-**	-	-
Lease liabilities		**(7,733)**	(6,291)	(7,750)
Provisions	7	**(6,581)**	(22,545)	(12,090)
		(96,761)	(116,987)	(109,146)
Non-current liabilities				
Interest-bearing loans and borrowings		**(13,443)**	(23,131)	(13,591)
Lease liabilities		**(29,689)**	(38,368)	(33,019)
Provisions	7	**(50,399)**	(33,140)	(43,543)
		(93,531)	(94,639)	(90,153)
Total Liabilities		**(190,292)**	(211,626)	(199,299)
Net assets		**132,570**	132,012	132,590
Equity				
Share capital		**2,567**	2,567	2,567
Share premium		**84,612**	84,612	84,612
Merger reserve		**(75,383)**	(75,383)	(75,383)
Fair value reserve of financial assets at FVOCI		**171**	181	162
Share-based payment reserve		**2,440**	2,067	1,780
Retained earnings		**118,163**	117,968	118,852
Total Equity		**132,570**	132,012	132,590

Consolidated Statement of Changes in Equity
for the six month period ended 31 March 2025 (unaudited)

	Share Capital £'000	*Share Premium £'000*	*Merger Reserve £'000*	*Fair value of financial assets at FVOCI £'000*	*Share-based payment reserve £000*	*Retained earnings £'000*	*Total £'000*
Balance at 30 September 2023	2,564	84,612	(75,383)	425	1,407	116,380	130,005
Profit for the period	-	-	-	-	-	1,588	1,588
Share-based payments	-	-	-	-	660	-	660
Issue of shares	3	-	-	-	-	-	3
Other comprehensive loss	-	-	-	(244)	-	-	(244)
Balance at 31 March 2024	**2,567**	**84,612**	**(75,383)**	**181**	**2,067**	**117,968**	**132,012**
Profit for the period	-	-	-	-	-	307	307
Share-based payments	-	-	-	-	241	-	241
Other comprehensive income	-	-	-	(19)	-	27	8
Deferred tax debited directly to equity	-	-	-	-	-	22	22
Recycled reserve for fully vested share-based payment schemes	-	-	-	-	(528)	528	-
Issue of shares	-	-	-	-	-	-	-
Balance at 30 September 2024	**2,567**	**84,612**	**(75,383)**	**162**	**1,780**	**118,852**	**132,590**
Loss for the period	-	-	-	-	-	(689)	(689)
Share-based payments	-	-	-	-	660	-	660
Issue of shares	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	9	-	-	9
Dividend paid (note 10)	-	-	-	-	-	-	-
Balance at 31 March 2025	**2,567**	**84,612**	**(75,383)**	**171**	**2,440**	**118,163**	**132,570**

Consolidated Statement of Cash Flows
for the six month period ended 31 March 2024 (unaudited)

	Notes	***6 months to 31 March 2025 £'000***	*6 months to 31 March 2024 £'000*	*12 months to 30 September 2024 £'000*
Cash flows from operating activities				
Cash (outflow)/inflow from operations	11	**(5,868)**	2,676	27,521
Interest received		**644**	580	1,008
Interest paid		**(1,130)**	(1,206)	(2,177)
Tax paid		**-**	(348)	3,872
Net cash (outflow)/inflow from operating activities		**(6,354)**	1,702	30,224
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(129)**	(36)	(120)
Proceeds on disposal of property, plant and equipment		**-**	100	12
Proceeds on disposal of a subsidiary		**-**	-	6,260
Repayment of related party loan following disposal of subsidiary		**-**	-	18,540
Investment in joint venture interests		**-**	-	(7,951)
Net cash (outflow)/inflow from investing activities		**(129)**	64	16,741
Cash flows from financing activities				
Payment of principal portion of lease liabilities		**(3,652)**	(1,670)	(7,370)
Drawdown of RCF		**-**	-	-
Repayment of bank loans and RCF		**-**	(5,439)	(15,064)
Net cash outflow from financing activities		**(3,652)**	(7,109)	(22,434)
Net (decrease)/increase in cash		**(10,135)**	(5,343)	24,531
Cash and cash equivalents at beginning of the period		**96,962**	72,431	72,431
Cash and cash equivalents at end of the period	12	**86,827**	67,088	96,962

Notes to the consolidated financial information

1. General information

Watkin Jones plc (the 'Company') is a limited company incorporated in the United Kingdom under the Companies Act 2006 (Registration number 09791105). The Company is domiciled in the United Kingdom and its registered address is 12 Soho Square, London, W1D 3QF.

The principal activities of the Company and its subsidiaries (collectively the 'Group') are the development and management of multi-occupancy residential rental properties.

The consolidated interim financial statements of the Group for the six month period ended 31 March 2025 comprises the Company and its subsidiaries. The basis of preparation of the consolidated interim financial statements is set out in note 2 below.

The financial information for the six months ended 31 March 2025 is unaudited. It does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. The consolidated interim financial statements should be read in conjunction with the financial information for the year ended 30 September 24 which has been prepared in accordance with international accounting standard in conformity with the requirements of the Companies Act 2006. The report of the auditors on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) of the Companies Act 2006.

This report was approved by the directors on 29 May 2025.

2. Basis of preparation

This set of condensed consolidated interim financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the UK. The interim financial statements have been prepared based on the UK adopted International Financial Reporting Standards "IFRS" that are expected to exist at the date on which the Group prepares its financial statements for the year ended 30 September 2025. To the extent that IFRS at 30 September 2025 do not reflect the assumptions made in preparing the interim financial statements, those financial statements may be subject to change.

The interim financial statements have been prepared on a going concern basis and under the historical cost convention.

The interim financial statements have been presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The preparation of financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events may ultimately differ from those estimates.

The interim financial statements do not include all financial risk information and disclosures required in the annual financial statements and they should be read in conjunction with the financial information that is presented in the Company's audited financial statements for the year ended 30 September 2024. There has been no significant change in any risk management policies since the date of the last audited financial statements.

Going concern

At 31 March 2025, the Group had a robust liquidity position, with cash and available headroom in its banking facilities totalling £123.0 million made up of cash balances of £86.8 million and RCF headroom of £36.2 million. The RCF can be used for the acquisition of land and associated development works, and allows for a further £10.0 million accordion option within the facility.

Good liquidity has been maintained through the period, providing the Group with a good level of cash and available banking facilities for the year ahead.

Group forecasts have been prepared that have considered the Group's current financial position and market circumstances. We have prepared a base case cash flow for the period to 30 June 2026 which is aligned to the Group's business plan and trading assumptions for that period. Our currently secured cash flow, derived from our forward sold developments and other contracted income, net of overheads and tax, results in utilisation over the forecast period albeit our cash position remains resilient. In addition to the secured cash flow, the base case forecast assumes a number of new sales which, if achieved, will improve that liquidity position.

In addition to the base case forecast, we have considered the possibility of continued disruption to the forward sale market given the market turbulence seen in the UK over recent years. This is our most significant risk as it would greatly limit our ability to achieve any further disposals. We have run a reasonable downside scenario to assess the possible impact of the above risks, such that forward sales and new site acquisitions are delayed by up to nine months. The cash forecast prepared under this scenario illustrates that adequate liquidity is maintained through the forecast period and the financial covenants under the RCF would still be met.

The minimum total cash and available facilities balance under this scenario is £79.7 million (excluding the £10.0 million accordion facility).

We consider the likelihood of events occurring which would exhaust the total cash and available facilities remaining to be remote. However, should such events occur, management would be able to implement reductions in discretionary expenditure and consider the sale of the Group's land sites to ensure that the Group's liquidity was maintained.

Based on the thorough review and robust downside forecasting undertaken, and having not identified any material uncertainties that may cast any significant doubt, the Board is satisfied that the Group will be able to continue to trade for the period to 30 June 2026 and has therefore adopted the going concern basis in preparing the financial statements.

Building Safety Provision

The Group holds a provision for building safety remedial works, for which the legislative and construction background was disclosed in the Group's audited financial statements for the year ended 30 September 2024.

This is a highly complex area with significant estimates in respect of the cost of remedial works, the quantum of any legal expenditure associated with the defence of the Group's position in this regard, and the extent of those properties within the scope of the applicable government guidance and legislation, which continue to evolve. All our buildings were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of completion.

The amount provided for these works has been estimated by reference to recent industry experience and external quotes for similar work identified. The investigation of the works required at many of the buildings is at an early stage and therefore it is possible that these estimates may change over time or if government legislation and regulation further evolves.

As a number of other housebuilders and developers have done over the last 12 months, we have included an additional amount of contingency within our provision to reflect further buildings being identified as requiring remediation, or for unforeseen remediation costs beyond management's current knowledge. We have also implemented a consistent contingency policy across the properties where work is yet to start.

We expect this cost to be incurred within the next four financial years, and the provision has been discounted to its present value accordingly. The timing of this expenditure will be dependent on the timely engagement by building owners, revisions to programme under the new BSA Gateways, and the availability of appropriately qualified subcontractors.

We continue to make progress with negotiating contributions from clients to mitigate our liability in relation to these remedial works and at the balance sheet date have recognised reimbursement assets of £11.9 million (30 September 2024: £7.6 million).

At the period end the Group remained in discussions with a number of property owners whereby the legal responsibility or confirmation of fire safety remediation requirements remains uncertain and which therefore form part of the Group's contingent liabilities. As referred to above, the clarification of whether these liabilities crystallise is dependent on multiple factors which are expected to be concluded in the next 12 to 24 months.

At the same time the Group continues to explore opportunities to recover the costs of remediation through the Group's insurance providers and supply chain. However, no benefit has been assumed within the provision unless contractual terms have been established.

We will continue to keep abreast of any changes to legislation and guidance, recognising that the approach to building safety continues to evolve.

Should the costs associated with these remedial works increase by 10%, the provision required would increase by £3.1 million. Should the discount rate applied to the calculation reduce by 1%, the provision required would increase by £0.7 million. Further details of the provision are set out in note 7.

Should an additional property be identified which requires remedial works for which the Group is liable, it would be reasonable to estimate the additional cost at £0.9 million.

3. Accounting policies

The accounting policies used in preparing these interim financial statements are the same as those set out and used in preparing the Company's audited financial statements for the year ended 30 September 2024.

4. Segmental reporting

The Group has identified six segments for which it reports under IFRS 8 'Operating segments', as follows:

A Student accommodation – the development of purpose-built student accommodation;
B Build to rent – the development of build to rent accommodation;
C Residential – the development of residential property for sale;
D Refresh – the refurbishment, redevelopment and repurposing of existing accommodation;
E Accommodation management – the management of student accommodation and build to rent property; and
F Corporate – revenue from the development of commercial property forming part of mixed-use schemes and other revenue and costs not solely attributable to any one other operating segment.

Performance is measured by the Board based on gross profit as reported in the management accounts. Apart from inventory and work in progress, no other assets or liabilities are analysed into the operating segments.

6 months to 31 March 2025 (unaudited)	*Student Accommodation* *£'000*	*Build to rent* *£'000*	*Residential* *£'000*	*Refresh* *£'000*	*Accommodation management* *£'000*	*Corporate* *£'000*	*Total* *£'000*
Segmental revenue	25,605	90,278	4,758	4,343	4,175	17	129,176
Segmental gross profit	3,903	7,351	264	615	2,301	253	14,687
Impairment of inventory for aborted pipeline assets	-	-	-	-	-	(276)	(276)
Gross profit/(loss)	3,903	7,351	264	615	2,301	(23)	14,411
Administration expenses	-	-	-	-	(2,391)	(11,598)	(13,989)
Finance income	-	-	-	-	-	955	955
Finance costs	-	-	-	-	-	(1,205)	(1,205)
Exceptional finance costs	-	-	-	-	-	(1,090)	(1,090)
Profit/(loss) before tax	3,903	7,351	264	615	(90)	(12,961)	(918)
Taxation	-	-	-	-	-	229	229
Profit/(loss) for the period	**3,903**	**7,351**	**264**	**615**	**(90)**	**(12,732)**	**(689)**
Inventory and WIP	44,014	31,331	22,831	207	-	1,679	100,062

6 months to 31 March 2024 (unaudited)	*Student Accommodation £'000*	*Build to rent £'000*	*Residential £'000*	*Refresh £'000*	*Accommodation management £'000*	*Corporate £'000*	*Total £'000*
Segmental revenue	60,482	99,755	8,920	545	4,067	1,331	175,100
Segmental gross profit	7,020	9,266	403	87	2,347	111	19,234
Impairment of inventory for aborted pipeline assets	-	-	-	-	-	(820)	(820)
Gross profit	7,020	9,266	403	87	2,347	(709)	18,414
Administration expenses	-	-	-	-	(2,512)	(11,899)	(14,411)
Finance income	-	-	-	-	-	580	580
Finance costs	-	-	-	-	-	(1,207)	(1,207)
Exceptional finance costs	-	-	-	-	-	(1,259)	(1,259)
Profit/(loss) before tax	7,020	9,266	403	87	(165)	(14,494)	2,117
Taxation	-	-	-	-	-	(529)	(529)
Profit/(loss) for the period	**7,020**	**9,266**	**403**	**87**	**(165)**	**(15,023)**	**1,588**
Inventory and WIP	74,729	18,200	23,986	-	-	1,970	118,885

Year ended 30 September 2024	*Student Accommodation £'000*	*Build to rent £'000*	*Residential £'000*	*Refresh £'000*	*Accommodation management £'000*	*Corporate £'000*	*Total £'000*
Segmental revenue	117,604	211,267	12,879	10,896	8,064	1,661	362,371
Segmental gross profit	13,634	18,019	(232)	1,548	4,390	(2,784)	34,575
Impairment of land assets	-	-	-	-	-	(769)	(769)
Gross profit	13,634	18,019	(232)	1,548	4,390	(3,553)	33,806
Administration expenses	-	-	-	-	(4,799)	(24,700)	(29,499)
Profit on disposal of subsidiary	6,260	-	-	-	-	-	6,260
Exceptional administrative expenses	-	-	-	-	-	(7,001)	(7,001)
Operating profit	19,894	18,019	(232)	1,548	(409)	(36,925)	(3,566)
Share of operating loss in joint ventures	-	-	-	-	-	(8)	(8)
Finance income	-	-	-	-	-	1,008	1,008
Finance costs	-	-	-	-	-	(2,356)	(2,356)
Exceptional finance costs	-	-	-	-	-	(2,517)	(2,517)
Profit/(loss) before tax	19,894	18,019	(232)	1,548	(409)	(39,127)	(307)
Taxation	-	-	-	-	-	2,202	2,202
Profit/(loss) for the period	**19,894**	**18,019**	**(232)**	**1,548**	**(409)**	**(36,925)**	**1,895**
Inventory and WIP	42,701	25,958	23,511	508	-	1,588	94,266

5. *Disaggregated revenue information*

6 months to 31 March 2025 (unaudited)	*Student Accommodation* £'000	*Build to rent* £'000	*Residential* £'000	*Refresh* £'000	*Accommodation management* £'000	*Corporate* £'000	*Total* £'000
Type of goods or service							
Construction contracts or development agreements	19,955	90,278	3,748	4,343	-	-	118,324
Sale of land	-	-	-	-	-	-	-
Sale of completed property	-	-	1,000	-	-	-	1,000
Rental income	5,650	-	10	-	-	17	5,677
Accommodation management	-	-	-	-	4,175	-	4,175
Total revenue from contracts with customers	25,605	90,278	4,758	4,343	4,175	17	129,176
Timing of revenue recognition							
Goods transferred at a point in time	-	-	1,000	-	-	-	1,000
Services transferred over time	25,605	90,278	3,758	4,343	4,175	17	128,176
Total revenue from contracts with customers	25,605	90,278	4,758	4,343	4,175	17	129,176

6 months to 31 March 2024 (unaudited)	*Student Accommodation* £'000	*Build to rent* £'000	*Residential* £'000	*Refresh* £'000	*Accommodation management* £'000	*Corporate* £'000	*Total* £'000
Type of goods or service							
Construction contracts or development agreements	46,306	99,755	-	545	-	-	146,606
Sale of land	9,850	-	-	-	-	-	9,850
Sale of completed property	-	-	8,909	-	-	1,276	10,185
Rental income	4,326	-	11	-	-	55	4,392
Accommodation management	-	-	-	-	4,067	-	4,067
Total revenue from contracts with customers	60,482	99,755	8,920	545	4,067	1,331	175,100
Timing of revenue recognition							
Goods transferred at a point in time	14,176	-	8,909	-	-	1,276	24,361
Services transferred over time	46,306	99,755	11	545	4,067	55	150,739
Total revenue from contracts with customers	60,482	99,755	8,920	545	4,067	1,331	175,100

Year ended 30 September 2024	*Student Accommodation* £'000	*Build to rent* £'000	*Residential* £'000	*Refresh* £'000	*Accommodation management* £'000	*Corporate* £'000	*Total* £'000
Type of goods or service							
Construction contracts or development agreements	97,765	211,267	6,699	10,896	-	-	326,627
Sale of land	9,850	-	-	-	-	1,457	11,307
Sale of completed property	-	-	6,159	-	-	-	6,159
Rental income	9,989	-	21	-	-	204	10,214
Accommodation management	-	-	-	-	8,064	-	8,064
Total revenue from contracts with customers	117,604	211,267	12,879	10,896	8,064	1,661	362,371
Timing of revenue recognition							
Goods transferred at a point in time	9,850	-	6,453	-	-	1,457	17,760
Services transferred over time	107,754	211,267	6,426	10,896	8,064	204	344,611
Total revenue from contracts with customers	117,604	211,267	12,879	10,896	8,064	1,661	362,371

6. *Exceptional costs*

	6 months to 31 March 2025	*6 months to 31 March 2024*	*12 months to 30 September 2024*
	£'000	*£'000*	*£'000*
Recognised in administrative expenses			
Building Safety provision	-	-	7,001
Total exceptional items recognised in administrative expenses	-	-	7,001
Recognised in finance costs			
Unwind of discount rate on Building Safety provision	**1,090**	1,259	2,517
Total exceptional items recognised in finance costs	**1,090**	1,259	2,517
Total exceptional costs	**1,090**	1,259	9,518

No further exceptional administrative expenses related to the Building Safety provision have been incurred in the period ended 31 March 2025. The provision made in the prior year has been unwound to its present value, resulting in finance costs of £1,090,000 in this period.

7. *Provisions*

Building Safety provision

	Provision	**Reimbursement asset**	**Total**
	£'000	**£'000**	**£'000**
At 1 October 2024	**55,633**	**(7,617)**	**48,016**
Arising during year	**4,646**	**(4,646)**	**—**
Utilised	**(4,562)**	**563**	**(3,999)**
Unwind of discount rate	**1,263**	**(173)**	**1,090**
At 31 March 2025	**56,980**	**(11,873)**	**45,107**

The provision is classified as follows:

	Provision	**Reimbursement asset**	**Total**
At 31 March 2025	**£'000**	**£'000**	**£'000**
Current	**6,581**	**(1,099)**	**5,482**
Non-current	**50,399**	**(10,774)**	**39,625**
Total	**56,980**	**(11,873)**	**45,107**

	Provision	Reimbursement asset	Total
At 31 March 2024	£'000	£'000	£'000
Current	22,545	(5,680)	16,865
Non-current	33,140	(4,010)	29,130
Total	55,685	(9,690)	45,995

A net provision of £48,016,000 was held at 30 September 2024 for the Group's anticipated contribution towards the cost of building safety remedial works.

No new net provision has been recognised during the period ended 31 March 2025.

The net provision at 31 March 2025 amounts to £45,107,000, of which £5,482,000 is expected to be incurred in the next twelve months to 31 March 2026, with £39,625,000 expected to be incurred between 1 April 2026 and 30 September 2029. The provision has been discounted to its present value accordingly, at a risk-free rate of 4.15% based on UK five-year gilt yields (2024: 4.10%).

The judgements and estimates surrounding this provision and corresponding reimbursement assets are set out in note 2.

8. *Income taxes*

The tax expense for the period has been calculated by applying the expected effective tax rate for the financial year ending 30 September 2025 of 25.00% to the profit for the period.

9. *Earnings per share*

Basic earnings per share ("EPS") amounts are calculated by dividing the net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The following table reflects the income and share data used in the basic EPS computations:

	6 months to 31 March 2025	*6 months to 31 March 2024*	*12 months to 30 September 2024*
	£'000	*£'000*	*£'000*
(Loss)/profit for the period attributable to ordinary equity holders of the parent	**(689)**	1,588	1,895
Add back exceptional items for the period	**1,090**	1,259	9,518
Less corporation tax benefit from exceptional items for the period	**(272)**	(315)	(2,380)
Adjusted profit for the period attributable to ordinary equity holders of the parent	**129**	2,532	9,033
	Number of shares	*Number of shares*	*Number of shares*
Number of ordinary shares for basic earnings per share	**256,653,097**	256,476,560	256,564,829
Adjustments for the effects of dilutive potential ordinary shares	**395,495**	4,562,022	1,736,691
Weighted average number for diluted earnings per share	**257,048,592**	261,038,582	258,301,520
	Pence	Pence	Pence
Basic (loss)/earnings per share			
Basic (loss)/profit for the period attributable to ordinary equity holders of the parent	**(0.268)**	0.619	0.739
Adjusted basic earnings/(loss) per share (excluding exceptional items after tax)			
Adjusted profit/(loss) for the period attributable to ordinary equity holders of the parent	**0.050**	0.987	3.521
Diluted (loss)/earnings per share			
Basic (loss)/profit for the period attributable to diluted equity holders of the parent	**(0.268)**	0.608	0.734
Adjusted diluted earnings/(loss) per share (excluding exceptional items after tax)			
Adjusted profit/(loss) for the period attributable to diluted equity holders of the parent	**0.050**	0.970	3.497

10. *Dividends*

	6 months to 31 March 2025 £'000	*6 months to 31 March 2024 £'000*	*12 months to 30 September 2024 £'000*
Dividends paid	**-**	-	-
	-	-	-

No interim dividend is proposed for the period ended 31 March 2025 (31 March 2024: nil pence per ordinary share). As such, no liability (31 March 2024: liability of £nil) has been recognised at that date. At 31 March 2025, the Company had distributable reserves available of £41,643,000 (31 March 2024: £41,115,000).

11. *Reconciliation of profit before tax to net cash flow from operating activities*

	6 months to 31 March 2025 £'000	*6 months to 31 March 2024 £'000*	*12 months to 30 September 2024 £'000*
(Loss)/profit before tax	**(918)**	2,117	(307)
Depreciation of leased investment properties and right-of-use assets	**2,962**	2,933	5,935
Depreciation of plant and equipment	**212**	225	411
Amortisation of intangible assets	**280**	280	559
Profit of disposal of subsidiary	**-**	-	(6,260)
Loss on sale of plant and equipment	**-**	21	91
Finance income	**(955)**	(580)	(1,008)
Finance costs	**2,295**	2,466	4,873
Share of loss in joint ventures	**-**	-	8
(Increase)/decrease in inventory and work in progress	**(5,797)**	4,631	10,711
Decrease/(increase) in contract assets	**2,214**	13,633	29,830
Decrease/(increase) in trade and other receivables	**3,841**	1,061	3,913
(Decrease)/increase in contract liabilities	**(1,351)**	(1,469)	1,783
(Increase)/decrease in reimbursement assets	**(4,083)**	1,425	3,748
Decrease in trade and other payables	**(5,312)**	(13,309)	(14,689)
Increase/(decrease) in provisions	**84**	(11,418)	(12,978)
Increase in share-based payment reserve	**660**	660	901
Net cash (outflow)/inflow from operating activities	**(5,868)**	2,676	27,521

12. *Analysis of net cash/(debt)*

	31 March 2025 £'000	*31 March 2024 £'000*	*30 September 2024 £'000*
Cash at bank and in hand	**86,827**	67,088	96,962
Bank loans	**(13,443)**	(23,131)	(13,591)
Net cash before deducting lease liabilities	**73,384**	43,957	83,371
Lease liabilities	**(37,422)**	(44,659)	(40,769)
Net cash/(debt)	**35,962**	(702)	42,602

- Ends -